

From: Leigh Snell [lsnell@nctr.org]
Sent: Wednesday, March 15, 2006 12:33 PM
To: NCTR
Subject: NCTR Legislative Alert - March 15, 2006



LEGISLATIVE ALERT

Pension Conferees have been appointed and are **meeting now** to resolve the differences between H.R. 2830, the Pension Protection Act of 2005, and S. 1783, the Pension Security and Transparency Act of 2005. Several items of interest to NCTR members are contained in the two bills, and it is very important that these public pension provisions be included in any final compromise that the Pension Conference Committee develops.

If you have not already contacted your Senators and Congressmen and/or Congresswomen as previously requested in the March 1, 2006 NCTR Federal e-news, now is the time to do so - particularly if they are a Conferee! In case your creative juices are not flowing, you may want to check out the draft of a model letter (see below) for some ideas as to what to say. Use as many (or as few) of its points as you are comfortable discussing. If you have a handout or other materials that describe your system in more detail, or a fact sheet that includes such information as total assets and total benefits paid annually, you may want to include them also.

Since letters to the Congress are delayed for security pre-screening, an e-mail or a fax is preferable. Perhaps the best way to obtain these e-mail addresses and phone numbers is to call the Capitol switchboard at (202) 224-3121 and ask for your Member's/Senator's office. An operator will connect you and you can then get the most up-to-date information. Another option is to check out their Congressional websites.

Congress will be in recess the week of March 20th, so another good idea would be for you to try to arrange a personal meeting with your elected representatives while they are at home. Don't worry about trying to explain each and every point -- refer any detailed questions that you are uncomfortable trying to answer to your Federal representative, Leigh Snell, in Washington, DC, at (703) 684-5236. Just describe the reality for your plan with real-life examples, if possible. For instance, explaining the importance of the purchase of service credits for a teacher who is about to retire and wishes to "catch up" for the years

that she or he left teaching in order to raise a family is just one case in point, if applicable to your plan, that can make a real difference in getting the NCTR message across.

Remember, if a conferee is from your State, it is particularly important that they hear from you. House and Senate Conferees are listed below:

Congressman Bill Thomas (R-CA)	Senator Chuck Grassley (R-IA)
Congressman Dave Camp (R-MI)	Senator Orrin Hatch (R-UT)
Congressman Charles Rangel (D-NY)	Senator Trent Lott (R-MS)
Congressman Howard "Buck" Mckee (R-CA)	Senator Olympia Snowe (R-ME)
Congressman Sam Johnson (R-TX)	Senator Rick Santorum (R-PA)
Congressman John Kline (R-MN)	Senator Mike Enzi (R-WY)
Congressman Patrick Tiberi (R-OH)	Senator Judd Gregg (R-NH)
Congressman John Boehner (R-OH)	Senator Mike DeWine (R-OH)
Congressman Georgia Miller (D-CA)	Senator Johnny Isakson (R-GA)
Congressman Donald Payne (D-NJ)	Senator Max Baucus (D-MT)
Congressman Robert Andrews (D-NJ)	Senator Jay Rockefeller (D-WV)
	Senator Kent Conrad (D-ND)
	Senator Jeff Bingaman (D-NM)
	Senator Ted Kennedy (D-MA)
	Senator Tom Harkin (D-IA)
	Senator Barbara Mikulski (D-MD)

If you have any questions, please feel free to contact Leigh Snell, NCTR's Director of Federal Relations, at (703) 684-5236, or [Leigh Snell](#). We would also appreciate having a copy of your communication and/or a brief description of any personal meetings that you arrange.

DRAFT LETTER

The Honorable _____
United States Senate
Washington, D.C. 20510

or

The Honorable _____
U.S. House of Representatives
Washington, D.C. 20510

Dear Senator (or Representative) _____:

On behalf of the *[insert your plan's name]* and the *[inset number]* public employees, retirees, and beneficiaries for whom we manage pension benefits, I am writing to ask for your help in seeing that a number of provisions contained in the Pension Security and Transparency Act (S. 1783) and the Pension Protection Act of 2005 (H.R. 2830) of great importance to public pension plans are retained in any final Conference Agreement that is reached.

These include:

- Language to clarify the ability of public employees to purchase service credit in their State or local defined benefit plans, comparable to the catch-up provisions allowed for 401(k) plan participants. (Support Section 1001 and 1002 of the Senate bill.)
- An amendment making permanent the pension provisions of the Economic Growth and Tax Relief Reconciliation Act (EGTRRA) of 2001, which include portability enhancements of great importance to teachers and all other public employees. (Support Sections 901 and 902 of the House bill.)
- Directions to the Treasury Department to issue minimum distribution regulations permitting governmental plans to be able to operate on a good-faith basis and to continue providing meaningful cost-of-living adjustments, death benefits, and payments to beneficiaries. (Support Section 1003 of the Senate bill.)
- Language to waive the 10% penalty for public safety employees participating in deferred retirement option plans (DROPs) and similar benefits who retire between ages 50 and 55. (While both the Senate and House bills contain language to provide such a waiver, the House bill includes a definition for a DROP that could be problematic for many plans and would create inequities for the many public safety personnel in plans that do not meet this definition. Therefore, support Section 1004 of the Senate bill.)
- An amendment to allow public safety officers who retire or become disabled to pay up to \$5,000 annually for health or long-term care insurance on a pre-tax basis. (While we support the limited reach of Section 1003 of the House Bill, we believe that all retirees should be allowed to pay for their health care costs on a pre-tax basis, as can active employees using cafeteria plans or flexible spending accounts.)

In addition, language contained in the Senate bill and intended to address private sector hybrid plans would impose new ERISA requirements on governmental plans. This needs to be changed. (Section 601 of the Senate bill includes an amendment to the Age Discrimination in Employment Act (ADEA) that cross-references sections of ERISA inapplicable to State and local government retirement systems.

Revisions must be made to make it clear that ERISA requirements do not pertain under the ADEA provision if they do not otherwise apply.)

Most of these provisions have a negligible revenue effect, and are of great importance to the *[insert your plan's name]*. Please help to ensure that any final pension reform bill includes these recommendations. If you have any questions, please feel free to contact me at *[insert your contact information]* or the National Council on Teacher Retirement's Federal representative, Mr. Leigh Snell, at (703) 684-5236.

Sincerely,

--- You are currently subscribed to nctr as: glush@lgva.net To unsubscribe send a blank email to leave-nctr-520172S@lgva.listserve.us