

## **RESOLUTION NO. 7**

### **AIRLINE PENSION REFORM**

WHEREAS, many companies are either in bankruptcy, or planning entry into bankruptcy due to federally mandated funding requirements of employee defined benefit pensions; and

WHEREAS, the unprecedented length of time the stock market has been in decline has directly contributed to the funding issues faced by companies with existing defined benefit pensions; and

WHEREAS, the US AIRWAYS Pilots were required by the White House to terminate their Defined Benefit Pension in exchange for an Airline Stabilization Loan from the Government; and

WHEREAS, this event, and the denial by the Administration of Congressionally approved loan money to United Airlines, caused it to terminate its pensions, which in turn set in motion corporate threats to terminate employee pensions and dump their obligations onto the Pension Benefit Guarantee Corporation (PBGC), thus denying billions of dollars of earned pension benefits to their employees; and

WHEREAS, Senate Bill S.1783 has been introduced to modify pension funding rules to allow airline companies with existing pensions to compete fairly with startup companies that have no pension obligations; and

WHEREAS, the National AFL-CIO is supporting the airline pension reform provisions contained in Senate Bill S.1783.

NOW, THEREFORE, BE IT RESOLVED that the ITPEU-OPEIU Local 4873, AFL-CIO endorses airline pension reform; and

BE IT FURTHER RESOLVED that the ITPEU-OPEIU Local 4873, AFL-CIO hereby encourages the membership to contact their federal representative and express their support for the specific provisions contained in the Rockefeller/Isakson pension funding bill (S.861) and the Akaka amendment (S.685) which changes the PBGC's assumed compensation rates to account for mandatory pilot retirement at age 60.