CONFRONTING THE PENSION COVERAGE CHALLENGE

A Report on the

CONVERSATION *on* COVERAGE

Convened by the Pension Rights Center

July 24-25, 2001

by

Leslie B. Kramerich

TABLE OF CONTENTS

FOREWORD

In 2001, the Pension Rights Center took on the task of organizing the Conversation on Coverage, a public policy forum to spark a dialogue on the complex issue of expanding private retirement coverage for American workers.

The Conversation focused attention on the importance of pensions as a critical supplement to Social Security for millions of families, and by any measure was an extraordinary success. For two days, the 75 experts who participated in the Conversation set aside preconceived notions of "what should be done," and discussed a range of proposals to encourage more employers to sponsor private retirement plans and more employees to participate in them.

The Conversation led to the exploration of a variety of innovative concepts. It also resulted in a less tangible but equally important accomplishment. The Conversation built a process of trust, respect and camaraderie among experts of widely divergent views, and secured a commitment among them to continue to build a constructive process to work together to find solutions.

This White Paper discusses the coverage challenge (in Chapters One and Two), recaps research on the issue (Chapter Three), presents brief summaries of the proposals presented at the Conversation (Chapter Four), and provides an overview of some of the initial ideas that came out of the event (Chapter Five). The White Paper does not take a position on what should be done. It presents the issues, the proposals presented, and the outcomes as neutrally as possible so that discussion can continue untainted by bias.

The Conversation on Coverage was not an end in itself. It was the beginning of an important process that is continuing. This White Paper should be viewed as a "jumping off" point for the ongoing policy dialogue. Although it was written primarily for those who participated in Conversation I, we hope that it will also help bring in other voices and encourage lively public dialogue.

We would like to thank the many organizations and people that made this event and the White Paper possible. First and foremost we want to thank the Ford Foundation and the W.K. Kellogg Foundation for their generous support for Conversation on Coverage I. We are also grateful for the support of the cosponsoring organizations: AARP, AFL-CIO, American Benefits Institute, Center for Budget and Policy Priorities, Communication Workers of America, Employee Benefit Research Institute, Fidelity Investments, Institute of Electrical and Electronics Engineers, Inc., National Academy of Social Insurance, TIAA-CREF Institute, United Food and Commercial Workers Union and the Urban Institute.

We owe special gratitude to an array of impressive individuals who agreed to moderate panels in the Conversation including Ray Suarez, Senior Correspondent of the Newshour with Jim Lehrer; John Rother, AARP's Director of Policy and Strategy; Kathleen Gill, the former Editor-in-Chief of the Bureau of National Affairs, Beth Kobliner, Financial Journalist and Bob Rosenblatt, then Senior Washington Correspondent of the Los Angeles Times.

We also want to thank our numerous advisors who helped us shape the Conversation including Michael Calabrese, Lisle Carter, David Certner, James Delaplane, Robert Greenstein, Kathleen Havey, John Kimpel, James Klein, Alicia Munnell, Shaun O'Brien, Kathryn Olson, Robert Patrician, Pamela Perun, Anna Rappaport, Virginia Reno, Dallas Salisbury, Norman Stein, Eugene Steurle and Michele Varnhagen. Many thanks also to our consultants Marta Tellado, Mayling Birney, Marva Lewis and her staff at the Event Professionals, our graphic designer, Leah Williamson, our facilitators, Charles Bethel, Noel Mazade and Melinda Ostemeyer of Advanced Dispute Resolution Systems, LLC, and PRC staff members Kathe Reusing, John Hotz, Lemuel Odell, Kimberly Shults and Victoria Kanios who worked to make both the Conversation and the White Paper happen.

A very special thank you to Leslie Kramerich who spent countless hours patiently reviewing minutes and listening to tapes, and then drew on her extraordinary knowledge and experience, her graceful prose and delightful good humor to shape the material into a wonderfully readable, comprehensive document that will serve as an invaluable tool as the Conversation continues. Our thanks to Greg Anrig and the Century Foundation for supporting us in writing the draft of the White Paper.

Dissemination of this White Paper marks the official launch of the second stage of the Conversation on Coverage. We are grateful to the Ford Foundation for awarding us a grant to continue the dialogue. As Conversation II continues, information about the process will be posted on the Conversation's website www.pensioncoverage.net.

Karen Ferguson, Director
Pension Rights Center

Karen Friedman, Director
Conversation on Coverage

CONVERSATION ON COVERAGE

CHAPTER ONE

AUTHOR'S INTRODUCTION

The U.S. private retirement system is in many ways a great success story, providing much-needed benefits for millions of older Americans. But millions of others, who will be equally in need of a supplement to Social Security, are left out of the system.

While there has been tremendous growth in the number of plans, the number of people covered by plans, and the dollars invested for retirement, the percentage of private sector American workers participating in a pension plan has remained at roughly 50 percent for the past two decades. Unprecedented economic expansion during the 1990's did not help to raise that percentage; instead, demographic changes among American families and workplaces have taken place that have made the challenge of expanding pension coverage even more difficult to meet.

On July 24 and 25, 2001, the Pension Rights Center started the process of confronting the coverage challenge. The Center set aside its long-time role as advocate for the rights of workers and retirees within the pension system and convened a group of 75 policy experts and organizational representatives to launch a national dialogue to examine ways of helping people not now covered by a pension or retirement savings plan. A variety of organizations – representing business, labor, seniors, financial services companies, and research organizations – joined the Center as cosponsors of the "Conversation on Coverage." Congressional leaders and government officials addressed the group. All agreed to work together to begin the process of designing productive solutions.

None of the experts who participated hoped to "solve the coverage problem" in two days of meetings. But the Pension Rights Center hoped to start a process that would tackle this difficult challenge. Plan Sponsor magazine described the event like this, "dozens of Washington lobbyists and other heavy hitters in the pension community laid down their arms long enough to put their heads together... " This reflected the Center's challenge to the group – open your mind, think beyond known positions, and look for common and productive ground.

Invitees were asked to bring a positive approach and to look for possible areas of consensus, to use plain English and to speak frankly, knowing that discussion would be "off the record. " It worked. "Conversants" didn't bog down in philosophical differences; they didn't waste precious time debating whether "the glass is half full or half empty". Instead, the group examined concrete proposals for increasing coverage and directed its energy to figuring out how to get more water into the glass, more people into private retirement plan coverage. To move the Conversation forward, participants agreed to focus the discussion on ways to expand the number of workers benefiting from private retirement programs.   Other issues related to retirement, such as Social Security, SSI, Medicare, Medicaid, retiree health insurance and employment were taken off the table.

Although the Conversation included people of widely diverging views as well as authors of very different proposals, most of those participating did generally accept a number of important points:

- Private pension coverage remains an important issue; although the private pension system has grown and improved in many important ways, there are still too many people who don't get what they need from this leg of the three-legged stool.
- Those not participating in the success of the present system are primarily – but not exclusively – those who are younger, who change jobs frequently, who work in part-time or seasonal jobs, or who work primarily for small employers.
- Addressing those without coverage is vitally important; Social Security alone is not enough to maintain a family's standard of living and move them into a secure retirement – not even for a family with a very modest standard of living.

- There may be a need to supplement the private employer-based system to improve the coverage patterns for those in the bottom two-fifths of the earning scale who are most consistently left out of the private system's coverage. To reach those in the lowest-earning quintiles, there may be a need to explore new kinds of incentives, including finding new ways of using refundable and nonrefundable tax credits, or some means of supplementing the private employer-based system may be needed in order to reach those workers.
- Employers can play important roles in reaching the fifty percent of the workforce that is typically without pension coverage, even when that role does not involve a direct contribution to a plan. Employers can promote retirement savings through financial education, automatic enrollment, payroll deduction savings opportunities, and other efficient and effective means that help to focus attention and to prompt action.
- Simplification of some of the defined contribution options – i.e., eliminating some of the differences among these, plans regarding contributions limits, rollover flexibility, loan and withdrawal rules, and more – and emphasis of the appealing features that have made 401(k) plans in particular so popular might help encourage some employers to adopt a plan.
- It may be worth examining new types of model "group pension plans" that would enable groups of unrelated small employers to pool resources thereby reducing administrative costs and fiduciary liability.
- Developing ways of pooling resources may also be a useful way to extend coverage to those whose connection to one employer is relatively brief or otherwise "non-traditional" – e.g., part-time workers, independent contractors, workers who change jobs frequently, those in a profession where employer-provided.

There were also tangible products that came out of the Conversation. First, sixteen proposals were presented, many of which had not been previously considered by such a varied group of experts. Second, a new paper that comprehensively surveyed coverage statistics was written for the Conversation by Alicia Munnell, Director, and Annika Sundén, Associate Director for Research, of the Center for Retirement Research, setting the stage for discussion. Third, Working Groups, made up of a balanced groups of participants, came up with a variety of concepts that have promise for increasing coverage especially among the least-served groups, low and moderate wage earners and employees in the small business sector. Also, a web site set up for the Conversation, www.pensioncoverage.net, containing key papers and statistical resources, will continue to serve as an online meeting place as the coverage dialogue proceeds.

The Conversation on Coverage was a strong beginning to a national public policy process committed to developing innovative solutions to coverage issues. Retirement policy can be tremendously complicated. Just reviewing the pension and savings options that exist today involves several different laws, thousands of pages of rules that employers sponsoring plans and employees participating in them must work within, scores of technical terms and actuarial concepts, and numerous federal and state programs that address different aspects of retirement. As a result, pension reform will require the help of many people: experts and ordinary workers, businesses and labor unions, actuaries, policymakers, writers and visionaries.

There is no question that events since the Conversation have made this issue more important than ever. As the economy has declined, millions of workers have found themselves without jobs, without income and without coverage under an employer's pension plan. As a result, the job of building retirement security has gotten even harder. This White Paper is meant to be a start in understanding some of the underlying issues and perspectives on coverage. It is meant to keep those who participated in the first

Conversation involved as well as bringing new voices to the discussion and to keep this dialogue going well into the future.

This report seeks to meet the challenge posed to Conversation participants – skip the jargon, translate the buzzwords, talk like real people without pomp or mystery. It will bring the Conversation to others who have an interest in pension coverage and allow them to participate in the continuing dialogue. The Pension Rights Center convened a very special gathering; I want to thank them for letting me be a part of it.

Leslie Kramerich

CHAPTER TWO

GOALS OF THE CONVERSATION

There were numerous short presentations that started the Conversation on July 24, 2001 and provided a framework for discussions around concrete proposals.

Karen Ferguson, Director of the Pension Rights Center, welcomed participants, sponsors, and press representatives to the event. Ferguson reiterated that in initiating this dialogue, invitees were asked to bring a positive approach and to look for possible areas of consensus.

Ferguson stressed that although the challenge facing participants was great she "feels optimistic that the pension coverage problem can be solved" and to remember that this "is not the end, it's only the beginning."

Opening Remarks

Lisle Carter, lawyer, former government official and member of the President's Commission on Pension Policy, provided a historical perspective for the Conversation. He gave an overview of the challenge that faced his Commission, appointed by President Jimmy Carter, twenty years ago, and discussed the increased complexity of the problem today. In 1981, the President's Commission on Pension Policy concluded that the major objective of retirement policy should be to assure that today's retirees and tomorrow's elderly maintain a reasonable standard of living in later years, through a variety of sources including Social Security, employee pensions, savings and earnings. Carter noted that we are still facing the need to achieve the policy goal started then and to improve the fifty percent coverage rate that existed then.

The principal proposal that the Commission produced was the call for a mandatory employer pension system requiring a three percent contribution by employers of all sizes to individual accounts established for each employee. Although many other Commission recommendations subsequently became law, this proposal did not get significant backing. Lisle Carter did not offer the Commission's recommendation as a solution for today.

Although then as now, the pension coverage rate remains at roughly 50 percent, the challenge of addressing the coverage problem has become more complex. Carter points out that the nature of the labor force and the employment world has changed in the past twenty years. Employees' and employers' expectations have changed. The labor market is more volatile. Many employees have lost jobs, or have been pushed into early retirement or lesser employment. Others prefer to explore different possibilities rather than to stay with one employer. Labor unions play less of a role than they did then. America now faces increasing competition from other countries, which affects shareholder expectations and requires business of all sizes to respond. In this world "it is difficult to find a stable point on which you can rest a pension policy." Yet lack of coverage still represents a tremendous societal need.

Confronting the Challenges and Charting Guiding Principles for the Future

The Conversation's opening panel, which featured the principal pension policy officials for the U.S. Department of Labor, the AFL-CIO, and the National Association of Manufacturers, provided on-the-record descriptions of three important perspectives – that of government regulators who promote and protect pension coverage, representatives of employers who sponsor retirement plans and representatives of the employees who rely on those plans.

