

News from Senator

BOB DOLE



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SENATE FINANCE COMMITTEE APPROVES DOLE PENSION EQUITY BILL
WOMEN'S REFORM PACKAGE HEADS TO SENATE FLOOR

WASHINGTON -- In a near-unanimous vote, the Senate Finance Committee today sent reform legislation authored by Senator Bob Dole (R-KS) to the Senate floor that would redress pension inequities for women. The Dole bill was passed by a vote of 19 yeas, with one Senator voting "present."

"Over the past several weeks, I have been working with other members of the Finance Committee, the pension industry, and interested women's organizations to develop a consensus proposal," said Dole, the Finance Committee Chairman. "To address the special needs of employed women, this bill would lower the minimum age for participation and vesting and liberalize certain break-in-service rules. To address the needs of homemakers who must depend on the spouse's retirement benefit, the bill would significantly expand the availability of survivor's benefits.

The proposal is not intended to eliminate all potential inequities in our private pension system. However, it does represent a meaningful first step which will provide real, tangible economic benefits to women both as employees and as wives of workers," said Dole.

.....PROVISIONS OF BILL ON BACK.....

DOLE PENSION EQUITY BILL

- o Lower the minimum age of participation under the Employee Retirement and Income Security Act (ERISA) from 25 to 21.
- o Lower the minimum age for vesting credit from 22 to 18.
- o Provide that, in most cases, any participant who leaves the service of an employer for fewer than 5 years would not lose credit for participation and vesting for any prior period of service.
- o Prevent a break in service for individuals who take a limited maternity/paternity leave.
- o Require spousal survivor coverage for all plan participants who attain age 45 and have 10 years of service.
- o Require that a spousal survivor annuity be the normal form of benefit if an annuity form of benefit is provided in a retirement plan.
- o Require that any election out of spousal survivor coverage be authorized by the non-participant spouse.
- o Create an exception to ERISA's prohibition against assignment of benefits for court orders relating to child support, alimony, or other marital property rights in the case of a "qualified" domestic relations order.
- o Provide rules for the tax treatment of retirement plan distributions upon divorce.
- o Increase the level at which plans may cash out participants from \$1,750 to \$3,500.