

CHAMBER OF COMMERCE
OF THE
UNITED STATES OF AMERICA

R. BRUCE JOSTEN
EXECUTIVE VICE PRESIDENT
GOVERNMENT AFFAIRS

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December 8, 2009

The Honorable Charles Rangel
Chairman
Committee on Ways and Means
U.S. House of Representatives
Washington, DC 20515

The Honorable Dave Camp
Ranking Member
Committee on Ways and Means
U.S. House of Representatives
Washington, DC 20515

Dear Chairman Rangel and Ranking Member Camp:

The U.S. Chamber of Commerce, the world's largest business federation representing more than three million businesses and organizations of every size, sector, and region, opposes H.R. 4126, the "Retirement Fairness Act of 2009." The bill would radically and unnecessarily change rules under ERISA that are meant to ensure that benefits are fairly accrued across the entire workforce. Moreover, the dramatic changes to ERISA proposed in this bill would require such an increase in benefits that most plans would be unable to continue to offer benefits or would have to severely reduce the level of benefits currently being offered.

While the bill purports to create equity between employees, it would actually place certain employees at a disadvantage by over-counting their actual benefits. In addition, eliminating the cross-testing rule between different types of plans eliminates the current flexibility in the system that allows employers to provide robust benefits that are appropriate for their workforce.

At the very least, consideration of this bill should not be tied to defined benefit funding reform. The need for funding reform is urgent and immediate, and H.R. 4126, or any of its provisions, would only hamper the progress of that effort. Any consideration of this legislation should take place only after it has been debated in Committee and the full impact of the bill has been analyzed.

For these reasons, the Chamber opposes H.R. 4126 and urges the House to reject further consideration of this bill until there has been proper debate and evaluation of its consequences.

Sincerely,



R. Bruce Josten

Cc: The Members of the Committee on Ways and Means