Ann Combs, Assistant Secretary of Labor, who heads the Employee Benefits Security Administration and is one of the chief regulators for the trillions of dollars of pension promises made to workers and retirees, led the panel. She said that this Administration is guided by three principles in its approach to retirement policy – one, the current system is voluntary and should remain so; two, employers and employees need flexibility in order to fashion plans to suit their mutual needs; and, three, regulatory road blocks to the creation of new plans and greater participation must be removed.

Expanding coverage is the toughest pension challenge facing us, she said, and the most important.

Gerald Shea, Special Assistant to the President for Government Affairs of the AFL-CIO, noted that America is a nation of consumers, not savers, and cautioned that, “simply telling people to save, especially in the economic situation of the last twenty years, where real wages are declining for a large section of the population, doesn’t amount to a national retirement policy.” He points out that working families have many demands on their scarce budgetary resources. While he believes it is worth pursuing private pension incentives and efforts, he also believes “we need a program national in scope, that makes it almost impossible for people to say no to the idea of reserving some portion of their income for retirement in addition to Social Security.” He argued that public financing would be a crucial ingredient.

Michael Baroody, Executive Vice President of the National Association of Manufacturers, said that “in America we have the best workers in the world, and they deserve what we’ve been trying to build for decades, the best retirement security system in the world”. He noted that much has changed since the beginning of the private pension system six or seven decades ago – people are living longer, and the wealth of our nation has increased. Not all are prosperous but America sets the world standard in terms of standard of living – “there is further to go, but the road to get there has already been paved”. He echoed the importance of the three principles outlined by Assistant Secretary Combs, i.e., that the system must remain voluntary, must provide employers with greater flexibility in structuring plans, and must be freed of regulatory burdens and administrative mandates, which are particularly inhibiting to small employers where the coverage rate is lowest.

CHAPTER THREE

WHO IS COVERED AND WHO IS NOT

There are varying statistics that analysts can use in discussing private retirement coverage. In order to set the stage for the Conversation – and keep the Conversation from getting overly enmeshed in the numbers game—Alicia Munnell presented a summary of "Private Pensions: Coverage and Benefit Trends," a paper she had written with Annika Sundén, the Center's Associate Director of Research, specifically for the Conversation.

Munnell's presentation graphically illustrated some important points. She noted that it is important to be specific when using the word "coverage." Some might think employees are "covered" if they work for an employer who sponsors a plan for any of its employees. Others might include as "covered" employees who may one day receive benefits under an employer's plan but are not yet "eligible" for benefits; or, for example, employees who have not yet worked for the employer long enough to begin earning benefits under the plan. Finally, some may define as "covered" only employees who are actually participating in the plan. When Munnell and Sundén provide coverage figures, they are referring to employees participating in the employers' plan.

There are also different results depending on how the population is defined; it might be all private sector and government workers who work full-time, or only private sector workers of a certain age, or only workers whose employer sponsors a plan, and so on. But no matter how the population is defined or which studies are reviewed, the trend within that population over time is the same. In other words, for each different population, coverage starts at a certain point in 1979 when the economy was hard, drops until 1988, and then rises until 1999. And yet in 1999, even after a boom time economically, coverage had only returned to the point where it began in 1979. Roughly fifty percent of private sector workers, aged 25 to 64, were participating in an employer plan in 1979 and the figure returned to that level in 1999.

What is happening within that overall picture of "stability?" A number of offsetting trends lie beneath the surface. Coverage for men has gone down as union membership has declined, and jobs have shifted from large employers to small, and from manufacturing to service industries. Coverage for women has gone up as their attachment to the labor force has risen. Coverage figures by race, when examined in percentages of employees with pension coverage, look very different for non-Hispanic whites, blacks and Hispanics.

When examining those same workers by looking at income rather than race, however, there is no difference between coverage figures for black and white, though some differences remain for Hispanics. One of the most widely used measures of coverage is the Current Population Survey and that survey shows a coverage snapshot taken at one moment in time. When asking whether workers at some point in their lifetime have coverage, and whether anyone in their household has coverage rather than measuring person by person, then coverage figures are higher. Measured in that way, roughly two-thirds of households in their 50's and early 60's have had coverage at some point in their career. All measures, however, show coverage to be closely related to earnings.

Why is it that some people have coverage and some do not? Twenty-five percent of those without coverage work for firms that offer plans but are not included for one reason or another; the other seventy-five percent work for firms that do not offer plans.

Who are the employees who are not covered by the plan offered by their employer? Over 35 percent are employees who haven't reached the minimum age and service required by the employer before they may participate in the plan. Roughly another 20 percent don't work enough hours, weeks or months in the year to participate in the plan. (For purposes of inclusion, employees generally need to work 1000 hours a year). A growing category is made up of people who choose not to participate in their employer's 401(k) plan – almost 30 percent of the people not covered by their employer's plan in 1999 were employees choosing not to participate. Some studies have been done on this and have found again that income is a powerful explanation for that decision.

Employees without coverage whose employers do not offer plans – the seventy-five percent of non-covered employees – are far more likely to be working for small employers than for larger employers. When surveyed about why they don't offer plans, small employers mainly offer reasons that are employee-related and business-related – for example, revenues are too uncertain to commit to a plan, or the business is still too new, or employees wanted cash or other benefits more than they wanted pension benefits. The cost of administering a plan is an important reason in small employers' decisions on sponsoring a plan but not the dominant reason.

While the percentage of workers covered has remained the same, the type of pension coverage provided has shifted sharply from traditional defined benefit plans to defined contribution plans, and within the category of DC plans, 401(k) plans have grown enormously as a percentage of the total.

In 1975, when you compared DB and DC plans as a percentage of the pension picture, DC plans held 28 percent of the assets, paid 32 percent of the benefits, covered 29 percent of the active participants, and received 35 percent of the contributions. Generally, DC plans then made up around a third or less of the total on all these important measures. By 1997, DC plans had 50 percent of the assets, paid 58 percent of the benefits, covered 68 percent of the participants, and received 83 percent of the contributions. While only 25 to 35 percent of DC plans in 1984 were 401(k) plans, by 1997, 401(k) plans made up between 70 and 80 percent of these DC plans.

The percentage of private sector workers covered by both a DB and DC plan has been about 17 percent since 1983, and about 22 percent of households are covered by both. The share of households with only a DB plan dropped from about 40 percent to 20 percent between 1992 and 1998, while the share that rely solely on a DC plan increased from 37 percent to 57 percent. Within the DB plan universe, there has also been a shift –

from traditional DB plans to a new kind of hybrid arrangement, called a "cash balance plan," which has some DC and DB features. Surveys haven't yet quantified how big this shift has been, but we know it has taken place.

While the coverage percentage remains unchanged, the percentage of pension participants with "vested" benefits – those who have earned the legal right to a pension -- has increased. In other words, those employees who are covered are more likely to actually receive benefits than in the past.

Pensions are a more significant source of retirement income for those with higher incomes than for those with lower incomes. Three different surveys, using three different measures of retirement income, all confirm that the bulk of pension wealth or benefits are concentrated in the top three-fifths of earners and little goes to the bottom two-fifth's. That might be less troubling if Social Security provided adequate income to lower-income retirees, but most experts agree it does not.

It might also be helpful if Individual Retirement Account investments were a meaningful source of support for those without pension coverage but relatively few people without pension coverage contribute to IRAs; most of the dollars in IRAs are amounts rolled over from other plans. Private retirement plans provide substantial benefits to upper-middle and higher-income workers but a significant portion of the workforce, particularly lower and moderate wage earners, end up in retirement with no source of income other than Social Security.

CHAPTER FOUR

PROPOSALS PRESENTED AT THE CONVERSATION

The main thrust of the Conversation on Coverage was to examine a variety of proposals that looked at different ways of expanding coverage. Conversants were asked to listen to these proposals with a fresh perspective and particularly to examine how elements of the proposals might help low and moderate wage-earners and small businesses – where coverage is lowest.

The proposals for expanding coverage were broadly divided into two major categories – those that seek to expand coverage within the framework of existing laws and institutions, and those aimed at creating new models and new institutions.

Within the first category were measures to provide new incentives to employers to sponsor or broaden plans and to include those proposals that would provide tax credits specifically to support participation or savings by low and moderate wage workers; and those that combine new incentives for employers with employee-oriented incentives. The second category consisted of new kinds of model plans that can be adopted by small employers, and institutional arrangements designed to encourage widespread participation by both employers and employees.

Principles to Guide the Development of New Designs. Jim Klein, President of the American Benefits Council, which represents the interests of businesses, financial institutions and consulting firms on pension and health issues, described the context in which employers often make decisions about pension plans: For most employers, changes in pension plans "may have less to do with pension policy per se and rather may be simply one manifestation of an overall change in the employer-employee relationship. More than any other employee benefit, a retirement plan is the one most likely to be modified to accommodate broader workforce objectives." There's also "a much larger truth" to consider – "neither workers nor employers are really as committed to one another for the long term, never mind their entire career, as they once were."

Klein emphasized just how important it is that employers and employees understand each other's perspective in this more fluid environment. Employers must understand that employees' expectations may exceed what employers consider the legal and technical limits of their benefit promises. Employees must understand that employers' need for flexibility in changing benefit plans is genuine. Given the "possibly irreconcilable nature of the two views," there may be a need to encourage the employer promise to be "absolutely transparent."

NEW INCENTIVES FOR EMPLOYERS

New Plan Designs As a Strategy for Increasing Coverage. Congressman Earl Pomeroy (D-ND), a leader in Congress on retirement security issues, is concerned that with the aging of the baby boomers, "there is a closing window of opportunity to get retirement savings accrued," and that we are "heading into a retirement income crisis." Congressman Pomeroy, who co-sponsored with Congresswoman Nancy Johnson (R-CT) the Secure Assets for Employees (SAFE) Plan Act of 1997, believes that attention should be focused on designing DB plans that would be appealing for small employers.

He recommends that new plan designs be evaluated to determine whether they could attract the market interests of small employers and increase coverage for their employees. He further recommends efforts to design DB plans that would be appealing to small employers. In Congressman Pomeroy's view employers are better equipped than employees to bear investment risk, and DB plans offer a greater ability to ensure that retirement income lasts throughout the retirees' lifetime. Although he acknowledges "some participants will chafe at the lack of control and the lack of portability," he is convinced that "most are better off in DB's."

Proposals for New Designs: The "PERFECT" Retirement Plan. Frustration with the complexity of the current rules, which "could fill a wheelbarrow" and makes "eyes glaze over," spurred Douglas Ell, a lawyer with the Groom Law Group, to develop a plan design that would be "easy to adopt, easy to understand and easy to administer."

“Right now,” Ell points out, “if an employer sets up a plan, four agencies jump on it to regulate it. Why not have the employer send the money to a financial institution and if you want to regulate anybody, regulate the financial institution?” This would free employers of many of the fiduciary responsibilities they bear today.

Ell proposes creating a “PERFECT" (Portable Employee Retirement Flexible Enhanced Compensation Trust) Plan. In this design, employers would contribute a fixed percentage of compensation for all their workers, whether full time, part-time, or independent contractors. This would eliminate expensive and complicated rules, and would recognize the fluid relationships among employers and employees in today’s workforce without limiting contributions to arbitrary and outdated classifications. Employers could choose to impose a one-year waiting period before participation begins; once that is completed, however, contributions would be immediately vested.

Employers could offer guaranteed investment options, or they could provide employees with investment choices and let the employees assume the investment risk. Employers could even set up plans offering both designs and let employees decide which they prefer. Although many plan designs are limited to certain types of employers today – private sector, governmental, nonprofit, and so on – the PERFECT Plan design would be something all could establish.

Employees would be allowed to add contributions of their own to these plans, up to total limits that would increase with age: $10,000 a year before age 40, $15,000 at age 40 to 49, and $20,000 at 50 and above. Unlike current rules that permit employees to withdraw money before retirement but try to discourage withdrawals by imposing heavy tax penalties, PERFECT Plans would not permit pre-retirement distributions unless a worker was disabled.

Once employees reach age 60, they could begin receiving benefits from PERFECT Plans even if still working. This flexibility would permit older individuals to begin drawing retirement savings without requiring that they leave their jobs in order to do so.

Proposals for New Designs: The "Individual Advantage" Plan. Jim Davis, Principal and Consulting Actuary for the firm of Milliman U.S.A., believes that policies should be adopted to encourage long term planning and decision-making by employers. Otherwise, "employers are driven by short term considerations and long term employees' demands." He proposes a plan design that would combine a traditional DB plan with a newer hybrid "cash balance" plan design so that employees are basically offered "the greater of" the two benefit designs, no matter where they are in terms of age and years of service. The cash balance element of the design, by providing a hypothetical individual account for contributions and earnings, "gives more valuable accruals to younger workers, is DC-like in appearance" and is easy to integrate with other plans like 401(k) plans. But, since employers make the contributions to the plan, unlike 401(k)s, it doesn't depend on employees' willingness to participate. The DB element gives more valuable accruals to older employees, and recognizes that different benefits are important to different age groups. Younger workers want medical benefits and training; older workers value retirement benefits. This design helps employers allocate dollars to what is wanted."

