

Business Insurance

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Boehner foresees action on pension bill in fall

by Jerry Geisel

WASHINGTON—The House of Representatives is not likely to consider legislation to stiffen pension plan funding rules until this fall, the chief sponsor of the measure says.

While some congressional leaders thought the measure might be acted on by the House before the August recess, Education and the Workforce Committee Chairman John Boehner, R-Ohio, doesn't foresee House action until "early this fall."

The bill, approved by Rep. Boehner's committee last month, has been referred to the Ways and Means Committee, whose chairman, Rep. Bill Thomas, R-Calif.,

has said he hopes to meld the pension bill into one yet-to-be-put-together restructuring the Social Security program.

Rep. Boehner, while predicting that final congressional action on pension reform legislation is likely this year, acknowledged Tuesday that the legislative effort will not be an easy one.

"I do believe this is the year" funding reform legislation will be passed, though final congressional action may not occur until just before the end of the year, he said, speaking at a meeting of the National Center for Policy Analysis.

Among other things, the Boehner bill would: require employers to accelerate funding of promised benefits; bar significantly underfunded plans from boosting benefits; and curb the ability of employers with underfunded plans to take credit—as an offset to future contributions—for contributions that exceed more than the minimum required.

The bill also would make clear—prospectively—that cash balance plans that provide the same benefit and interest credits to older employees as younger employees do not violate federal age discrimination law.