

EXTENSIONS OF REMARKS

COLLINS AMENDMENT TO THE FEDERAL EMPLOYEE GROUP LIFE INSURANCE ACT

HON. MAC COLLINS

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 14, 1997

Mr. COLLINS. Mr. Speaker, I rise today to introduce legislation that will provide a much needed clarification of the Federal Employee Group Life Insurance Act.

This legislation will level the playing field between laws that govern private life insurance and the Federal statute that provides guidelines for the life insurance policies held by Federal employees.

My legislation will amend the Federal Employee Group Life Insurance Act to ensure that a domestic relations order, issued by a court, is considered a designation of beneficiary in the event that no designation of beneficiary has been filed.

Currently, if a Federal employee dies without properly naming a beneficiary for his/her life insurance policy, the law provides a very strict, prioritized list of individuals that are eligible to receive the benefits of that policy.

Unlike most State laws, the Federal code does not give any consideration to an existing court decree that may link that policy to a beneficiary as a part of a settlement agreement.

There are real instances where this inequity in Federal law is causing significant confusion among FEGLIA beneficiaries. It is time for us to clarify the law with this legislation that will correct this inconsistency and ensure that a court decree is given appropriate consideration.

During the 104th Congress, my legislation was included in the Omnibus Civil Service Reform Act, H.R. 3841, as reported by the Committee on Government Reform and Oversight.

The Department of Health and Human Services, Child Support Division, and the Office of Personnel Management have reviewed the legislation and do not oppose this change.

In addition, I have appeared before the Corrections Advisory Group chaired by Representative DAVE CAMP and they have recommended the legislation for inclusion on the Corrections Calendar. I appreciate this opportunity to introduce this legislation and look forward to its enactment.

TRIBUTE TO UAW LOCAL 314 ON ITS 60TH ANNIVERSARY

HON. DAVID E. BONIOR

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, April 14, 1997

Mr. BONIOR. Mr. Speaker, today I pay tribute to the UAW Local 314 as they celebrate their 60th anniversary. On April 5, the membership of this great union will celebrate with an anniversary dinner.

In the 1930's, like most of the United States, the Detroit area was suffering from the Great Depression. In 1934, the Mechanic Educational Society of America tried to organize a union. Unfortunately, company resistance and union-busting activities were too strong for the fledgling union.

However, in February 1937, the UAW organized 90 percent of the Long Manufacturing workers and on April 6, 1937, local 314 was established. Many of the workers remembered the difficult years before the union and knew how important it was to establish a strong leadership. Within 2 months, this leadership helped win a contract that protected the workers' right to bargain collectively, seniority, wage increase, premium pay for overtime, a grievance procedure, vacation with pay, and the right to seek redress.

This was a historic contract in that it laid down the ground rules for protecting the rights of the workers for years to come. For 60 years, local 314 has preserved these basic rights while improving the working conditions for the employees.

Even though the name Long Manufacturing has changed to Borg and Warner Automotive, one thing remains the same—the commitment of the union to protect the workers. The hard work, sacrifice, and dedication of the leaders and members is illustrated in the struggles that the union has surpassed in the past 60 years.

I would like to congratulate the members of UAW Local 314 for their contribution to the labor movement on their 60th anniversary, and I wish them luck as they represent a new generation of union members.

LEGISLATION TO EXEMPT MULTI- EMPLOYER PENSION PLANS FROM COMPENSATION-BASED LIMITS ON BENEFITS

HON. PETER J. VISCLOSKY

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 14, 1997

Mr. VISCLOSKY. Mr. Speaker, today I am introducing legislation that will help correct a gross oversight within our Nation's pension system.

Under section 415 of the Internal Revenue Code, pension benefits from multiemployer pension plans are limited to the average of the retired employee's three highest consecutive years of income. This compensation-based limit makes perfect sense for many types of corporate pension plans, where pensions are based on compensation and income levels are relatively steady and tend to increase over time. But for many participants in multiemployer pension plans, limiting pension benefits in this way is both unfair and inequitable.

Unlike their corporate counterparts, benefits earned under multiemployer pension plans have very little relationship to actual compensation. Rather, benefits are generally

based on a worker's years of covered service and the collectively bargained dollar amount of contributions made into the multiemployer plan. But the compensation-based limits contained in section 415 override the benefit rates set in the multiemployer plan, often decreasing a retiree's pension benefit well below what was negotiated.

Workers in the building and construction industries are particularly disadvantaged by section 415. Compensation for these workers can fluctuate dramatically from year-to-year, with the availability of work in these mobile, cyclical industries. For workers in these industries, section 415 often has the effect of driving the compensation-based limit much lower than the worker's average income. What's more, finding the 3 highest years of consecutive compensation often means basing the benefit limit on a period well before the date of retirement, which can mean a dramatic drop in income and lower standard of living once the worker retires.

Legislation passed by the 104th Congress, Public Law 104-188, which provided a long-overdue increase in the minimum wage, also exempted public employees from the pension benefit limits contained in section 415. But for reasons that have gone unexplained, Public Law 104-188 did not extend this exemption to multiemployer pension plans.

Mr. Speaker, no one should misinterpret either the intention or the effect of this legislation. These plans are not tax shelters and exempting multiemployer plans from section 415 will not result in an unfair windfall of pension benefits. Instead, my legislation would take a necessary step to ensure that benefits from multiemployer plans are not artificially reduced, and that every retired worker covered by these plans receives the pension benefits that he or she rightly deserves. I urge you and my other colleagues to cosponsor and support this important measure.

TRIBUTE TO LARRY HORAN

HON. SAM FARR

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 14, 1997

Mr. FARR of California. Mr. Speaker, I rise today to pay tribute to a man who is truly one of a kind. Larry Horan, who made his mark as a star college athlete before becoming a star director of the Peace Corps in El Salvador, Costa Rica, and Colombia, where I served, was honored last weekend for his many contributions as chairman of the board of the Special Olympics of Northern California. It was quite a tribute. Few men have had as positive an impact on those around him as Larry Horan.

In my own life, Larry has been a model. A defender of the common man and woman, Larry has spent his career standing up for those values that represent the best in all of us. A graduate of the University of California,

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