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Democrats Insert Union Pension Handouts Into Tax Extenders

To further coddle unions, Democrats are considering adding policies similar to Rep. Earl Pomeroy's (N.D.) pension-bailout bill, to the tax extenders package in the House.

The provision would allow unions up to 30 years to amortize the 2008-2009 pension losses and 10 years to "smooth" losses for accounting purposes. This allows them to "hide" their current losses and liabilities – resulting in a balance sheet where the liability to asset ratio appears misleading.

Extending time-tables is nothing more than a regulatory bailout to unions. Exacerbating the problem will not help current retirees when only one in every 160 mutli-employer pension plan has the necessary assets to meet obligations at retirement.

Specifically, the pension provisions to be included in the tax extenders:

- **Would give trusts up to 30 years to amortize the 2008-09 losses, and 10 years to "smooth" losses for accounting purposes. Current law gives affords trusts 10 years to amortize losses, and five years of smoothing**
- **Amortization, in this context, is understood as the amount of time unions will have to replenish loss funds. Smoothing is a method of accounting for market gains and losses – extending this is the equivalent of a regulatory bailout**
- **Attempts to blame the low funding level of union's multi-employer pension funds on the 2008 economic downturn when, in fact, many of these plans have been hemorrhaging funds, for decades. The 2008 recession simply exasperated the current trend**
- **Doesn't solve the problems inherent in the underfunding of union multi-employer pensions plans, there are simply too many retirees for current workers to support**
- **Gives unions more time to lobby for full pension bailout bills such as those offered by Rep. Pomeroy and Sen. Casey, whereby American taxpayers will become liable for union's pension plans**

These proposals are much too important to be shoved in a massive tax extenders bill. Proposed pension changes deserve the full legislative treatment – committee mark-up, floor time with amendments and an up-or-down vote on the record.

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