

Suggested title: Pension Benefits

Resolution: NEW

Financial Implications: None

Sponsoring Agency: General Board of Discipleship

Rationale: As companies move away from pension funding and change pension rules and traditional pension programs become increasingly rare, individuals shoulder more responsibility for retirement security. Many older adults experiencing dwindling retirement investments and little or no pension funds will place undue hardship on families and churches as well as individuals

Add a new resolution to *The Book of Resolutions* as follows:

**WHEREAS, the UN’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 (her) control. . .” (Article 25); and**

**WHEREAS, virtually all US 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, US retirees cannot expect Social Security to cover the full costs of old age; and**

**WHEREAS, major US 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, US 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**

**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 No. 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;**

**Urges preventing companies from shifting their pension obligations to the Pension Benefit Guaranty Corporation as a strategic bankruptcy strategy and thereby often reducing their employees' benefits.**