

July 2, 2025

The Honorable Bill Cassidy
Chairman
Senate HELP Republicans
455 Dirksen Senate Office Building
Washington, DC 20510

The Honorable Bernie Sanders
Ranking Member
Senate HELP Democrats
332 Dirksen Senate Office Building
Washington, D.C. 20510

The Honorable Mike Crapo
Chairman
Senate Finance Republicans
219 Dirksen Senate Office Building
Washington, D.C. 20510

The Honorable Ron Wyden
Ranking Member
Senate Finance Democrats
221 Dirksen Senate Office Building
Washington, DC 20510

The Honorable Tim Walberg
Chairman
House Education & Workforce Republicans
2462 Rayburn House Office Building
Washington, DC 20515

The Honorable Bobby Scott
Ranking Member
House Education & Workforce Democrats
2176 Rayburn House Office Building
Washington, DC 20515

The Honorable Jason Smith
Chairman
House Ways & Means Republicans
2418 Rayburn House Office Building
Washington, DC 20515

The Honorable Richard Neal
Ranking Member
House Ways & Means Democrats
372 Cannon House Office Building
Washington DC 20515

Re: Support for Strengthening Pension Benefit Plans

Dear Gentlemen,

On behalf of the Committee on Investment of Employee Benefit Assets (“CIEBA”),* **we urge Congress to support retirement and health savings by permitting the use of pension surpluses for other benefits for employees, such as 401(k) and retiree health savings.** Congress should also act to lower PBGC premiums and rationalize the current funding rules for pensions.

1. Congress should provide flexibility to use pensions surpluses, a move that would strengthen the US retirement and health care savings systems. Over the years, legislative actions requiring employers to bolster their retirement plans have achieved remarkable success—some plans are now overfunded to such an extent that employers need the ability to utilize the surplus for other meaningful employee benefits, like 401(k) or retiree health benefits. Giving employers this flexibility would be a huge boost to the retirement and health savings systems, since it would permit employers to avoid the drastic measure of terminating pension plans to utilize surpluses (effectively their only option under current law).

We are requesting Congress to address this issue through new legislation. A promising solution lies in the Strengthening Benefit Plans Act of 2025, introduced by Senators Cassidy, Scott, Marshall, and Tillis. This bill would allow the transfer of pension surpluses to an eligible 401(k) plan, and retiree health surpluses to active healthcare programs. The bill has garnered broad support from the retirement and health savings community because it would permit transfers without the need to terminate the overfunded pension plan.

2. Congress should also lower PBGC premiums and rationalize current pension funding rules. While addressing pension surpluses is critical, it is only one of the steps necessary to reinforce the private defined benefit system. We encourage Congress to take additional actions, such as “right-sizing” premiums paid to the well-funded Pension Benefit Guaranty Corporation. Lowering these premiums would encourage employers to maintain plans and keep participants in the pension system, while still enabling the PBGC to guarantee benefits in emergencies.

Congress should also move to rationalize pension funding rules by eliminating the ceiling on the interest rate corridor and allowing the use of market rates. This is a technical accounting adjustment that would enable sponsors to reinvest in their businesses without undermining pension funding.

CIEBA and its members stand ready to collaborate on these urgent priorities. We would welcome the opportunity to discuss these matters further and work with Congress to ensure a robust and sustainable retirement system for millions of Americans. Please feel free to contact me at (484) 838-9929.

Sincerely,



Dennis Simmons
Executive Director, CIEBA

*CIEBA represents 118 of the nation’s largest defined benefit and defined contribution plans, collectively managing over \$2 trillion in assets on behalf of more than 17 million participants and beneficiaries. CIEBA members are chief investment officer fiduciaries with decades of experience serving the economic best interests of plan participants and beneficiaries.