In other words, this "Individual Advantage Plan" would help attract younger workers by offering them significant benefits in their early years of service and expressing those benefits in a format that is appealingly uncomplicated. It would also help attract and retain skilled older workers by delivering significant benefits in the later years of their careers and encouraging them to remain in the active workforce earning additional benefits.

Deregulation as a Strategy for Expanding Coverage. Theodore Groom, CEO of the Groom Law Group, proposes that the way to promote coverage is to deregulate private pensions, decrease the role of government, and rely more on market forces. He would eliminate many of the restrictions in current rules, not only on the level of benefits from and contributions to plans but also rules aimed at ensuring that benefits go to workers at all income levels ("nondiscrimination" rules). He states that these provisions and many others in the current law add costs to the retirement system that far exceeds the benefits they achieve. To Groom, many of the current constraints on the private sector retirement system are intended to address social policy concerns that are better addressed in Social Security; he believes the private retirement system should offer "equal opportunity" to save, not "mandate equal participation."

NEW INCENTIVES FOR EMPLOYEES

PROPOSALS FOR EMPLOYEE INCENTIVES

A "Progressive Pension Package." Peter Orszag, former White House advisor and now Senior Fellow at the Brookings Institution, believes that incentives for employees – appropriately designed – can make a powerful difference. A truly progressive tax credit would increase the national savings rate and would reduce elderly poverty by reaching the population most likely to remain low income across their lifetime.

Orszag believes that a progressive, matched savings program funded by the government would work. As evidence of that, he points to the surprisingly high level of 401(k) participation by lower-wage workers. While not as high as the rate for higher earners, it is "higher than you'd expect and a lot higher than IRAs for that income range." The presence of a matching contribution to 401(k) plans is associated with higher participation and should provide powerful results if the match is made refundable, and therefore truly available, to those without tax liability. Currently, the tax code provides an "implicit match" to retirement savings, but a regressive match – those with higher incomes in higher tax brackets get a higher incentive to contribute toward retirement savings. "It may make sense for the government to offset that inherent regressivity that exists through the tax code by providing an explicit progressive match for savings."

Orszag is concerned that because the low-income tax credit enacted as part of the Economic Growth and Tax Relief Reconciliation Act of 2001 is nonrefundable, it only provides a benefit to those with enough income to have income tax liability. The 50 percent credit available to those with the lowest incomes "is more apparent than real since the vast majority of those who would qualify on paper won't really get any benefit." For those with slightly higher earnings, earnings high enough to have tax liability and still qualify for the credit, the credit rate for most will be so low – phased down to 10 percent rather than 50 percent – that it "is not likely to get people too excited." Orszag is concerned that people may attribute the modest results of this credit to a basic inability to encourage savings among lower-wage workers rather than to the flawed design of the credit itself, and proposes that a demonstration project be designed to more fairly test the power of a better-designed credit.

Universal Savings Accounts. Michael Calabrese, lawyer and Director of the Public Assets Program at the New America Foundation, incorporates government-funded matching credits for low-wage workers into his proposal to expand coverage. According to Calabrese, while "the existing U.S. retirement system has succeeded very well in extending coverage to middle class workers participating in traditional full time jobs, the old industrial system has peaked." What's needed now is a new approach aimed specifically at certain key groups – those who are low wage workers, those who are relatively young, part-time workers, and those who work for small employers.

Calabrese's approach would create "Individual Career Accounts" – "voluntary, citizen-based accounts, available to all workers regardless of job status." He notes that "if the goal is to expand participation by the bottom two quintiles, then the core problem is that today's savings incentives are precisely upside-down, and deductions are worth the most to those who need the least incentive to save. The bottom one-third of the workforce, with payroll tax liability but no income tax liability, have no incentive at all – and some research suggests their employers have no incentive either."

Calabrese proposes providing refundable matching tax credits for contributions that low and moderate wage earners make to their Career Accounts. The Accounts would be similar to the "Roth IRA" in the way that they are taxed – that is, the contributions would not be deductible now since that is not a factor for the population most in need, but contributions and earnings would be tax free when distributed later.

The refundable matching tax credits would apply to contributions from any source. In other words, employers could contribute for employees and have that contribution matched, even if they also offer a plan. Employees without an employer plan could open an account for themselves and receive matching contributions. To facilitate employee contributions when there is no employer plan, employers could set up automatic payroll deduction mechanisms – this would help the least sophisticated employees, those with no bank accounts who need the most practical assistance. Employers could forward contributions to the government quarterly along with FICA and income tax withholding payments so that the added burden of forwarding contributions would be minimal.

Contributions forwarded to the federal government could be managed by the Thrift Savings Plan for federal employees while the accounts were small and "unprofitable." In the future, workers could roll balances in their accounts to private institutions they select or to future employers' plans. Or the TSP could contract with private financial institutions as it does now regarding federal employee retirement savings. Borrowing from these accounts would be limited to certain purposes – buying a first home, paying for higher education or lifelong learning.

Universal Voluntary Accounts. Dean Baker, economist and Co-Director of the Center for Economic and Policy Research, also proposes a system of universal accounts that follow the individual rather than being tied to the employer. He recommends designing the simplest possible universal program – relieving employers of fiduciary responsibility and encouraging employer contributions. The proposal would establish a national system, like the Federal Thrift Savings Plan, which would be able to offer accounts at a far lower cost than most existing defined contribution plans. All workers could contribute to the plan, regardless of whether they are full-time, part-time or self-employed. They also could contribute to it instead of, or in addition to, an employer-sponsored plan.

Baker notes that many different private sector entities or individuals have proposed variations on an individual account idea – he has analyzed several and selected from them the elements that he believes make for the most economical structure. He points out that a unique advantage to his design is the fact that it can be used as a model or demonstration program to test the effectiveness of such a structure; in fact, it can be set up not only at the national level but also at a state or local level. Baker points out that, by itself, the structure would not deal with low-income workers who find it difficult to pull anything out of cash income.

Baker favors some sort of tax incentive for savings by low-income workers, but points out that it is difficult to design a system that reaches the low-income earners who aren't likely to earn substantial pension benefits without also subsidizing the savings of college age kids of middle class workers who are not in the same situation. He recommends focusing on getting the right structure in place to facilitate savings for the lower paid, then designing the right tax system and subsidy to build on it.

Experience with Employee Incentives: Individual Development Accounts. Ray Boshara, now a fellow at the New America Foundation, believes that the success of Individual Development Accounts in encouraging savings among low-income households argues strongly for a similar approach to providing retirement security for low-income workers. IDAs are matched savings accounts targeted for low-income workers typically geared toward more immediate asset needs than retirement – for example, a first home purchase, small business development, post-secondary education and training.

A private demonstration program supported by the Ford Foundation, other foundations, and financial institutions, has set up 2,400 accounts. Their experience showing that low-income individuals can save successfully in IDAs, demonstrates that these accounts can work. According to Boshara, there is no correlation between savings rate and level of income – in fact, “the poorest of the poor are actually saving a higher proportion of their income than the relatively better off poor.” The federal government has incorporated the concept into various programs offering assistance to low-income families, and is currently funding two demonstrations. In addition, there have been tax-based proposals introduced into Congress, which would “take IDAs to scale.”

PROPOSAL TO COMBINE INCENTIVES FOR EMPLOYERS AND EMPLOYEES

Daniel Halperin, Harvard Law School professor and former Treasury Department official, and Center for Retirement Research Director and economist, Alicia Munnell have developed a package of provisions to expand private retirement plan coverage by providing “greater carrots and lighter sticks” for employer plans, as well as a greater government subsidy for low-income savings.

With respect to employer plans, Halperin and Munnell note that increasing benefits for the higher paid may result in increased benefits for the lower income workers, but it is wasteful to permit increases for all employer plans. Instead, they would permit higher benefit limits only for those plans that give improved coverage for the rank and file – specifically, plans that provide coverage for all employees in a particular line of business. In addition, "to make sure the coverage is real," they would provide the same contribution as a percentage of pay for higher and lower paid employees, require vesting after one year, permit automatic rollovers, and make inflation-indexed annuities available as a form of distribution. They also propose prohibiting integration with Social Security unless the plan is so rich that without integration its benefits would exceed a full replacement of workers’ pre-retirement income. In other words, Halperin and Munnell would require that the "lost revenue" associated with higher benefit limits be "used to buy" additional coverage for the rank and file.

With respect to individual accounts for the lowest paid, Halperin and Munnell are "not against" refundable tax credits but feel it may not make sense to encourage additional retirement savings, which would reduce these individuals' already inadequate current income. They suggest that funding come from elsewhere, perhaps Social Security increases "though that is not in the cards," or supplementing Social Security with government-funded Universal Savings Accounts. These sources of funding should be sufficient to "provide for the lower income at a level that allows them to maintain their pre-retirement standard of living without relying on employer plans at all."

NEW INSTITUTIONS AND MODELS

NEW STRUCTURES

A Proposal for a New Kind of DC Plan. Senator Jeff Bingaman (D-NM) has long been interested in ways of promoting pension coverage in his state. New Mexico has the lowest coverage rate of all the states. It is also a very poor state. The majority of employers in New Mexico are small businesses, and 49 percent of New Mexico taxpayers earn $30,000 a year or less.

To encourage small businesses to provide pensions for their employees, Senator Bingaman introduced a bill, called the "Pension ProSave Act of 1997." As described by James Dennis, tax policy advisor to Senator Bingaman, the bill authorized the creation of simplified defined contribution plans to which employers could contribute for their employees by forwarding contributions – calculated as a uniform percentage of each employee's compensation – to a government clearinghouse modeled on the Thrift Savings Plan. The clearinghouse would then aggregate small amounts, set up low-cost accounts, offer a limited range of investment options for employees' choices, and receive tax deferred employee contributions that match employer contributions. Funds would be generally locked in until retirement.

NEW MODELS

Proposal for a New Model Plan and Subsidized Savings. Congressman Rob Andrews (D-NJ) is convinced that "without action to expand coverage by broader and richer pensions in the next decade or so, there will be a new lobby created, euphemistically called the `National Association of Angry Senior Voters," furious at finding themselves nearing a lengthy and healthy retirement but without adequate savings or pensions to preserve their standard of living. He predicts that at that point, Congress and the Administration will be faced with an overwhelming demand to increase retirement benefits through Social Security. Payroll tax increases will not be feasible, so they will rely on "massive amounts of borrowing, recreating the same fiscal nightmare we dug our way out of in recent years. He believes that one of the best ways to avoid this time bomb is to get more people covered by private pensions."

Congressman Andrews incorporated one approach to solving the pension coverage problem in his Retirement Enhancement Act of 2001, a comprehensive bill encompassing a wide range of pension issues. He proposes developing model plans which employers could adopt – plans which would pose fewer administrative costs and would instead permit employers to just "write a check" so that employees would be covered through a system of private sector, voluntary accounts.

Another change that needs to occur, according to Congressman Andrews, is the creation of individual accounts subsidized by the federal government for "the huge number of uncovered individuals working in industries with low profit margins, where the competition for labor is not such that offering a pension will give the employer a material advantage over competitors." "These people," he says, "are never going to get covered by an incentive system that speaks to the incentives offered to the employer – it's just never going to happen." To those who might oppose subsidizing retirement contributions by low-wage workers with tax dollars, the Congressman replied that, "it's better to subsidize a little bit now than to subsidize a lot later... it is expensive but it's a lot more expensive not to do it."

Building on Existing Models

New Multiemployer Plans. Teresa Ghilarducci, economics professor at the University of Notre Dame and former member of the Pension Benefit Guaranty Corporation's Advisory Committee, proposes "building on a good model that is already in place" – multiemployer pension plans. Multiemployer plans are plans negotiated with unions to which many different employers without any ownership relationship to each other contribute. They are typically "competitors who share the same work group, and need the same skills. Workers covered by these plans may be grocery store workers, meat packers, laundry workers, hotel employees, nurses, some in the auto industry, and many more." Many of these workers are covered by collective bargaining agreements, but non-union workers participate in these plans, too. These plans are typically located around a certain industry or occupation and in a specific geographic area. The plans often provide both pension and disability coverage, often give both DB and DC benefits, and typically provide annuities at retirement.

It may be possible to broaden the reach of plans like these – perhaps by permitting existing plans to include other employees from other industries or occupations. It may also be possible for the government to launch the set-up of such a plan in an industry where no one employer wants to go first, but all will participate as long as their competitors do. The government could provide "the leadership of a coordinating agent" and could help to deliver economies of scale in plan administration that might help individual employers overcome obstacles that may now hold them back from sponsoring plans.

