

Reps. Hopgood, Law, Adamini, Paletko, Gleason, Bieda, Lipsey, Anderson, Murphy, Tobocman, Brown, Condino, Dennis, Ehardt, Farrah, Gielegghem, Gillard, Jamnick, Kolb, Minore, Phillips, Plakas, Sak, Spade, Vagnozzi, Waters and Wojno offered the following resolution:

House Resolution No. 190.

A resolution to memorialize Congress to strengthen the Pension Benefit Guaranty Corporation.

Whereas, The Pension Benefit Guaranty Corporation (PBGC) is a federal agency created by the Employee Retirement Income Security Act of 1974. The corporation exists to protect defined benefit plans in the private sector should the company plans become unable to pay benefits. The system is funded from the insurance premiums paid by companies with protected plans, investments, and assets of failed pension plans; and

Whereas, Employees and retirees whose current and planned retirement benefits depend on a robust PBGC for security deserve the peace of mind that comes from knowing their life's work is secure. These people, the backbone of our economy, have earned secure pensions from their hard work. As our economy struggles to regain its footing after the dotcom bubble and the September 11 attacks, many company pension plans are dangerously underfunded. Assumptions about stock market returns and company profits have eroded the nest egg for many workers and their families; and

Whereas, The PBGC is neither designed nor funded to guard against numerous retirement plan failures. In normal times, with pension plans mostly fully funded, the occasional plan failure can be easily rescued by the mechanisms in place. The savings and loan crisis in the 1980s demonstrated how systemic problems can lead to widespread failures. Protecting people who counted on the security of savings and loan institutions cost our taxpayers billions of dollars. A similar failure in the pension guaranty program would be devastating for our budget and cause distress for retirees and people counting on a secure retirement; now, therefore, be it

Resolved by the House of Representatives, That we memorialize Congress to strengthen the Pension Benefit Guaranty Corporation; and be it further

Resolved, That copies of this resolution be transmitted to the President of the United States Senate, the Speaker of the United States House of Representatives, and the members of the Michigan congressional delegation.