

THE DAILY WHIP

Wednesday, May 14, 2003 | Floor News from Democratic Whip Steny Hoyer

HOUSE MEETS AT...	LAST VOTE PREDICTED...
10:00 p.m.: Legislative Business	4:00 – 5:00 p.m.
Unlimited "One-Minutes"	

FLOOR SCHEDULE AND PROCEDURE

Suspensions (6 bills):

- 1) S. 870** - To amend the Richard B. Russell National School Lunch Act to extend the availability of funds to carry out the fruit and vegetable pilot program (Boehner - Ed & Work)
- 2) H.R. 1577** - To designate the visitors' center in Organ Pipe National Monument in Arizona as the "Kris Eggle Memorial Visitors' Center" (Tancredo - Resources)
- 3) H.R. 1012** - Carter G. Woodson Home National Historic Site Establishment Act of 2003 (Holmes-Norton - Resources)
- 4) H.R. 856** - To authorize the Secretary of the Interior to revise a repayment contract with the Tom Green County Water Control and Improvement District No. 1, San Angelo project, Texas (Stenholm - Resources)
- 5) H.R. 255** - To authorize the Secretary of the Interior to grant an easement to facilitate access to the Lewis and Clark Interpretative Center in Nebraska City, Nebraska (Bereuter - Resources)
- 6) H.R. 192** - To amend the Microenterprise for Self-Reliance Act of 2000 and the Foreign Assistance Act of 1961 to increase assistance for the poorest people in developing countries under microenterprise assistance programs under those Acts (C.Smith - International Relations)

H.R. 1000 - Pension Security Act of 2003 (Boehner - Ed & Work/Ways & Means) (Subject to a Rule)

BILL SUMMARY AND KEY ISSUES

H.R. 1000 - Pension Security Act of 2003 (Boehner - Ed & Work/Ways & Means) (Subject to a Rule). This bill purports to address the issue of pension security and includes provisions similar to those considered last year following the Enron and other corporate pension debacles. Unfortunately, this bill is an inadequate response to the growing reports of loopholes that permit companies to protect millions of dollars in pension benefits for executives while the retirement savings of thousands of employees are negotiated away or undercut.

- **H.R. 1000 opens a dangerous loophole by allowing** self-interested investment firms to be the principal financial advisors to employees. Enron employees lost over \$1 billion in retirement savings due to a quagmire of self-serving and conflicted advice from company officials.
- **H.R. 1000 fails to provide minimum levels of pension equity** between workers and executives. The bill does nothing to establish fair rules to limit runaway executive compensation or protect employees from unfair benefit cuts. This continues despite the attention of regulators and shareholders to close loopholes in the law that permit companies to protect millions of dollars in pension benefits for a few top executives.
- **H.R. 1000 fails to protect long service workers' pensions in cash balance pension conversions.** The Bush Administration has proposed rules that would allow cash balance pension conversions without any protections for long service employees. Without legislation to protect these workers, millions of workers will see their pensions slashed by as much as 50 percent.
- **H.R. 1000 locks employees into company stock for long periods against their will and limits employees' legal options.** H.R. 1000 locks employees into their employer's stock for a complicated, 3-year rolling period, undermining the ability of rank-and-file workers to diversify and protect their retirement if the company fails. The bill also continues current pension rules that severely limit the ability by which harmed employees can be made whole if the pension

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plan fiduciary acted irresponsibly. The bill fails to require fiduciaries to have insurance and does not boost Labor Department oversight.

The Rules Committee has recommended a modified closed rule that provides for one hour and twenty minutes of general debate; waives all points of order against consideration of the bill; and provides one motion to recommit with or without instructions. In addition, the Rule makes in order one amendment (Democratic Substitute) to be offered by Rep. George Miller (CA) that is debatable for one hour.

The Democratic substitute seeks to protect the pension plans of hard-working men and women and address current pension inequities.

- **Democrats stop pension inequities** by requiring pensions for executives to be subject to the same pension rules of equity that apply to rank-and-file workers. Democrats would close loopholes that allow special executive pension plans to escape taxation, receive special protection against creditors, and end-run pension laws that require wide employee participation at the company.
- **Democrats protect workers' pensions when a company converts to a cash balance plan** by prospectively requiring employers to give a choice at time of conversion to all workers who have completed 10 years of service with the employer. Conversions that have not received an IRS determination letter and are subject to ongoing litigation based on age discrimination are also covered.
- **Democrats end secret pension schemes and other executive perks** by requiring that executive compensation packages, including pensions, are approved by the board of directors. Democrats also require that shareholders and employees are notified of any new benefits awarded to executives 100 days before their adoption.
- **Democrats require companies to tell the truth about pensions in labor negotiations** by directing employers to disclose directly to employees any changes (or proposed changes) in top executives pensions, health, or life insurance, and other substantial job perks.
- **Democrats limit golden parachutes at failed companies** by imposing an excise tax on executive golden parachutes when they leave behind companies with plummeting shareholder value or facing bankruptcy proceedings.
- **Democrats stop rewarding executives for manipulating pension funds** by preventing firms from deducting more than \$1 million in executive performance-based compensation if it is obtained through manipulation of the company's pension funds.
- **Democrats subject executive stock options to the same restrictions as company stock in pension plans** by imposing penalties on executives who sell stock they acquire from stock options if the sale would violate restrictions on the sale of corporate stock that rank-and-file employees face in their 401(k) plans.
- **Democrats help low-income families save for the future** by making permanent the Savers tax credit, which nearly 4 million taxpayers took advantage of this year, that is scheduled to expire sunset in 2006.

Democrats are strongly urged to VOTE YES on the Democratic substitute.

DAILY QUOTE...

"One of the most patently absurd tax policies ever proposed."

- Kevin Hassett, an American Enterprise Institute economist with close ties to the Bush Administration, referring to a White House-Senate Republican plan to eliminate the tax on corporate dividends over five years, after which the tax would reappear (as quoted in today's *Washington Post*)

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