Simplifying Plan Types. Pamela Perun, lawyer, and consultant to the Urban Institute, and Eugene Steuerle, economist, former Treasury official and senior fellow at the Urban Institute suggest a two-stage model for reforming the U.S. private pension system. The first stage, which they call "ERISA at 50", would modify the current structure by vastly simplifying its plans and rules. The second stage, "ERISA at 65", would transform the private pension system into an employee-centric system.

Perun and Steuerle note that they have been struck by the profusion of different plan types over time. There are now a much greater variety of plan types than 25 years ago, when the private pension law, "ERISA," was passed. If the present trend continues – "looking ahead to `ERISA at 50' – they predict that there will be over 350 different pension plan types." In their view "enough is enough." They urge a movement toward simplicity.

They point out that much of the complexity in different plan types, particularly among DC plans, is no longer needed – "you don't need profits for a profit sharing plan, and there's probably no stock in a stock bonus plan." They propose instead one simple design for all types of employers, with the same rules on deductions and contributions. DB plans could be made more flexible for an aging workforce, and could be revised to boost incentives for post-retirement work. DC plans and IRAs could be "coordinated" and government matching credits could be provided to encourage low and moderate-wage workers to save.

Perun and Steuerle propose that eventually ERISA should be "retired." They suggest that the focus be on having the employer put its money in and serve as facilitator of employee contributions. Services beyond that should be provided not by employers but by third parties, and should be paid for by employees. This would lessen the role of employers and increase the role and regulation of financial services providers – retirement dollars are "special savings, needing special protections."

Simplifying Investment Options. Ted Benna, President of the 401(k) Association, and widely known as the "father of the 401(k) plan," also would revise what is asked of employers in terms of managing retirement savings. He believes that many employers are not well equipped to make decisions regarding investment options for employees.

He believes, too, that employees are similarly ill equipped to cope with a savings environment that now offers more and more investment choices. Most participants struggle to manage when given a dozen options to choose from, yet more and more employees are being moved to an environment where their choices are almost unlimited. Investment education and even investment advice will not solve this problem. Employer and providers, understanding this reality, are hamstrung by the fear of litigation brought by employees who will be unsuccessful in their investment decisions. Benna expects that it will be much more difficult in the future for participants to get investment returns comparable to those seen in the past decade; he also expects that they will increasingly look for someone to make these decisions for them.

To help, he proposes the creation of two "safe harbor" designs – one would offer participants structured investment portfolios, limits on fees, and protections against certain kinds of investment risk. Another would provide an open investment window for those who choose to use it. Designs like these would minimize employer cost and concern about fiduciary liability, and offer participants more manageable choices.

In order to reach employees and employers without plans, Benna recommends a careful marketing approach that resists using new acronyms and labels and builds on what is already widely accepted and popular in the marketplace – 401(k)s and IRAs. He also would consider changing the name of the "SIMPLE-IRA" TO a 401(k)-IRA and adding a second version that would be identical to the current version except for the following:

- The regular 401(k) contribution limits would apply;
- Special testing would be required to ensure that these plans do not discriminate in favor of highly-paid employees; and
- No employer contributions would be required.

Simplifying Plan Design and Investment Structure. Finally, there is the "Pensions 2000" proposal described by Norman Stein, now professor at the University of Maine School of Law, as "a collaborative effort of about twenty individuals trying to come up with a plan for the future." According to Stein, a member of the ERISA Advisory Council to the Department of Labor, the goal of the proposal is to offer employers the simplicity of lower administrative costs, relief from fiduciary liability, and flexibility to decide whether to make contributions year by year. In exchange, it would provide "better coverage," a uniform benefit structure (the same percentage of compensation to be contributed by employers for every employee), and the addition of certain DB features into what would otherwise be a DC plan. In addition, employees would be free to put in up to twice what their employers provided on a salary deferral basis – that is, a "reverse match."

Employers would transfer funds to a licensed financial institution, which would accept fiduciary responsibility and the responsibility for record keeping, reporting, offering a certain number of diversified investment options for employee to choose among, and offering annuities at retirement. Employees would be free to transfer funds to another institution, thereby generating competition and helping hold down fees. The Federal Thrift Plan could also serve this role, further providing competition. Immediate vesting would be required; all employees would participate after one year of service; employees aged 18 and working at least 500 hours a year would be entitled to participate; accounts would be "locked in" except in cases of permanent disability or other unusual circumstances; loans would be permitted from the reverse match employee contributions but not from the employer portion; survivor annuities "more generous" than joint and 50% would be offered; and, there might also be a default rule covering divorce cases so that in the absence of a court order, a division of the benefit between the two spouses would be presumed.

CHAPTER FIVE

CONVERSATION OUTCOMES – NEW CONCEPTS FOR REFORM

New Concepts for Expanding Coverage

After hearing presentations of the major proposals described above, and having some opportunity to question and discuss those proposals, the attendees were divided into three working groups. The division was not random; the Conversation organizers wanted groups to be of roughly equal size, and to replicate as much as possible the variety of views present among the full group of attendees. After a brief review of the ground rules – i.e., bring a constructive attitude to the discussion, avoid technical jargon, and talk freely "off the record" – the groups began their own conversations.

Before turning to each group's discussions, it is important to keep in mind that references to "group recommendations" or "suggestions" are not meant to imply that these thoughts were unanimously embraced by members of a working group, or by the larger group of attendees who heard the working groups' reports and discussed them. Differences of opinion and of interpretation existed within each working group – unanimity was never the goal.

Each group aired a helpful articulation of their differences; each shared with the whole group a sense of the most promising and important strategies highlighted within its discussions; and each expressed a willingness to continue working productively to expand coverage by the private retirement system. Those were the requests made of the groups and each met the challenge.

Each group met three times for roughly one and one-half hours each time, and each was led by an experienced facilitator from Advanced Dispute Resolution Systems, LLC. At the outset, the facilitators invited the members of their groups to brainstorm about those "elements" of the proposals they had just heard that they thought would significantly increase the number of persons benefiting from private retirement plans.

Group members were then encouraged to evaluate elements in several lights: Which were likely to benefit low and moderate wage workers? Which were likely to appeal to small businesses? Which were likely be to "sale-able" to Congress, to employers and employees, and to financial institutions that might market the plans?

Each group approached the challenge of identifying and evaluating elements differently, and each produced widely differing results. Generally, the concepts suggested by the groups fell into four broad categories:

(1) Concepts to encourage employers who do not now have plans to set them up;

(2) Concepts to encourage employers who now have plans to include more of their employees in the plan;

(3) Concepts to encourage more employees whose employers now offer them plans to contribute to those plans; and

(4) Concepts to encourage employees whose employers do not have plans to contribute on their own.

Working group discussions of these concepts were lively and intense. The following summaries recap the outcomes of the working groups that were presented to the others in follow-up plenary sessions.

(1) Concepts to encourage employers who do not now have plans to set them up.

Two of the working groups put forward ideas aimed at increasing the number of firms offering plans. One was designed to make plans more attractive to employers by reducing certain burdens they generally associate with plan sponsorship. The second was targeted at increasing plan marketability by simplifying the labeling of the confusing array of different arrangements offered to small employers.

"Pooling" strategy. One working group suggestion focused on developing a pooling mechanism to encourage employers not now offering plans to do so. Some kind of "industry association" might be designed which would help increase the number of plans in industries or occupations where plans now are rare. For example, a clearinghouse might be useful in minimizing employer roles and liability, as well as start-up costs and ongoing administrative fees, thereby increasing the number of plans offered. It might also reduce the complexity that many employers find discouraging, and might appeal to small employers and employees in industries where workers change jobs frequently.

Proponents of this concept cautioned that more work would be needed to determine whether these ideas would be appealing to employers and employees, would increase coverage within plans, and would reach the bottom two-fifths of the workforce. In addition, there are barriers that would have to be overcome. For example, the law currently limits the types of entities that can sponsor a pension plan.

In addition, research is needed to determine why products now available that offer employers the ability to pool resources are not more widely used. Financial institutions, government regulators, small employers and organized labor have all seen promise in this general concept and tried to address it in different ways. What do we know about why they were not more widely adopted? What improvements could be made to achieve the desired goals? If pension and savings plans “are sold, not bought” as is often said, how could a more effective marketing strategy be designed and implemented?

The conversation was frank and realistic – there may be barriers that this kind of approach cannot overcome, as well as limits to the kinds of workers it can reach. However, the concept contains features designed to respond to many of the obstacles that the presenters of reform proposals had sought to address; it is one which financial institutions, government agencies, business groups and labor unions have explored; and it is one where significant learning and testing can take place without waiting for legislative or regulatory action.

“Branding” strategy. Another suggestion for making retirement plans more attractive to employers was aimed at simplifying the number of options they are offered, and using the marketing power of the popular "401(k)" label to promote new DC plans.

Further reducing the distinctions among DC plans could help to capture the sales power of simplicity; and developing a means for companies to use standardized documents to create and adopt a plan (as some plan designs now permit) could significantly reduce costs and complexity, two of the factors that discourage the creation of new plans.

The discussion also raised cautions – for example, turning SIMPLE plans into 401(k) plans, which permit higher contributions, seems appealingly marketable. However, such a change might not achieve much in the way of new coverage, and would deprive employers of the ability to set up SIMPLE plans through a group of IRAs without creating and administering a plan, something a 401(k) design doesn't permit.

(2) Strategies to encourage employers who now have plans to include more of their employees in the plans.

To expand participation within plans, one working group recommended using the tax system to encourage employers to set up plans that meet desirable coverage standards. Another group suggested eliminating a barrier that currently prevents employers from extending coverage to "non-traditional" workers.

"Employer tax credit" strategy. A strategy targeted at encouraging employers to include more of their workers in retirement plans could give employers refundable tax credits if they structure their plans in specified ways. Rather than requiring that all employees be covered, a tax credit might be made available to employer plans that chose to, for example, extend eligibility to employees working at least 500 hours a year rather than the 1000 hours plans can currently require; provide an automatic employer contribution to all eligible employees; provide the same percentage of pay for all employees, rather than offsetting anticipated Social Security benefits; benefit all employees in a single line of business, or benefit 50 percent of all eligible employees, and provide financial planning assistance to each participant.

Some in the group considered the creation of this tax credit a good first step, but not the last step needed. They wanted to go beyond that and directly address the need for retirement savings of those at the lowest-income levels, perhaps through government-subsidized USA Accounts or Individual Development Accounts. Others were concerned that tax money spent to provide credits encouraging plans to meet more desirable targets might be better directed at helping small employers who do not offer plans at all.

Overall, the group accepted that private savings cannot be forced, and that efforts to encourage employer plans must take into account the financial situation facing the employer. Still, the group expressed the desire to reach the population that is most often without pension coverage – part-time workers, low-income workers, and others. They felt that some additional coverage at most income levels is still possible through the private pension system, but that the practical limits on what that system can do to reach low-wage workers makes Social Security even more important than is often understood. Some in the group believed that these private sector limits mean it is not only vital to maintain guaranteed benefits under Social Security but also desirable to increase those benefits since what can reasonably be expected from the private system in the way of supplements to low-wage workers is modest at best.

"Independent contractor" strategy. Recognizing that current law only permits employers to offer plans to their "employees," one of the working groups suggested that there could be some expansion of coverage if this barrier were removed, thus permitting employers to allow optional participation of non-employees – such as independent contractors – in their plans.

(3) Concepts to encourage more employees whose employers now offer them plans to contribute to those plans.

"Financial education" strategy. Financial education was an important element in working group recommendations for improving coverage in 401(k) plans. Fear and confusion about these plans could be part of the reason why almost 30 percent of people offered a 401(k) plan do not participate. Proponents of education believe that it could help employees make the many decisions required of them in a 401(k); they also suggested that greater understanding and confidence about those decisions might encourage employees to participate more fully and ultimately to get more out of a DC plan. Another suggestion was to clarify employers' liability for offering financial education in order to make them more comfortable about providing it for their employees; it may be that some combination of assistance to both employers and employees with the separate responsibilities they bear, and protection against the risks they face, might improve both confidence and coverage in DC plans.

"Risk reduction" strategy. In addition to the risk reduction proposed for sponsors providing investment advice or education to participants, one working group discussed specific "risk reduction" strategies that might be studied for DC participants. For example, the group asked whether there are certain risks, perhaps risks of loss due to fraud or inappropriate behavior by others, which the Pension Benefit Guaranty Corporation could insure against. It also asked whether the use of annuities by DC plans could be increased so as to protect against investment losses and the risk of outliving retirement assets. Some said that since certain "hybrid" plans, that contain elements of both DB and DC plans, protect against a number of the risks employees face in a DC plan, perhaps their use should be encouraged.

Risk reduction doesn't come without cost. Cost factors enter into an employer's willingness to sponsor and plan, and into the benefit ultimately provided under a DC plan. Could risk reduction methods be designed in ways that benefit employers and employees, work in a voluntary system, and are valued enough to justify the added cost? Questions like this may be even more difficult to explore than some of the other coverage proposals that depend on more "mechanical" changes – that is, "you can defer this if you cover that." But, since they go right to the heart of what motivates employers and employees, what risks they will bear and what price they will pay, they may in the long term be some of the most important questions we can ask.

