

Resolution: Pension Benefits

Whereas the United Nation's Universal Declaration of Human Rights adopted in 1948 calls on all countries to assure that "Everyone has the right to a standard of living adequate for the health and well-being of himself (*herself*) and of his (*her*) family, including food, clothing, housing and medical care and necessary social services, and the right to security in the event of unemployment, sickness, disability, widowhood, old age or other lack of livelihood in circumstances beyond his control. " (Article 25)

Whereas virtually all U.S. workers need income support in old age; and,

Whereas only about 20 percent of private sector workers participate in defined benefit pensions and that number will likely vanish within ten years; and,

Whereas nearly all federal employees and up to 90 percent of state and local government employees now have defined benefit plans that are widely underfunded; and,

Whereas U.S. retirees cannot expect Social Security to cover the full costs of old age; and,

Whereas major U.S. companies, such as Delta, Delphi, and others are eliminating their pensions as part of strategic bankruptcy policies; and,

Whereas twenty major companies (including Delta, General Motors, Ford, Lucent, U.S. Steel) have pension obligations that exceed the companies' market value; and,

Whereas companies do not try to increase their defined benefit pension funding since it would require them to report higher levels of debt and lower profits; and,

Whereas companies increasingly ask for a Pension Benefit Guaranty Board takeover, or to terminate a pension plan, or close existing plans to new employees, or convert plans to a "cash balance" plan; and,

Whereas these actions will increase poverty among many older Americans and their families, both now and in the future,

Be it therefore resolved that the Committee on Older Adult Ministries of the United Methodist Church

- Deplores this deterioration of income support for current and future retirees;
- Urges widespread notice and study of the threat to pension benefits throughout the church;
- Supports and defends the important role of Social Security and desires that it be operated fairly and securely (item #230 The Book of Resolutions, 2004)

- Encourages saving incentives for the middle, working class and poor persons;
- Requests the study of alternative approaches to fund workers' pensions;
- Encourages job creation for older workers and ending hiring discrimination based on age
- Urges working people to exercise restraint in pre-retirement liquidation of IRA's , defined contribution pension and similar assets
- Prevent companies from shifting their pension obligations to the Pension Benefit Guaranty Corporation as a strategic bankruptcy strategy and thereby often reducing their employees' benefits.

Approved – March 11, 2006
United Methodist Committee on Older Adult Ministries