

CHAMBER OF COMMERCE
OF THE
UNITED STATES OF AMERICA

NEIL L. BRADLEY
SENIOR VICE PRESIDENT &
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December 21, 2017

The Honorable Mike Kelly
U.S. House of Representatives
Washington, D.C. 20515

The Honorable Ron Kind
U.S. House of Representatives
Washington, D.C. 20515

Dear Representatives Kelly and Kind:

The U.S. Chamber of Commerce appreciates your efforts in H.R. 3596, the “Rightsizing Pension Premiums Act of 2017,” to minimize financial burdens imposed on employers who pay premiums to the Pension Benefit Guaranty Corporation (PBGC). However, we are concerned that certain provisions of the bill would eliminate the important principle that all employers, regardless of size, pay equitable premiums.

We support the inclusion in H.R. 3596 of the provision akin to H.R. 761, the Pension Budget Integrity Act of 2017, which would create a budget point-of-order that would make it more difficult for legislators to raise premium costs to pay for unrelated initiatives and programs.

However, we are concerned that certain provisions of the bill would change how PBGC premiums are assessed in an inequitable and unnecessary way. The Chamber has consistently advocated for fair and reasonable premiums for all employers and believes that any changes in premiums should be applied equitably to all employers that maintain defined benefit plans. Current PBGC premiums are scaled to size by linking premiums to the number of employees and the amount of the underfunding in the employer's individual plan. Moreover, all participants—regardless of employer size or type—receive the same benefit payments from the PBGC if a plan goes bankrupt and is turned over to the PBGC.

We applaud you for addressing issues related to the premium burdens faced by employers and look forward to working with you to address our concerns to create a reduction in PBGC premiums that fairly benefits all employers.

Sincerely,



Neil L. Bradley