(4) Concepts to encourage employees whose employers do not have plans to contribute on their own.

"Refundable tax credits" strategy. One working group expressed interest in designing a refundable tax credit to encourage contributions by low and moderate-wage workers either into employer plans, where available, or IRAs. There was also interest in permitting employers or financial institutions to process that tax credit on behalf of employees.

"Government-sponsored accounts" strategy. Working group discussion also focused on setting up individual accounts of some kind. The advantages perceived included easy access, low fees and expenses, ability to prevent or reduce leakage, and more. Some working group members felt strongly that establishing some kind of government-sponsored account would be the most effective method for expanding coverage among the bottom two-fifths of the income range, although difficult to accomplish through legislation. They felt that the creation of the mechanism alone, without government seed contributions but able to receive tax refunds, could be a good start.

"Payroll Withholding" strategy. Finally, there was considerable interest in providing a refundable tax credit to employers to help with the cost of setting up a payroll withholding mechanism so that employees not covered by a plan can conveniently contribute to deductible IRAs. However, they note that this is a means for employee saving, not employer coverage, with relatively low limits on the amount deductible annually. Although annual limits on deductible contributions are indexed now and will rise in the future, few low-wage workers contribute to IRAs now and the ability to contribute higher amounts annually is unlikely to change that. Group members also expressed concern about the difficulty small employers could face in setting up such a mechanism, cautioning that it involves more than a simple "add-on" to existing operations.

AFTERWORD: SETTING THE STAGE FOR CONVERSATION II

The Conversation on Coverage is now in its second stage. Conversation II is continuing the important work started at the first Conversation. Three Working Groups are focusing on developing a series of policy proposals aimed at increasing private retirement coverage. Working Group recommendations and comments by reviewers will be incorporated into working papers, which will serve as the basis of discussion for a second Conversation on Coverage event to be held in 2004. If consensus does not appear to be achievable by the conclusion of the event, participants will be encouraged to delineate areas of agreement and disagreement to help promote an informed ongoing national dialogue.

To ensure a constructive and inclusive process, a Steering Committee is helping to guide the Conversation. The Steering Committee consists of a balanced group of advisors who participated in both days of the first Conversation and have a range of expertise and viewpoints.

Also as part of Conversation II, the Center is working with advisors to research promising models for a possible demonstration group program. The research is examining previous efforts to develop retirement and health insurance programs where small employers (and employees) pooled contributions, thus reducing the administrative fees and fiduciary liabilities that are often barriers to setting up plans.

This is a challenging time in which to test the appeal of different options for increasing pension coverage. But the experts from different disciplines and different perspectives from across the country brought together by Conversation II are committed to working together to find workable solutions. The Conversation on Coverage is creating a laboratory in which to create and test new ideas.

APPENDIX A

FUNDERS AND CO-SPONSORS

The Pension Rights Center

gratefully acknowledges the support of the

FORD FOUNDATION

and the

W. K. KELLOGG FOUNDATION

for the

CONVERSATION
on
COVERAGE

Co-sponsoring Organizations:

AARP
AFL-CIO
AMERICAN BENEFITS INSTITUTE
CENTER FOR BUDGET AND POLICY PRIORITIES
COMMUNICATION WORKERS OF AMERICA
EMPLOYEE BENEFIT RESEARCH INSTITUTE
FIDELITY INVESTMENTS
IEEE-USA
NATIONAL ACADEMY OF SOCIAL INSURANCE
TIAA-CREF INSTITUTE
UNITED FOOD AND COMMERCIAL WORKERS UNION
URBAN INSTITUTE

APPENDIX B

AGENDA

PENSION RIGHTS CENTER

1140 19TH STREET, NW SUITE 602 WASHINGTON, DC 20036-6608
TEL: 202-296-3776 FAX: 202-833-2472
E-MAIL: PNSNRIGHTS@AOL.COM

AGENDA

"*CONVERSATION ON COVERAGE*"

American Institute of Architects
1735 New York Avenue, N.W.
Washington, D.C.
July 24-25, 2001

TUESDAY, July 24, 2001

8:00 AM	**Continental Breakfast**
8:30 – 8:45 AM	**Welcome: Goals of the Conversation** **Karen Ferguson,** *Director, Pension Rights Center*
8:45 – 9:00 AM	**Opening Remarks: Lisle C. Carter Jr.,** *Former Member President's Commission on Pension Policy*
9:00 – 10:00 AM	**OPENING PANEL** **Expanding Pension Coverage: Confronting the Challenges and Charting Guiding Principles for the Future** **Moderator: Kathleen D. Gill,** *Former Editor in Chief, Bureau of National Affairs* **Ann Combs,** *Assistant Secretary of Labor* **John J. Sweeney**, *President, AFL-CIO* **Michael E. Baroody,** *Executive Vice President, National Association of Manufacturers* *Remarks followed by Conversation with Panel*
10:00 - 10:45 AM	**WHO IS COVERED AND WHO IS NOT?** **Moderator: John Rother,** *Director of Legislation and Public Policy, AARP*

Alicia H. Munnell, *Director, Center for Retirement Research*

Remarks followed by Comments and Questions

10:45 - 11:00 AM **Break**

SESSION I

GROUND RULES FOR THE CONVERSATION

NEW INCENTIVES FOR EMPLOYERS
Moderator: Ray Suarez, *Senior Correspondent, The Newshour with Jim Lehrer*

- **Will Offering New Plan Designs Increase Coverage?**
  Congressman Earl Pomeroy *(D-ND)*

  Remarks followed by conversation with Congressmen Pomeroy

- **Will Providing More Carrots and Fewer Sticks Increase Coverage?**
  James Klein, *President, American Benefits Council*

Additional proposals for new employer incentives will be presented by:
Douglas Ell, *Partner, Groom Law Group*
Jim Davis, *Consulting Actuary, Milliman USA*
Theodore Groom, *Partner, Groom Law Group*

Clarifying questions and comments

12:30 – 1:30 PM **LUNCH AND INFORMAL DISCUSSION**
American Institute of Architects

1:30 – 3:00 PM **SESSION II**

NEW INCENTIVES FOR EMPLOYEES
Moderator: Beth Kobliner, *Financial Journalist and Commentator*

Part I

- **Will Tax Credits for Low and Moderate Wage Earners Increase Coverage?**
  Peter Orszag, *President, Sebago Associates*

Additional proposals for new employee incentives will be presented by:

Michael Calabrese, Director, Public Assets Program, New America Foundation

Dean Baker, Co-Director, Center for Economic and Policy Research

Ray Boshara, Public Policy Director, Corporation for Enterprise Development

Clarifying questions and comments

Part 2

- Will Combining Incentives for Employers and Employees Increase Coverage?

  Daniel Halperin, Professor, Harvard Law School

Comments, questions, and other proposals from participants

3:00 – 3:15 PM	**Break**
3:15 – 5:00 PM	**Common Ground Working Groups**
5:15 – 7:30 PM	**Reception: Octagon Museum**

WEDNESDAY, July 25, 2001

8:00 AM	**Continental Breakfast with Jim Dennis,** *Office of Senator Jeff Bingaman (D-NM)*
8:45 – 9:00 AM	**Recap of Day One: Regina Jefferson,** *Professor, The Columbus School of Law, Catholic University*
9:00 – 9:15 AM	**Reports from Day One Working Groups**

9:15 – 10:45 AM **SESSION III**

NEW INSTITUTIONS AND MODELS
Moderator: Robert Rosenblatt,

Washington Correspondent and

Columnist, Los Angeles Times

- **Will New Model Plans Increase Coverage?**
  Congressman Robert Andrews, (D-NJ)

  Remarks followed by conversation with Congressman Andrews

  ***Additional proposals for new institutional structures and models will be presented by*:**
  Teresa Ghilarducci, *Professor, University of Notre Dame*
  Pamela Perun, *Consultant, Urban Institute*
  Ted Benna, *President, 401(k) Association*
  Norman Stein, *Professor, University of Alabama School of Law*

  Comments, questions, and other proposals from participants

10:45 – 11:00 AM **Break**

11:00 – 12:30 PM **Common Ground Working Groups**

12:30 – 1:30 PM **LUNCH AND INFORMAL CONVERSATION**
American Institute of Architects

1:30 – 2:00 PM **Reports from Day Two Working Groups**

2:00 – 3:00 PM **Reconciling Outcomes of Day One and Day Two Working Groups**

3:00 - 3:15 PM **Break**

3:15 – 5:00 PM **CLOSING PLENARY**
Consensus and Consensus Building
Charles Bethel, President, Advanced Dispute Resolutions Systems

Discussion of Next Steps: Post-Conversation Working Group and White Paper
Karen Friedman, *Director, Conversation On Coverage*

ADJOURN

APPENDIX C

PARTICIPANTS AND OBSERVERS

CONVERSATION
on
COVERAGE

Participants and Observers

As of July 17, 2001

Evelyn Adams
4615 Burlington Road
Hyattsville, MD 20781
Phone: (301) 927-4263

Greg Anrig
Century Foundation
41 East 70th Street
New York, NY 10021
Phone: (212) 535-4441

Dean Baker
Center for Economics & Policy Research
1015 18th Street, NW
Washington, DC 20036
Phone: (202) 293-5380

Ted Benna
155 Lingwood Court
Belle Forte, PA 16823
Phone: (814) 357-0480

Dianne Bennett
Hodgson Russ, LLP
One M & T Plaza, Suite 2000
Buffalo, NY 14209
Phone: (716) 848-1406

Phyllis Borzi
O-Donoghue & O'Donoghue
4748 Wisconsin Avenue, NW
Washington, DC 20016
Phone: (202) 274-2419

Ray Boshara
Corporation for Enterprise Development
777 North Capitol Street, NE
Washington, DC 20002
Phone: (202) 408-9788

Ellen Bruce
Gerontology Institute
University of Massachusetts, Boston
100 Morrissey Blvd.
Boston, MA 02125
Phone: (202) 617-287-7315

Michael Calabrese
New America Foundation
1630 Connecticut Avenue, NW 7th Floor
Washington, DC 20009
Phone: (202) 682-4123

Lisle Carter
P.O. Box 719, Rt. 647
Flint Hill, VA 22627
Phone: (540) 675-1767

David Certner
AARP
601 E Street, NW
Washington, DC 20049
Phone: (202) 434-376

Debbie Chalfie
National Women's Law Center
11 Dupont Circle, Suite 800
Washington, DC 20036
Phone: (202) 588-5185

Ken Cohen
Mass Mutual
1295 State Street
Springfield, MA 01111
Phone: (413) 744-6057

John Colborn
Ford Foundation
320 E. 43rd Street
New York, NY 10017
Phone: (212) 573-5370

Charles Coles
10812 Melanie Court
Oakton, VA 22124-1828
Phone: (703) 938-6086

Jim Davis
Milliman USA
9400 North Expressway, Suite 1000
Dallas, TX 75231
Phone: (241) 863-5520

Dino DeConcini
Consumer Federation of America
1424 16th Street, NW
Washington, DC 20036
Phone: (202) 387-6121

James Delaplane
American Benefits Council
1212 New York Avenue, NW, 1250
Washington, DC 20005
Phone: (202) 289-6700

James Dennis
Office of Senator Jeff Bingamin
703 SHOB
Washington, DC 20510-3102
Ph: (202) 224-5521

Patricia Dilley
University of Florida, College of Law
P.O. Box 11762
Gainesville, FL 32611
Phone: (352) 392-2270

Douglas Ell
Groom Law Group
1701 Pennsylvania Avenue, NW
Washington, DC 20006-5893
Phone: (202) 857-0620

Bridget Flynn
American Academy of Actuaries
1100 17th,NW
7th Floor
Washington, DC 20036
Ph: (202) 223-8196

William Gale
The Brookings Institution
1775 Massachusetts Avenue, NW
Washington, DC 20036
Phone: (202) 216-0420

Cheryl Gannon
National Committee to Preserve
Social Security & Medicare
10 G Street, NW Suite 600
Washington, DC 20002
Phone: (202) 216-0420

Ron Gebhardtsbauer
American Academy of Actuaries
1100 17th Street, NW, 7th Floor
Washington, DC 20036
Phone: (202) 223-8196

Teresa Ghilarducci
University of Notre Dame
434 Flanner Hall
Notredam, IN 46556
Phone: (219) 631-7581

Michael S. Gordon
Law Offices of Michael S. Gordon
1244 19th Street, NW, 4th Floor
Washington, DC 20036
Phone: (202) 393-5877

Amy Gotwals
OWL
666 11th Street, NW, Suite 700
Washington, DC 20001
Phone: (202) 783-6686

