



SUBSCRIBE  
**TODAY**

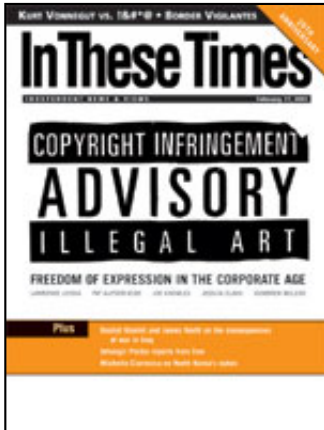
[home](#) | [archives](#) | [about us](#) | [media kit](#) | [subscribe](#)

## Bush's Attack on Older Workers

By [Bernie Sanders](#) | 1.20.03

[print](#) | [email](#) | [comment](#)

### APPEARED IN



[See more from this issue.](#)  
[Get a subscription.](#)

### RELATED STORIES

Also by Bernie Sanders

- [Bush's Attack on Older Workers](#)

### MOST POPULAR

1. [Bush's Attack on Older Workers](#)
2. [The Real Class War](#)
3. [Ally of Evil](#)
4. [Illegal Art](#)
5. [All About Saddam](#)
6. [Broken People, Broken Promises](#)
7. [Nuclear North Korea](#)
8. [Truth and Consequences](#)
9. [Rebel Yell](#)
10. [Here Comes the Neighborhood](#)

President Bush may or may not go to war against Iraq, but we do know that he has already declared war against the economic well-being of the middle class and working families of this country.

While he cuts back on Medicare and the needs of veterans, he wants even more tax breaks for the very richest people in this country. While he pushes efforts to privatize Social Security, there is no attempt to raise the minimum wage above its paltry \$5.15 an hour. While he expands disastrous trade policies that have already cost us millions of decent-paying manufacturing jobs, he is proposing to slash the pay and benefits of federal employees through a massive and dangerous outsourcing scheme. While our health care system disintegrates and prescription drug costs soar, his administration proposes legislation written by and for the pharmaceutical industry.

And now, in the midst of all this, there is a new economic assault being waged by the Bush administration against older American workers. The White House has recently proposed IRS regulations that would allow corporations to undertake a major raid on the pension benefits that older workers have accumulated. These new proposals, if adopted, would allow companies to avoid federal anti-age-discrimination laws and convert traditional defined-benefit pension plans into "cash-balance" plans. Under the Bush proposal, the promises made to older workers about pension plans that increase retirement benefits based on longevity would be undermined. While corporations would save billions in pension expenditures, some 8 million older workers could see their benefits reduced by 30 to 50 percent.

Cash-balance payment plans have rightfully been condemned by a variety of groups—including the AARP, the Pension Rights Center and the AFL-CIO—because they target the benefits of older workers in violation of current federal law. The Equal Employment Opportunity Commission (EEOC) has received more than 800 complaints related to cash-balance conversions. And since September 1999, the IRS has withheld approval of these plans because of concern about their age-discriminatory effect. Now, however, the Bush administration wants to allow these conversions.

Enter John W. Snow, President Bush's nominee for treasury secretary. Snow would be the most important pension policy-maker in the country. Will he stand up for the pensions of millions of Americans, or will he continue the administration's green-lighting of corporate America's pension raids?

If Snow's conduct as CEO of CSX Corporation is any indication, employees across the nation should be very concerned about their long-term financial security. Under his leadership, CSX cut the retiree health-benefit package for most of its employees while Snow benefited from an outrageously inflated pension scheme.

According to published reports, Snow is receiving a \$2.47 million per year retirement benefit for life. This amount was calculated through gimmicks that give him credit for working 44 years—when he really only worked 25 years—and by factoring in stock benefits he received as regular income (instead of just salary, as is common practice). At the same time, CSX cut the health benefits of its future retirees. If these are the types of policies that will serve as a road map for how he would handle pension policy, then Snow's fitness to be treasury secretary must be called into question.

American employees don't need the fox guarding the hen house. To show he deserves to be

## E-MAIL THIS ARTICLE

Email address of recipient:

Your name:

Your email address:

What would you like to send?

Link only

Full text

confirmed, Snow needs to distance himself from the corporate excesses that have cost investors and employees of major American companies billions of dollars—excesses that include his own exorbitant retirement deal at CSX.

An important and necessary first step would be a commitment on his part to withdraw the proposed IRS regulations that would allow companies to get tax-favored status for their age-discriminatory cash-balance plans. This would at least signify a recognition on his part that American workers are suffering as a result of unfair and illegal pension cuts that take place when companies convert to cash-balance plans.

If Snow does not take even this small step, it will be clear that he cannot provide the leadership the nation's economy and working families so desperately need. In that case, given Snow's own questionable conduct as CEO of CSX, the Senate should refuse to confirm him as treasury secretary. ■

**Bernie Sanders** represents Vermont as an at-large member of the House of Representatives, where he has served since 1991.

---

### COMMENT ON THIS STORY

Name:

Email:

Location:

Show email

| Remember me

| Notify me if someone replies to this post?

