

Contact Jan Jacobson at jjacobson@abcstaff.org to be added to this letter. **Describe exactly how you want your organization or company listed.** The deadline is c.o.b. Friday, March 10. Please forward this opportunity to other organizations and your own members or clients. Background information is available at www.egtrrapermanency.org. The final letter will be widely distributed in Congress and with the media.

WORK IN PROGRESS

March 1, 2006

RETIREMENT PLAN COMMUNITY URGES CONFEREES TO INCLUDE EGTRRA PENSION AND RETIREMENT SAVINGS PERMANENCY IN PENSION REFORM CONFERENCE REPORT

The undersigned organizations, representing the broad spectrum of employer plan sponsors, labor and consumer organizations, financial institutions, and retirement plan service providers, commend the House of Representatives for including in HR 2830, the Pension Protection Act of 2005, a provision making the pension and retirement savings provisions in Title VI of the Economic Growth and Tax Relief Reconciliation Act of 2001 (EGTRRA) permanent. The companion Senate legislation, S 1783, the Pension Security and Transparency Act of 2005, does not include this important provision. Many critical retirement savings provisions are in EGTRRA. The Administration's FY 2007 Budget proposal would also make these provisions permanent.

The EGTRRA pension and retirement savings provisions, which will expire at the end of 2010 or earlier unless Congress acts, permit Americans to save more in employer plans and IRAs; ease portability among various plans; and provide significant administrative relief to employers who sponsor plans. In addition, the provisions include targeted measures such as the Saver's Credit, which benefit low-income savers, and catch-up contributions that permit older workers to save more under the plans and IRAs. These changes are the most recent product of an enormously successful partnership among employers, financial institutions, and government that has resulted in a system that permits rank and file workers to share in America's prosperity while building critical retirement income security.

Permanency, as opposed to repeated short term extensions of the EGTRRA pension provisions, is critically important to the millions of Americans that benefit from employer provided and individual retirement account programs. Trillions of dollars are invested in the economy through these programs. Hundreds of millions of dollars more are invested in systems that successfully administer these programs. A stop-start cycle of extensions of the EGTRRA provisions will unnecessarily divert a portion of participants' total savings to retooling these systems in anticipation of expiring provisions. Plan sponsors will confront uncertainty about legal compliance and the future design of their retirement plans. The communications difficulties that would result from intermittent extenders will confuse savers and possibly drain dollars from their accounts. Workers will be more reluctant to join savings programs when faced with confusing plan terms and uncertain contribution limits, and employers will be more reluctant to establish or maintain plans. These deleterious effects will begin long before the actual expiration date of the EGTRRA savings provisions. Any delay will increase the cost of enacting EGTRRA permanency.

We urge the conferees to ensure that both the pension reform conference report and the final pension reform bill retain this important provision. The time to act is now.

AMERICAN BANKERS ASSOCIATION
AMERICAN BENEFITS COUNCIL
AMERICAN COUNCIL ON EDUCATION (ACE)

AMERICAN COUNCIL OF LIFE INSURERS
 AMERICAN HOMEOWNERS GRASSROOTS ALLIANCE
 AMERICAN HOMEOWNERS FOUNDATION
 AMERICAN SOCIETY OF PENSION PROFESSIONALS & ACTUARIES
 COLLEGE AND UNIVERSITY PROFESSIONAL ASSOCIATION FOR HUMAN RESOURCES (CUPA-HR)
 COMMITTEE ON INVESTMENT OF EMPLOYEE BENEFIT ASSETS (CIEBA)
 EMPLOYEE-OWNED S CORPORATIONS OF AMERICA (ESCA)
 THE ERISA INDUSTRY COMMITTEE
 THE ESOP ASSOCIATION
 FINANCIAL EXECUTIVES INTERNATIONAL'S COMMITTEE ON BENEFITS FINANCE
 FINANCIAL PLANNING ASSOCIATION
 THE FINANCIAL SERVICES ROUNDTABLE
 GLASS PACKAGING INSTITUTE
 INDEPENDENT COMMUNITY BANKERS OF AMERICA
 INVESTMENT COMPANY INSTITUTE
 NATIONAL ASSOCIATION OF GOVERNMENT DEFINED CONTRIBUTION ADMINISTRATORS
 NATIONAL ASSOCIATION OF MANUFACTURERS
 NATIONAL RURAL ELECTRIC COOPERATIVE ASSOCIATION
 PROFIT SHARING / 401k COUNCIL OF AMERICA
 RETIRESAFE
 SAVINGS COALITION OF AMERICA
 SECURITIES INDUSTRY ASSOCIATION
 SMALL BUSINESS COUNCIL OF AMERICA
 SOCIETY FOR HUMAN RESOURCE MANAGEMENT
 U.S. CHAMBER OF COMMERCE

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 Avaya
 Banner Bank
 Centier Bank
 Continental Materials Corporation
 Crookham Company
 Delaware Valley Soda Systems, Inc.
 ELS Inc., a 100% employee-owned company
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 Flint Group North America Corporation
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 Home I.V. Care
 ICMA-RC
 ING US Financial Services
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 Lincoln Financial Group
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 Martin Tractor Company, Inc.
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 Matthews Benefit Group, Inc.
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