Robert Greenstein
Center for Budget & Policy Priorities
820 First Street, NE
Washington, DC 20002
Phone: (202) 408-1080

Ted Groom
Groom Law Group
1707 Pennsylvania Avenue, NW, Suite 1200
Washington, DC 20006
Phone: (202) 257-0620

Daniel Halperin
Griswold Hall
Harvard Law School
1525 Massachusetts Avenue
Cambridge, MA 02130
Phone: (617) 491-5796

Kathleen Havey
US Chamber of Commerce
1615 H Street, NW
Washington, DC 20062
Phone: (202) 463-5458

Nell Hennessy
ASA Fiduciary Counselors, Inc.
South Building, Suite 900
Washington, DC 20004
Phone: (202) 424-8180

Catherine Hill
Institute for Women's Policy Research
1707 L Street, NW Suite 750
Washington, DC 20036
Phone: (202) 785-5100

Beverly Holmes
Mass Mutual
1295 State Street
Springfield, MA 01111
Phone: (413) 744-6057

Cindy Hounsell
WISER
1201 Pennsylvania Avenue, NW
Washington, DC 20004
Phone: (202) 393-5452

Dianne Howland
US Senate Committee on Finance
219 Dirksen Senate Office Building
Washington, DC 20510
Phone: (202) 224-4515

Martha Hutzelman
Bosley and Hutzelman, P.C.
801 North Fairfax Street, Suite 209
Alexandria, VA 22314
Phone: (703) 299-9177

Mark Iwry
8028 Herb Farm Drive
Bethesda, MD 20817
Phone: (202) 622-0170

Regina Jefferson
Catholic University
Columbus School of Law
620 Michigan Avenue, NE
Washington, DC 20017
Phone: (202) 319-5144

Randy Johnson
Motorola
1350 I Street, NW, Suite 400
Washington, DC 20005
Phone: (202) 371-6900

John Kimpel
Fidelity Investments
82 Devonshire Street
Boston, MA 02109
Phone: (617) 563-7924

Jim Klein
American Benefits Council
1212 New York Avenue, NW, 1250
Washington, DC 20005
Phone: (202) 289-6700

Leslie Kramerich
PWBA
U.S. Department of Labor
200 Constitution Avenue, NW
Washington, DC 20210
Phone: (202) 219-8233

Olena Lacy
1797 Shalom Drive
West Bend, IN 53090
Phone: (262) 338-4931

Dara Lenhoff
Save the Dream
1436 Meridan Place, NW, #103
Washington, DC 20010
Phone: 202-408-5556

Mara Manus
Ford Foundation
320 E. 43rd Street
New York, NY 10017
Phone: (212) 573-5370

Judith Mazo
The Segal Company
1920 N Street, NW, Suite 500
Washington, DC 20036
Phone: (202) 833-6455

Alicia Munnell
Center for Retirement Research
Boston College
550 Fulton Hall
Chestnut Hill, MA 02467
Phone: (617) 552-8000

Diane Oakley
TIAA-CREF
555 12th Street, NW
Suite 700-South
Washington, D.C. 20004
Phone: (202) 637-8915

Shaun O'Brien
AFL-CIO, Department of Public Policy
815 16th Street, N
Washington, DC 20006
Phone: (202) 637-3904

Brian O'Konski
United Food and Commerical Workers Union
1775 K Street, NW
Washington, DC 20006
Phone: (202) 223-3111

Vin O'Neill
IEEE-USA
1828 L Street, NW, Suite 1202
Washington, DC 20036
Phone: (202) 785-0017

Peter Orszag
Sebago Associates, Inc.
951 Old Country Road, #194
Belmont, CA 94002
Phone: (650) 591-3416

Robert Patrician
CWA
501 Third Street, NW
Washington, DC 20001-2797
Phone: (202) 434-1183

Pamela Perun
2910 Elmwood Court
Berkeley, CA 94705
Phone: (510) 644-9419

Martha Priddy Patterson
Deloitte & Touche, LLP
555 12th Street, NW
Washington, DC 20004-1207
Phone: (202) 220-2016

Anna Rappaport
William M. Mercer, Incorporated
10 South Wacker Drive
Chicago, IL 60606-7485
Phone: (312) 902-7980

Virginia Reno
National Academy of Social Insuranc
1776 Massachusetts Avenue, NW
Washington, DC 20036
Phone: (202) 452-8097

Eric Rodriguez
National Council of LA RAZA
1111 19th Street, NW, Suite 1000
Washington, DC 20036
Phone: (202) 776-1786

John Rother
AARP
601 E Street, NW-Room A-6312
Chicago, IL 20049
Phone: (202) 434-3704

Dallas Salisbury
Employee Benefits Research Institute
2121 K Street, NW
Washington, DC 20037
Phone: (202) 775-6322

Raymond Schmierer
TIAA-CREF Institute
730 Third Avenue
New York, NY 10017
Phone: (800) 842-2733

Dan Schulder
Alliance for Retired Americans
8403 Colesville Road, Suite 1200
Silver Spring, MD 20910
Phone: (301) 578-8422

David Smith
AFL-CIO
815 16th Street, NW
Washington, DC 20006
Phone: (202) 637-3904

William Spriggs
National Urban League
1111 14th Street, NW, Suite 100
Washington, DC 20005
Phone: (202) 898-1604

Norman Stein
University of Alabama School of Law
P.O. Box 870382
Tuscalossa, AL 35487
Phone: (205) 348-1136

C. Eugene Steuerle
The Urban Institute
2100 M Street, NW
Washington, DC 20037
Phone: (202) 833-7200

Annika Sunden
Center for Retirement Research
Boston College
550 Fulton Hall
Chestnut Hill, MA 02467
Phone: (617) 552-8000

John Turner
AARP
601 E Street, NW
Washington, DC 20049
Phone: (202) 434-3881

Jack Vanderhei
EBRI
2121 K Street, NW
Suite 600
Washington, D.C. 20037
Phone: (202) 659-0670

Michele Varnhagen
House Committee on Education and the Workforce
Cannon House Office Bld., Room 112
Washington, DC 20515
Phone: (202) 226-1881

Chris Weller
Economic Policy Institute
1660 L Street, NW, Suite 1200
Washington, DC 20036
Phone: (202) 331-5525

<u>APPENDIX D</u>

PRESENTERS AND MODERATORS

CONVERSATION
on
COVERAGE

<u>PRESENTERS AND MODERATORS</u>

Rob Andrews

The Honorable Rob Andrews (D-NJ) is a 7th term Congressman representing the First Congressional District of New Jersey, which is comprised of Burlington, Camden and Gloucester Counties. During his 11 years in Congress, Congressman Andrews has been a leading voice for fiscal restraint, education and national defense. Congressman Andrews has authored two laws creating the Income Contingent Repayment Plan and Direct Student Loans, making higher education more affordable for 14 million students since 1993. Congressman Andrews also wrote laws to protect the United States from the threat of cyberterrorism, to lower mortgage costs for rural families, to protect the child visitation rights of grandparents, to provide health and pension benefits for employees of religious organizations and to move more people from welfare to work. He has served for his entire Congressional career on the Education and the Workforce Committee. Congressman Andrews is the Democratic leader and Ranking Member on the subcommittee on Employer-Employee relations, which has responsibility for the health insurance, pension and labor laws of the nation. He also serves on the Armed Services Committee. He is the son and grandson of shipyard workers and was the first in his family to attend college. He graduated summa cum laude from Bucknell University, where he also was Phi Beta Kappa. He received his law degree from Cornell University, where he was on the Board of Editors of the Cornell Law Review. Before his election to Congress, he was an attorney and an adjunct professor at the Rutgers University School of Law. He also served as freeholder director of Camden County, the highest elected office in county government.

Dean Baker

Dean Baker's most recent work, co-authored with Mark Weisbrot, is *Social Security: The Phony Crisis* (University of Chicago Press, 1999). Other work includes *Getting Prices Right: The Battle Over the Consumer Price Index* (M.E. Sharpe Press, 1997), which was selected for the 1998 Choice Outstanding Academic Book List, and *Globalization and Progressive Economic Policy* (Cambridge University Press, 1998), edited with Jerry Epstein and Bob Pollin. He is also author of the Economic Reporting Review, a weekly examination of the economic reporting in the *New York Times* and the *Washington Post*, and periodic analyses of the Federal Government's economic data on prices, employment, corporate profits, and the GDP. Dr. Baker is currently Co-Director of the Center for Economic and Policy Research. Formerly he was Senior Research Fellow at the Preamble Center in Washington, D.C. and the Century Fund in New York; previous to that was a Senior Economist at the Economic Policy Institute in Washington. His writing has appeared in the *Atlantic Monthly*, *Washington Post*, *American Prospect*, and *Challenge*, among many other publications. He has also appeared on PBS' NewsHour, Fox News, NPR, Counterspin, and numerous other television and radio programs. Dr. Baker received his Ph.D. in economics from the University of Michigan.□

Michael Baroody

Michael E. Baroody is Executive Vice President at the National Association of Manufacturers. He oversees all of the NAM's advocacy efforts – in Washington and around the country – in furtherance of its pro-growth, pro-worker policy agenda. Mr. Baroody also serves as a key spokesman for that agenda. Mr. Baroody was the Senior Vice President for Policy and Communications from 1990 to 1993 when he left to become president of the Republican-oriented National Policy Forum. He returned to the NAM in August 1994, to help build the Association's public affairs program, emphasizing greater involvement by NAM members in lobbying, policy and political activities inside and outside of Washington. These involvement activities grew into a "third branch" of NAM's advocacy efforts, co-equal with the traditional lobbying and media-relations "branches" in Policy and Communications. In 1999, all three were integrated into a single advocacy-oriented division of the NAM – Policy, Communications and Public Affairs. Prior to joining the NAM in 1990, Mr. Baroody had been, since 1985, the assistant secretary for policy at the United States Department of Labor. From 1981 to 1985, he served on Ronald Reagan's White House staff as deputy assistant to the President and director of public affairs. He was research director and later director of public affairs at the Republican National Committee from 1977 to 1980, where he also served as Editor-in-Chief of the 1980 Republican Platform. Mr. Baroody is also Chairman of the Board of the National Center for Neighborhood Enterprise. The Center seeks to promote self-sufficiency among low income Americans by identifying and empowering successful community leaders, and by assisting people in other communities to learn from and emulate their success. Also, Mr. Baroody represents the NAM on the Executive Committee of BIPAC, the influential Business-Industry Political Action Committee. A 1968 graduate of the University of Notre Dame, Mr. Baroody served for two years in the U.S. Navy.

Ted Benna

As "Father of the 401(k)," Ted Benna has more than 40 years of experience as a retirement planning consultant and has been credited with creating and gaining IRS approval for the very first 401(k) savings plan. For 28 years, he served as a co-founder and executive vice president of the Johnson Companies, a highly successful regional benefit consulting company that grew into one of the nation's largest consulting firms. He is president of the 401(k) Association and a nationally recognized expert on retirement investments and 401(k) accounts. He sits on the Persumma Financial Advisory Board. He has been profiled in several leading publications including *Fortune*, *Kiplinger's*, *USA Today*, *Pension and Investments*, *Employee Benefit News* and *Plan Sponsor*. Additionally, he has received several commendations for his accomplishments. *Money Magazine* selected Mr. Benna for its 20th Anniversary Issue Hall of Fame and *Business Insurance* named him one of four "People of the Century." Mr. Benna is the author of two books, *Helping Employees Achieve Retirement Income Security* and *Escaping the Coming Retirement Crisis*. He also serves on the board of directors for an online 401(k) advice provider and hosts a weekly online question and answer session at 401kafe.com.

Jeff Bingaman

The Honorable Jeff Bingaman (D-NM) has served in the U.S. Senate since 1982. Senator Bingaman is committed to improving economic opportunity and economic security for America's working families. Throughout his service in the Senate, he has been a leader in the effort to enhance U.S. industrial competitiveness, improve the nation's trading position in the world, and create high-wage jobs in the U.S. and New Mexico. Senator Bingaman is widely known for helping to launch a major expansion of "dual-use" military and commercial technologies. He was a prime author of the legislation creating SEMATECH -- an innovative, public-private consortium that is credited with helping bring the American semiconductor industry back from the doldrums of the 1980s. Senator Bingaman also fought hard for the creation and tough enforcement of the U.S.-Japan Semiconductor Agreement in 1986. The successful conclusion of the agreement that year -- as well as in 1991 and 1996 -- and the creation of SEMATECH were major factors in Intel Corporation's decision to expand, producing thousands of jobs in New Mexico. As a natural extension of his efforts to create high-wage jobs, Senator Bingaman is at the forefront of efforts to make sure people are economically secure when they retire. Senator Bingaman is deeply troubled by the lack of retirement savings opportunities for American workers, and he has made it a top priority to improve their ability to save. His landmark initiative called Pension Pro-Save, aims to help make industry and government partners in the effort to improve retirement security for American workers. Senator Bingaman attended Harvard University and earned a Bachelor of Arts degree in government in 1965. He entered the Stanford University School of Law, graduating in 1968. Senator Bingaman served in the Army Reserves from 1968 to 1974. After a year as New Mexico Assistant Attorney General and nine years in private law practice, Senator Bingaman was elected Attorney General of New Mexico in 1978, and in 1982 he was elected to the U.S. Senate. Senator Bingaman is married to Anne Kovacovich Bingaman. They have one son, John. Ms. Bingaman, a graduate of Stanford and a longtime New Mexico attorney, recently served as Assistant U.S. Attorney General for Antitrust.

