

Sample Letter:

Dear Representative _____:

I am writing to ask that you to keep in H.R. 4213 the provision limiting the ability of companies opting for funding relief to use pension plan assets to make lump sum severance payments. I have heard that General Motors is opposing this limitation. GM, Chrysler, Alcatel-Lucent, Delta and other companies have proven untrustworthy to protect the interests of employees and retirees by using pension assets for non-pension expenses. I believe you have a public policy obligation to me to stop this!

GM reported a \$1.8 billion shortfall as of October 31, 2008, a deficit that had swollen far larger by February 2009. The *Detroit Free Press* reported that, GM and Chrysler admitted that, for the first time in their history, they were using pension assets to fund lump sum severance payments, ranging from \$45,000 to \$62,500, that would be paid in addition to workers' accrued retirement benefit. Alcatel-Lucent published in its 2003 10-K that they took \$2 billion. Delphi used this "back door reversions" practice and it contributed to the tragedy of many Delphi salaried retirees and placed the Pension Benefit Guaranty Corporation at risk. The PBGC took over the Delphi salaried pension plan, at 55% funded. These lump sum payments are bribes to induce early retirement and are business expenses, not pension benefits. If you don't understand the concepts, ask an accountant, FASB or the CBO.

Last month the Government Accountability Office reported that GM will need to add \$12.3 billion to its pension fund by 2014 and Chrysler will need to add \$2.62 billion. If those contributions aren't met, is the federal government going to step in and pay for the pensions of the 956,000 GM and Chrysler employees and retirees?

Does Congress want to offer funding relief to GM, Chrysler and others yet leave the door open for them during the funding relief period to simultaneously remove assets from the pension plan for corporate restructuring expenses?

You need to take action that is in the best interest of the constituents in your District who voted to send you to Congress to take care of their business. I want to hear from you that you will do everything possible to include a provision in the House bill to protect pension plan assets for the benefit of retirees. I want action, not rhetoric and I need it now. Please do the right thing!

Sincerely,