

NEWS RELEASE

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Conference Proposes New Pension Options

Forum Examines New Retirement Plans to Reduce Risk and Increase Retirement Income

WASHINGTON – Top policy experts joined with government officials to examine new retirement options for private-sector workers at a conference Wednesday on Capitol Hill. These new options will allow risks to be shared to produce optimal outcomes for both employers and employees.

“The nation is caught in a retirement trap of its own making,” said Richard Shea, a senior partner in Covington & Burling’s employee benefits and executive compensation practice. “We need new ideas that give us greater flexibility in structuring retirement arrangements that meet the needs of both employers and employees. Existing arrangements are doing a good job in many cases, but we need more options to deal with those cases where the current system is failing us.”

Assistant Secretary of Labor **Phyllis C. Borzi**, Pension Benefit Guaranty Corporation Director **Joshua Gotbaum**, and Deputy Assistant Secretary of the Treasury **J. Mark Iwry** were among the participants at the conference, which was sponsored by Covington & Burling LLP, the Pension Rights Center, and the Urban Institute.

“Re-Imagining Pensions: Using Innovative Pension Plan Design to Reduce Risk and Increase Retirement Income” featured three panel discussions:

- Panel 1: How can pension plans reduce and share risks?
- Panel 2: How can plans provide adequate benefits for more workers?
- Panel 3: How can plans provide a reliable stream of income in retirement?

“Traditional pension plans impose all of the risks on the employer, and 401(k) plans, while an important source of retirement savings, place all of the risks on the employee,” said Karen D. Friedman, executive vice president and policy director for the Pension Rights Center. “Solutions that share and reduce those risks, and that provide better benefits throughout retirement will help to increase retirement security for millions of Americans.”

“If we are honest, we must admit that we save inadequately for our future, while, for all its successes, our private retirement system has always left many retirees with very limited benefits and significant risks,” said C. Eugene Steuerle, Institute Fellow at the Urban Institute and a former Deputy Assistant Secretary of the Treasury. “Isn’t it time to get much more creative about real private pension reform? We hope this conference will provide a spark in that direction.”

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Also participating in the event were representatives from the Social Security Administration, the Senate Health, Education, Labor, and Pensions Committee, the AFL-CIO, the American Academy of Actuaries, the Aspen Institute, Cheiron, the ERISA Industry Committee, Financial Engines, MetLife, the National Conference on Public Employee Retirement Systems, the National Women's Law Center, the Segal Company, and the Service Employees International Union (SEIU).

For more information about the conference, including summaries of the proposals discussed and a complete list of participants, please visit <http://www.pensionrights.org/what-we-do/events/re-imagining-pensions>. Videos of the sessions will be posted on the website after February 28.

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