Ray Boshara

Ray Boshara is Program Director at the Corporation for Enterprise Development (CFED) in Washington, D.C. He leads CFED's efforts on federal assets policy, including national policies for Individual Development Accounts and Children's Savings Accounts as part of the Individual Assets cluster. He is the principal author of *Realizing the Promise of Microenterprise Development in State Welfare Reform* (1997), *20 Promising Ideas for Savings Facilitation and Mobilization in Low-Income Communities in the US* (1997), and *Building Assets for Stronger Families, Better Neighborhoods, and Realizing the American Dream* (1998). Prior to joining CFED in November 1996, Mr. Boshara served as a professional staff member on the Select Committee on Hunger of the United States Congress and a senior legislative aide to Congressman Tony P. Hall (D-OH). He was also a microenterprise development consultant at The Aspen Institute in Washington, D.C. and a policy advisor at the United Nations International Fund for Agricultural Development (IFAD) in Rome. He is a graduate of the John F. Kennedy School of Government at Harvard, Yale Divinity School, and Ohio State University.

Michael Calabrese

As Director of New America's Public Assets Program, Michael Calabrese oversees the organization's efforts to improve our nation's management of publicly-owned assets -- such as the electromagnetic spectrum -- and to broaden capital ownership among all Americans. Previously, Mr. Calabrese served as director of domestic policy programs at the Center for National Policy, as General Counsel of the Congressional Joint Economic Committee, and as pension and employee benefits counsel at the national AFL-CIO. He is currently completing a book that advocates universal asset-building accounts to expand pension coverage and human capital investment among lower-income workers. Mr. Calabrese is an attorney and graduate of both Stanford's Business and Law Schools. He has published widely, including opinion articles in *The Wall Street Journal*, *The New York Times*, and *The Washington Post*. He has co-authored three previous books, as well as several recent studies on the impacts of information technology growth on U.S. job quality, and on trends in the provision of employer-paid pension and health care benefits. Mr. Calabrese is also a frequent public speaker on issues related to fiscal policy, retirement security, health coverage and labor markets.

Ann Combs

Ann L. Combs was confirmed as Assistant Secretary of the Pension and Welfare Benefits Administration (PWBA), U.S. Department of Labor on May 9, 2001. The Assistant Secretary heads an agency which oversees approximately 700,000 pension plans with nearly $5 trillion in assets and another 6 million health and welfare benefits plans. She is responsible for the administration and enforcement of Title I of the Employee Retirement Income Security Act of 1974 (ERISA). Before her appointment, Ms. Combs was Vice President and Chief Counsel, Retirement and Pension Issues for the American Council of Life Insurers (ACLI). Ms. Combs was responsible for working with member companies to develop and promote public policy that will enhance American's financial security in retirement. Prior to joining ACLI, Ms. Combs was a principal of William M. Mercer, where she was responsible for the firm's government relations practice, concentrating on employer-sponsored retirement and health insurance plans and Social Security. She also served on the 1994-1996 Advisory Council on Social Security. During the Reagan and prior Bush Administrations, Ms. Combs spent six years as Deputy Assistant Secretary of Labor for PWBA. Her previous experience includes the National Association of Manufacturers and Price Waterhouse, Inc. A graduate of the University of Notre Dame (B.A.), Ms. Combs holds a J.D. from the George Washington University Law School in Washington, D.C. She is a member of the District of Columbia Bar and the American Bar Association. Ms. Combs has served on the Boards of Directors of the National Academy of Social Insurance, the American Benefits Council, and the American Council of Life Insurer's International Pension Foundation.

Jim Davis

Jim Davis is a Principal and Consulting Actuary in the Dallas office of Milliman & Robertson, Inc. (M&R). He manages the efforts of the consulting units comprised within the Dallas Employee Benefits Practice. He has focused expertise in the retirement consulting area. He works with employers, focusing on design, implementation and ongoing administration of a broad range of qualified and nonqualified retirement programs. Mr. Davis's experience extends from traditional retirement plans to hybrid design formats. He emphasizes helping employers tailor their various *plans* into a smooth, integrated retirement *program*. His background as an actuary allows him to evaluate the myriad of legal and financial considerations to formulate an optimal solution for each unique situation. Mr. Davis has spoken and presented to many groups and professional organizations concerning the current methods available to employers to provide optimal retirement programs for their employees. Mr. Davis is also highly involved in fostering the growth and development of other consulting competencies, including investment, communication, compliance, and health & welfare consulting. He is motivated to expand the employee benefits expertise provided to clients. Mr. Davis has been an integral participant in the development of M&R's computer systems. He has served on various national committees within M&R focused on design and innovation of those systems and other applications software.

Douglas Ell

Douglas Ell is a lawyer with the Groom Law Group, practicing exclusively in the employee benefits area. He specializes in the design and tax qualification of employee retirement and employee health and welfare plans, and in assessing and managing litigation and litigation risks.□He has extensive experience helping clients in these areas and in a number of other critical aspects of employee benefits, such as collective bargaining, dealing with government agencies (such as the IRS, DOL, and PBGC), obtaining favorable legislation, and reducing fiduciary risks. He has represented a wide variety of major corporations, unions, and employee benefit plans. Mr. Ell helped direct the 1993 design and negotiation of the retirement and benefit arrangements now enjoyed by National Football League players, as well as the 1996 and 1998 negotiated increases in those benefits. Mr. Ell also spearheaded the recent redesign of the pension and health liability structure for the transformation of a large industrial company into a major media company. He has developed creative and successful strategies in a variety of cases involving employee benefits.□Mr. Ell's litigation victories have been reported in *USA Today* and other publications. He graduated magna cum laude from the University of Connecticut Law School, where he served as Executive Editor of the *Law Review*. He earned an undergraduate degree in mathematics from the Massachusetts Institute of Technology and a graduate degree in pure mathematics from the University of Maryland. Mr. Ell has authored numerous articles and publications on employee benefits topics. He is a frequent speaker on employee benefits issues. He is listed in *The Best Lawyers in America* directory and was named by *Washingtonian* magazine as one of the best lawyers in Washington, D.C.□He is a charter member of the American College of Employee Benefits Counsel.□Mr. Ell currently chairs the Employee Benefits section of the D.C. Bar.

Karen Ferguson

Karen Ferguson is Director of the Pension Rights Center, a nonprofit consumer organization dedicated to protecting and promoting the pension interests of workers, retirees and their families. Before starting the Pension Rights Center in 1976, she worked as an attorney for the law firm, Bell, Boyd and Lloyd, the National Labor Relations Board, the Public Interest Research Group, and the United Mine Workers of America Health and Retirement Funds. She has been a consultant to the U.S. Department of Labor, the Office of Management and Budget, the Pension Benefit Guaranty Corporation, and Georgetown Law Center's Institute for Public Representation, is a member of the National Academy of Social Insurance, the American College of Employee Benefits Counsel, and the Bureau of National Affairs *Pension & Benefits Reporter's* Advisory Board, and is co-author with Kate Blackwell of *Pensions in Crisis: Why the System is Failing America and How You Can Protect Your Future* (Arcade Publishing, New York) (published in softcover as *The Pension Book: What You Need to Know to Prepare for*

Retirement). She received her J.D. from Harvard Law School, and A.B. from Bryn Mawr College.

Karen Friedman

Karen Friedman, the director of the *Conversation on Coverage*, is the creative voice of the Pension Rights Center, bringing 20 years of communications and advocacy experience to her work as a consumer advocate. Over her career, Ms. Friedman has worked on numerous economic and civil rights issues in the U.S. and in Israel, but her primary focus has been promoting a secure retirement income system for working Americans. Ms. Friedman, who directs many other Center policy and communication projects, has testified before Congress on retirement income issues, written articles for the *Washington Post*, *the New York Times*, *the L.A. Times* and *Plan Sponsor* magazine, and has appeared on numerous television and radio news shows including CBS Evening News, PBS Nightly Business Report, the Jim Hightower show, NPR, and NBC Nightly News. Besides her work on pensions, Ms. Friedman also directs the Social Security Education Project, an independent initiative which launched "Pizza Economics," a creative grassroots campaign to educate the public about the importance of Social Security. Ms. Friedman, a graduate of Georgetown University, is a member of the National Academy of Social Insurance and has won awards from the National Council of Women for her work on pensions, from the disability community for her contributions to the enactment of the Americans with Disability Act and from grassroots employee groups for protecting their pension rights. Ms. Friedman also runs her own theatre group and writes regular commentaries for Pacifica radio.

Teresa Ghilarducci

Teresa Ghilarducci is the Director of the Higgins Labor Research Center and Associate Professor of Economics at the University of Notre Dame. Her work focuses on Social Security, private pensions, labor unions and the distribution of income security. She works within the field of institutional labor economics and is concerned with the relationship between economic development, income distribution, and the quality of life in retirement for workers. While on leave from Notre Dame, she served as the Assistant Director for Employee Benefits at the AFL-CIO in 1994 and 1995. Professor Ghilarducci is the author of numerous articles and books including *Labor's Capital: The Economics and Politics of Private Pensions*, published by MIT Press; she has testified many times in Congress; and was appointed by President Clinton in 1996 to serve on the Pension Benefit Guaranty Corporation Advisory Board and by Governor O'Bannon in 1997 to serve on the Indiana Public Employees Retirement Fund Board of Trustees.

Ted Groom

Ted Groom is a recognized authority on insurance company and insurance and annuity product issues and has represented more than 25 large and small life insurance companies, as well as groups of companies interested in pension and annuity issues. During the past fifteen years, he has served as counsel to the Insurance Company Benefit Group, the Modified Guaranteed Annuity Group, the Mutual Life Insurance Company Tax Committee, the American Council of Life Insurance, and the Life Insurance Council of New York. During his career, Mr. Groom has also represented benefit plans and plan sponsors both generally and in connection with insurance company products. He has testified before Congress; appeared before a variety of federal agencies; and authored numerous articles on tax, benefit, and pension policy issues involving insurance companies and insurance products. His views are frequently quoted in national publications. Mr. Groom has been elected to The National Academy of Social Insurance, is a cofounder of the Stanford University Center for Economic Policy Research Insurance Project, and serves on the Advisory Council for the District of Columbia Director of Finance. Mr. Groom graduated *cum laude* from Harvard Law School in 1960. Following graduation, he clerked for the Chief Judge of the U.S. District Court for the District of Maryland. Since 1961, he has practiced in the income taxation and employee benefits fields, specializing in state and federal laws affecting the business of insurance. Mr. Groom is admitted to practice in Washington, D.C., and Virginia and is a member of the Bar of the Supreme Court of the United States.

Daniel Halperin

Daniel Halperin is the Stanley S. Surrey Professor of Law at the Harvard Law School and a former Deputy Assistant Secretary of Treasury for Tax Policy. He has previously taught at the University of Pennsylvania Law School, the Georgetown University Law Center and, as a visiting professor, at Yale Law School. Professor Halperin has been involved in pension law and policy for nearly 40 years, beginning as an associate at a large New York City law firm and continuing with his service with the government where he participated in the Task Force which developed the legislative proposal that led to ERISA, and, later, in the development of section 401(k). Professor Halperin has taught courses in pension law and retirement income policy for 25 years and has written at least a dozen articles relating to the tax incentives for retirement savings. His articles include “Special Tax Treatment for Employer Based Retirement Programs: Is It "Still" Viable as a Means of Increasing Retirement Income?” published in the *Tax Law Review* in 1995 and “Assuring Retirement Income for All Workers” (with Alicia H. Munnell) to be published this summer in the Brookings Institution book, *ERISA After 25 Years: A Framework for Evaluating Pension Reform.*

Beth Kobliner

Beth Kobliner has been writing and speaking on personal finance for over a decade. She is the author of *Get a Financial Life: Personal Finance in Your Twenties and Thirties* (Simon & Schuster, 1996, revised in 2000)—a *New York Times* and *USA Today* bestseller, and a *Business Week* bestseller for two years running. Ms. Kobliner got her start as the research assistant for personal finance pioneer Sylvia Porter, writing more than 100 nationally syndicated columns. From 1988 through 1995, she was a staff writer at *Money* magazine, contributing cover stories on investing, pensions, and taxes, along with a regular column on banking. She was a contributing writer at *Money* for two years afterward, and has written most recently for *The New York Times*. As a financial expert, Ms. Kobliner regularly appears on television and radio. She has been a regular commentator on MSNBC and has been a repeat guest on CNN, *Oprah*, *Today* (NBC), *This Morning* (CBS), CNBC and public radio’s *Talk of the Nation* and *Marketplace*. She has also been active in the area of investment education and retirement security and regularly speaks on pension policy. She currently serves on the Heinz Family Foundation’s Women’s Institute for a Secure Retirement (WISER) and in 1998 was appointed as an honorary advisor to the National Academy of Social Insurance. She was a member of the Center for Strategic and International Studies’ (CSIS) National Commission on Retirement Policy, which released a paper on the future of Social Security. In 1999, she also wrote an article entitled, “Generation X, Social Security, and

Public Opinion Polling," which was included in *Social Security and Medicare: Individual vs. Collective Risk and Responsibility* (Brookings Institution Press). Recently, Ms. Kobliner consulted with the Social Security Administration on the topic of educating young people about retirement security. In each of these capacities, she has been a spokesperson for the financial concerns of Americans in their twenties and thirties. Ms. Kobliner holds a B.A. from Brown University. She lives with her husband and two children in New York City.

