NEWS RELEASE

Hon. Robert T. Matsui
Member of Congress

www.house.gov/matsui/

Serving California's 5th District

FOR IMMEDIATE RELEASE
Wednesday, May 14, 2003

CONTACT: JARED ALLEN
(202) 225-7163/(202) 225-0564

MATSUI: AMERICANS NEED REAL PENSION PROTECTION

WASHINGTON, DC—Flanked by working Americans whose pension plans were wiped out by corporate abuse, Congressman Robert Matsui (D-CA) today called on Congress to pass meaningful pension protection for all workers and reject a Republican pension bill that fails to enhance retirement security for rank-and-file employees.

Today, the House of Representatives will begin debating the Republican Pension Security Act. Matsui joined Congressman George Miller (D-CA), the Ranking Democrat on the House Education and Workforce Committee, in introducing an alternative to the GOP bill that would curb corporate abuses, as well as enhance and extend pension protections.

"The Republicans claim their bill will solve the problems that have left thousands of American workers with inadequate funds for their retirement, but every provision of their bill is misleading. The Republican bill does not solve any of the major problems that the Enron scandal brought to light and, in fact, makes the situation worse for the vast majority of workers," Matsui said.

Matsui, a senior member of the Ways and Means Committee, outlined a number of provisions in the Democratic Pension Fairness Act that aim to end corporate abuses that can leave employees vulnerable to financial ruin. In particular, the bill includes a measure to punish corporate executives who bail out of failing companies with so-called "golden parachutes" by imposing a 20 percent excise tax on these types of executive compensation packages. In addition, the Democratic bill would stop rewarding executives that manipulate pension funds by limiting the deductions a corporation can take for executive compensation.

Matsui also stressed that the Democratic bill would prevent investment firms that administer a company's pension plan from offering investment advise to company employees. According to the participants at today's event, eliminating these conflicts of interest is essential to protecting employees from getting confusing or tainted financial advise from their employers.

"Regrettably, almost everything in the Republican bill will help CEOs further mislead their employees. That is not reform, but an acknowledgement from Republicans that they are content with the very dangerous status quo," added Matsui.

###