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The NRLN advocates the rights of more than 2 million American retirees from...

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March 4, 2015

The Honorable Sander M. Levin
U.S. House of Representatives
1236 Longworth House Office Building
Washington, DC 20515-2209

Dear Congressman Levin:

On behalf the more than 2 million retirees represented by the National Retiree Legislative Network (NRLN) and our 10,525 members in Michigan, I want to thank you for your request to the Government Accountability Office (GAO) that resulted in a report which lays out recommendations for the Departments of Labor and Treasury as well as Pension Benefit Guaranty Corporation to ensure that pension plan participants have better information when offered lump sums that replace their lifetime pension benefits.

As you have recognized, pension plan de-risking through lump-sum buyout offers and the conversion of pensions to annuities purchased from insurance companies is of great concern to consumers. Your statement was right on target in your news release that, “Plan participants must have all the information they need to make an informed decision about the long-term impact of a lump sum payment instead of a defined benefit on their retirement.”

For example, on Wednesday, Feb 3, I was with leaders of the Chrysler, General Motors and Lucent retiree organizations who met with 11 staff members of the Department of Labor’s Employee Benefits Security Administration (EBSA). The purpose of the meeting was to discuss pension plan de-risking and, in particular, Alcatel-Lucent’s announced intension to offer lump sum pension buyouts in 2015. The Lucent retirees expressed their concerns regarding the lack of specific disclosure requirements to fully explain the considerations for accepting or rejecting a lump sum offer and the resulting consequences that need to be considered. Other NRLN leaders from the Detroit Edison Alliance of Retirees (DEAR) attended and expressed the need for greater disclosure by plan sponsors as well. Our members are hopeful that EBSA will act quickly as companies continue their de-risking efforts at a fast pace.

We are hopeful that the GAO's report and subsequent concerns raised will result in actions by the DoL and Treasury to require that plan sponsors provide a greater degree of disclosure and protection for retirees. Your effort to make the request to the GAO is greatly appreciated and the NRLN will inform its members of your accomplishment and that of former Congressman George Miller.

If the NRLN's Michigan members can help as your constituents in this matter, please contact me or Marta Bascom, the NRLN's Executive Director in Washington, DC at 703-863-9611 or executivedirector@nrln.org.

Thanks again.

Sincerely,

Bill Kadoreit

President, National Retiree Legislative Network

Phone: 972-722-5928 Email: president@nrln.org