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November 24, 2014

Pension Benefits Guaranty Corporation
1200 K Street, N.W.
Washington, D.C. 20005-2046

RE: Proposed Submission of Information Collection for OMB Review; Comment Request; Payment of Premiums

The National Retiree Legislative Network (“NRLN”) is submitting these comments in response to the Pension Benefits Guaranty Corporation (“PBGC”) notice of intention to request the Office of Management and Budget to approve its petition to revise the 2015 filing procedures and instructions by requiring the reporting of certain undertakings to cash out or annuitize benefits for a specified group of former employees. On behalf of its member organizations and members-at-large, the NRLN strongly supports the PBGC’s request. This proposed reporting is both relevant to the PBGC’s mission and it serves the broader public interest.

The NRLN serves as a federation of over 2 million retirees from companies all over the country and their respective retiree organizations. These retirees have joined together to address the issues affecting their financial security. In recent years, plan participants are feeling far from secure. The steady decline in traditional defined-benefit pension plan sponsorship by corporate America has taken an alarming turn for the worse as three of the nation’s big blue chip companies--General Motors, Ford Motor Company and Verizon--moved to “de-risk” their pension promises by transferring billions of dollars in assets either directly to retirees (as lump sum buyouts) or to third party insurance companies (as group annuity buyouts). Other major plan sponsors have signaled their intent to follow suit, all without regulatory guidelines or statutes to protect plan participants.

Both lump-sum cash outs and annuitization present risks to plan participants, especially those who are already in pay status. What is not precisely known is the breadth of these events in terms of the affected plan participants. The collection of this information is vital to the understanding of de-risking’s effects on plan participants and the establishment of safeguards for participants. Retirees are the most vulnerable in this class and deserve greater protection than they currently receive.

The argument that cash out payments and annuitizations do not have an impact on the PBGC and that the PBGC does not require this information in order to fulfill its duties ignores the fact that pension plan funding levels, changes in the number of active plan participants, and how pension plan participants’ funds are used fall well within the purview of the PBGC, as well as the Department of Labor and the Department of the Treasury. To argue that the removal of participants and assets from the pension plan, especially in

cases where the process circumvents a standard termination, incorrectly assumes that the federal government plays no role in protecting plan participants. Moreover, the PBGC needs this information to anticipate and verify changes in the number of participants for whom premium payments must be paid. The NRLN agrees completely with the agency's rationale, stated in the Federal Register notice, that the PBGC "needs this information to identify the plans for which premiums are paid, to verify whether the amounts paid are correct, to help PBGC determine the magnitude of its exposure in the event of plan termination, . . ."

The NRLN supports the PBGC's efforts in its request to OMB, and hopes that this is only the beginning of swift action by the PBGC, the Department of Labor and the Department of the Treasury to protect plan participants whose assets are jeopardized as a result of cash outs and compulsory annuitization.

Sincerely,

A handwritten signature in purple ink that reads "Marta Aguirre Bascom".

Executive Director, National Retiree Legislative Network