Alicia Munnell

Professor Munnell is the Peter F. Drucker Chair in Management Sciences at Boston College. She came to Boston College from a long career in government. She spent 20 years at the Federal Reserve Bank of Boston, where she became Senior Vice President and Director of Research. She left the Boston Fed in 1993 to become Assistant Secretary of the Treasury for Economic Policy, then moved to the President's Council of Economic Advisers. Her teaching and research interests are in the area of tax policy, social security, public and private pensions, productivity growth, infrastructure and general monetary and fiscal policy. She has published articles on these topics in leading journals such as the American Economic Review, Journal of Political Economy, and National Tax Journal. She has also authored numerous books and edited several volumes. Among many other affiliations, Dr. Munnell was co-founder and first President of the National Academy of Social Insurance. She has also served on numerous advisory boards and panels. She is currently a member of the Institute of Medicine, the National Academy of Public Administration, and the Pension Research Council at Wharton. Professor Munnell received her B.A. from Wellesley College, M.A. from Boston University; and Ph.D. from Harvard University.

Peter Orszag

Peter Orszag is President of Sebago Associates, Inc., a public policy consulting firm. Prior to founding Sebago Associates, he served as Special Assistant to the President for Economic Policy at the White House. He has also served as an economic adviser to the Russian Government, as Senior Economist and Senior Adviser on the President's Council of Economic Advisers, and as a member of the economics faculty at the University of California, Berkeley. Dr. Orszag is a Research Associate at the Center for Retirement Research, Boston College, and a Fellow at the Centre for Pensions and Social Insurance in London. In August 2001, in addition to continuing his role at Sebago Associates, he will join the Brookings Institution as a Senior Fellow in Economic Studies. Dr. Orszag graduated *summa cum laude* from Princeton University, and obtained a M.Sc. and a Ph.D. in economics from the London School of Economics, which he attended as a Marshall Scholar. He is a member of the Council on Foreign Relations, the National Academy of Social Insurance, the Pacific Council on International Policy, and Phi Beta Kappa.

Pamela Perun

Pamela Perun is a consultant on pension policy issues She is currently involved in a study of the legal issues associated with phased retirement policies at the Urban Institute and an analysis of Social Security integration in the private pension system through a Sandell Grant from the Center for Retirement Research at Boston College. In addition, she is a consultant to the Pension Rights Center for the "Conversation on Coverage" and the author of the (forthcoming) “White Paper on Pension Coverage” by the Century Foundation. She is the editor of the electronic journal, “Employee Benefits, Compensation and Pension Law,” published through the Legal Scholarship Network of the Social Science Research Network. She holds a law degree from the University of California at Berkeley and a Ph.D. in developmental psychology (adult development and aging) from the University of Chicago. She practiced as a benefits lawyer for over 10 years in Boston and Washington, D.C., and also has held research appointments at Duke University, Wellesley College, and Harvard Medical School.

Earl Pomeroy

The Honorable Earl Pomeroy was first elected in 1992 as North Dakota's only Member of the House of Representatives, and in the 8 years since then, has emerged in Congress as a substantive leader with common-sense solutions for the everyday problems families face. The *American Political Almanac* calls Congressman Earl Pomeroy "articulate, cheerful and sincere," a description that reflects Pomeroy's North Dakota roots. The Bismarck *Tribune* echoes this sentiment, saying Congressman Pomeroy is a "billboard for North Dakota values." Congressman Pomeroy's leadership and hard work won him the 107th Congress' only Democratic vacancy on the powerful Ways and Means Committee. His bipartisan and objective analysis of issues will be valuable to this Committee charged with key policy decisions in tax, trade, Social Security and Medicare issues. Before he joined the Ways and Means Committee, Congressman Pomeroy served four terms on the House Agriculture Committee, three terms on the Budget Committee, and one term on the International Relations Committee. He is a member of the Rural Health Coalition, co-chair of the Democratic Task Force on Social Security and co-chair of the bipartisan rural caucus. One of Congressman Pomeroy's primary legislative priorities for families is helping more middle-income American's save for retirement. He has authored legislation giving tax credits to people who set aside money for retirement, legislation to help small businesses set up pension programs for their employees, and tax incentives to families paying for higher education. Congressman Pomeroy's expertise on Social Security and related issues are an important asset on the Ways and Means Subcommittee on Social Security and the House Democratic Social Security task force, where he serves as co-chair. Congressman Pomeroy plans to call on Congress this session to enact tax cuts that allow for the preservation of Social Security over the long term.

Robert Rosenblatt

Robert Rosenblatt has served as Washington Correspondent, *Los Angeles Times*, since 1976. He covers financial and economic issues, with a specialty in Social Security, Medicare, pensions, and the aging of the baby boom generation. Mr. Rosenblatt is the author of the “Health Dollars and Sense” column in the *LA Times* health section dealing with insurance and benefits issues and health trends. He also conducts a radio segment as “Benefits Bob” answering questions on Social Security and Medicare as part of the “Secure Retirement” radio show. From 1969-75, he served as a reporter for the *Los Angeles Times* financial section covering financial and corporate news. Prior to this, he was a report for the Charlotte, North Carolina *Observer* covering medical news, labor relations, economics and business. He has also been a reporter for *Broadcasting* magazine. Mr. Rosenblatt serves a co-chairman of *Aging Today,* a publication of the American Society on Aging. He has appeared as a speaker before the following groups: Alzheimer’s Disease Association, American College of Eye Surgeons; American Society on Aging; American Petroleum Institute; Credit Union National Association; General Accounting Office managers; Meals on Wheels executives; Public Relations Society of

America Health Academy; Social Security Administration managers. He has received the following awards: Loeb national award for financial journalism; *Associated Press* feature writing award; and the *Washington Monthly* Journalism Award. Mr. Rosenblatt received his M.S. in journalism from Columbia University.

Norman Stein

Professor Stein is Douglas Arant Professor of Law at the University of Alabama School of Law where he also serves as Director of the Pension Counseling Clinic. Mr. Stein has authored or co-authored numerous publications including *ERISA and the Limits of Equity* and *Retirement in the Balance: Some Serious Questions about Cash Balance Plans*. He is a member of the advisory panel of the BNA Pension Reporter, has served as counsel to the American Association of Retired Persons in several pension cases, was a consultant to the General Accounting Office, taught in the IRS General Counsel's continuing education program, has testified before Congress on pension issues, and has been chair of the Employee Benefit Section of the Association of American Law Schools and the Teaching Employee Benefits Subcommittee of the American Bar Association. He was an associate with the Washington, D.C., law firm of Arnold & Porter until 1980. From 1980 to 1981, he was a law clerk for the Honorable Gerald Bard Tjoflat of the United States Court of Appeals for the Fifth Circuit. After his clerkship, he practiced law in Atlanta. Professor Stein joined the faculty of the School of Law in 1984. He was a visiting professor at the University of Texas during spring semester 1987, Indiana University (Bloomington) during the 1991 academic year, and the University of California at Davis during the 1996-97 and 1997-98 academic years. He received his B.A. in 1973 from New College in Sarasota, Florida, and his J.D. in 1978 from Duke University, where he was elected to the Order of the Coif.

C. Eugene Steurle

C. Eugene Steuerle is a senior fellow at the Urban Institute and author of columns for the *Financial Times* and for *Tax Notes* magazine. He has worked under four different U.S. presidents on a wide variety of Social Security, budget, tax, health, and other major reforms, including service both as the Deputy Assistant Secretary of the Treasury for tax analysis (1987-89) and as the original organizer and economic coordinator of the Treasury's 1984-86 tax reform effort. He is First Vice-President of the National Tax Association and the recent chair of the Social Security Technical Panel that advised the Social Security Administration on its methods and assumptions. He is the author or coauthor of over 150 books, articles, reports, and testimonies, including the recent Urban Institute Press books, *The Government We Deserve: Responsive Democracy and Changing Expectations, Retooling Social Security for the 21st Century, The New World Fiscal Order, Serving Children with Disabilities*, and *The Tax Decade*. His latest book is *Social Security and the Family* (Frank Sammartino and Melissa Favreault, co-editors) to be published by the Urban Institute Press later this year.

Ray Suarez

Ray Suarez joined PBS' *NewsHour* in October 1999 as a Washington-based senior correspondent responsible for conducting newsmaker interviews, studio discussion and debates, and reporting from the field; he also serves as a backup anchor. Mr. Suarez has twenty-five years of varied experience in the news business. He came to *The NewsHour* from National Public Radio where he had been host of the nationwide, call-in news program "Talk of the Nation" since 1993. Prior to that, he spent seven years covering local, national, and international stories for the NBC-owned station WMAQ-TV in Chicago. Mr. Suarez wrote the recent book *The Old Neighborhood: What We Lost in the Great Suburban Migration: 1966-1999* (Free Press), and has contributed to several others, including *Totally Brooklyn* (Workman, 2001), *Saving America's Treasures* (National Geographic, 2000), *Las Christmas: Favorite Latino Authors Share Their Holiday Memories* (Knopf, 1998), and *About Men* (Poseidon, 1986). His essays and criticism have been published in *The News York Times*, *The Washington Post*, *The Chicago Tribune*, *The Baltimore Sun*, among other publications. Mr. Suarez shared in NPR's 1993-94 and 1994-95 duPont-Columbia Silver Baton Awards for on-site coverage of the first all-race elections in South Africa and the first 100 days of the 104th Congress, respectively. He has been honored with the 1996 Ruben Salazar Award from the National Council of La Raza, Current History Magazine's 1995 Global Awareness Award, and a Chicago Emmy Award. Mr. Suarez holds a B.A. in African History from New York University and an M.A. in the Social Sciences from the University of Chicago, where he studied urban affairs. He was awarded an honorary doctorate by Westminster College in Salt Lake City in 2000, and an Alumni Achievement Award from NYU. A longtime member of the National Association of Hispanic Journalists, Mr. Suarez is a founding member of the Chicago Association of Hispanic Journalists. A native of Brooklyn, New York, he lives in Washington with his wife and three children.

John Sweeney

John J. Sweeney was elected president of the AFL-CIO at the federation's biennial convention in October 1995. At the time of his election, he was serving his fourth four-year term as president of SEIU, which grew from 625,000 to 1.1 million members under his leadership. An AFL-CIO vice president since 1980, Sweeney was born May 5, 1934, in Bronx, N.Y. His trade union career began as a research assistant with the Ladies Garment Workers. In 1960, he joined SEIU as a contract director for New York City Local 32B. He went on to become union president and to lead two citywide strikes of apartment maintenance workers. In 1980, he was elected president of the international.

APPENDIX E

STAFF AND CONSULTANTS

<u>PENSION RIGHTS CENTER</u>

CONVERSATION ON COVERAGE

STAFF AND CONSULTANTS

Karen Friedman	Director
Marta Tellado	Consultant
Marva Lewis	The Event Professionals
Mayling Birney	Research Associate
Leah Williamson	Website Designer

ADVISORS

Michael Clabrese
Lisle Carter
Cheryl Gannon
David Certner
James Delaplane
Robert Greenstein
Kathleen Harvey
John Kimpel
James Klein
Alicia Munnell
Kathryn Olson
Robert Patrician
Pamela Perun
Anna Rappaport
Virginia Reno
Dallas Salisbury
Norman Stein
Eugene Steuerle

PENSION RIGHTS CENTER

STAFF

Karen Ferguson	Director
John Hotz	Deputy Director
Kathe Reusing	Administrator
Victoria Kanios	Receptionist
Kimetra Johnson	Office Assistant

A Pension Rights Center Initiative
1140 Nineteenth Street, NW., Suite 602
Washington, DC 20036-6608
Phone 202.296.3776
Fax 202.296.1571