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Congress of the United States

Joint Economic Committee

Democrats

May 13, 2003

108TH CONGRESS

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THE PORTMAN-CARDIN PENSION PRESERVATION AND SAVINGS EXPANSION ACT FAILS TO LIVE UP TO ITS NAME

Dear Colleague:

I want to call your attention to a new report, *Why the Pension Preservation and Savings Expansion Act of 2003 Fails to Live Up to Its Name*, issued by the Joint Economic Committee Democrats. (Full text is attached.)

The JEC report highlights why moving forward with the Portman-Cardin bill is the wrong policy to protect the pensions of working Americans. The harmful effects of the bill include the following:

- Costs \$100 billion over ten years, diverting resources from more pressing needs, and imposes significant budgetary costs beyond the 10-year budget window.
- Provides significant tax subsidies to higher-income workers and retirees who are already accumulating sufficient resources for a comfortable retirement.
- Does little to increase pension coverage or retirement saving among low- and moderate-income workers who are most at risk of having inadequate resources for retirement.
- Puts retirement benefits for many workers at serious risk by weakening funding rules for defined benefit plans.

Please take the time to read this report to understand why passing Portman-Cardin is bad news for America's retirees. Instead, we should be working to preserve and strengthen Social Security – this would do more to ensure the retirement income security of millions of Americans than the proposals in this bill.

If you have questions about this report, please talk to me or have your staff contact JEC economist Frank Sammartino at 202-224-7056 or <Frank_Sammartino@jec1.senate.gov>, or Andrea Salinas on my personal staff at 202-225-5065 or <Andrea.Salinas@mail.house.gov>.

Sincerely,

Pete Stark
Ranking Member