---

### READER COMMENTS

Thanks Congressman Sanders, at least you are voice. I was Republican for years, but no more. Corporate CEO's like IBM's Gertsner who walked away with \$630 Million in wealth from IBM, finally broke the camels back. CEO's, Corporate America and the greed that infiltrates Boardrooms should be stopped and quick. Republicans have brainwashed their constituents to think, Corporate America provides jobs and therefore deserve their compensation and few restrictions on Compensation and anything to limit their freedom to provide jobs. Well, I don't consider \$5 to \$7 an hour job a job, that is slave wages. No man can feed and clothe a family for \$7 an hour even with 3 jobs working 7 days a week especially when CEO, Executives are making outrageous amounts of money. Pressure needs to be applied to get CEO's to get in the same playground as America's workers and not some aristocratic club of CEO's who stripped away wealth in the 90's from Americans. Do you realize how much money Louis V Gertstner has, \$630 million with 600,000 stock options yet to be exercised(another 500 to 600 million dollars. While eroding the Pension surplus from \$17 Billion to \$500 million in two years. We need a Teddy Roosevelt, not a George Bush. I guess Bush is what we get, with someone who never amounted to much, who is going to make him and his elite friends rich from the power of the President. Bush needs to realize he is the only one that is directly elected by the people and their only direct representative and not just his rich croney friends who are getting very rich, aka the US Treasury nominee, who is from the CEO Greed culture, whose agenda is to convert defined Benefit Pensions to Cash Balance and use the excess to boost profits and stock prices to convert to Stock Options for Executives to get rich. In 1997, stock options of the Fortune 500 represented 6% of the corporate profits, in 2000, stock options grew to 18% of all profits, the damage done, to the integrity of Wall Street and Corporations, can really screw up this country. In the Soviet Union, prior to the fall, people could not trust their banks, finances or government and put their money under their mattresses. If I had known that IBM Gertsner was going to convert \$43 Billion in Profits to Stock Options, I would have sold my stock immediately. I am going to gradually get rid of my IBM Stock. How many average families have dividends? Really sad and we have to put up with Bush two more years.

---

Posted by: Mike Saville on 1.21.03 | 1:24 am from Riverton, Utah

---

Every single day, our pseudo-president does something appalling, most of which are little goodies for the rich. If he had started out deliberately to foment class warfare, he could hadly have done more.

Anyone who is NOT wealthy must be wondering what is the reason for this. After all, we of the middle and lower classes vote, too!

But, on the other hand, few of us are able to pour the astronomical sums of money into Mr. Bush's outstretched hands.

A rather neat example of "them that has, gets." Not to mention the final chorus of an old song from the twenties (when similar shenanigans were going on): "the rich get rich and the poor get poorer; ain't we got fun!!"

My private opinion is that he was, as the French say, "mal elevee". Translation: "badly brought up".

Thank you for your attention, jan

---

Posted by: [Jan Overstreet](#) on 1.21.03 | 3:43 pm from California, USA

---

Dear Rep Saunders,

Report after report that I read about the current adm. policies are devestating to most Americans. I am staggered by what has passed in the congress in the past 2 years and it gets worse and worse. I feel like I am living in a nightmare mose of the time. Treated by a war nobody wants, let me correct that, a war right thinking, feeling people don't want. An economy that is barely breathing and now another phoney tax cut by W. Enough is enough. Thank you for speaking out, I was begining to think most Dems were asleep or down right stupid, or worse. Keep up the good work. Thanks, Geri DeVoe

---

Posted by: Geri DeVoe on 1.21.03 | 9:58 pm from Miami

---

Prove It! I'm in favor of cutting Fed. emp. pay. Fed. "jobs" produce nothing! Social Security is a joke. One should take resspibility & take care of one's own retirement!! As for the fox guarding the hen house, all of you polititians are guarding the hen house. That's why my taxes are so high!!!

---

Posted by: Jeff henley on 1.22.03 | 10:47 am from Colorado

---

---

Posted by: Meg on 1.22.03 | 1:00 pm from

---

An employer can terminate a pension plan and replace it with nothing, and there is no outcry. An employer can terminate a pension plan and replace it with a 401(k) plan, which resembles a cash balance plan (but passes the investment risk to the employee) , and there is no outcry. But when an employer converts a pension plan into a cash balance plan, suddenly there is an outcry. Why?

---

Posted by: Lee Buchele on 1.22.03 | 1:40 pm from Pittsburgh

---

Congressman Sanders, I have a hard time with comments such as yours coming from the general public; but from a congressman, it is a disgrace.

Traditional Defined Benefit plans provide subsidies to older workers by their design. It is the younger worker who is given less in these plans. Cash balance plans can be designed to mimic traditional DB plans, mimic Defined Contribution plans, or anything in between. How a plan is designed is based on the goals of the employer and their cost constraints.

A legitimate plan design issue to be addressed by employers is why should a particular group of employees (older employees) receive greater benefits than another group (younger

employees).

Please Congressman Sanders educate yourself. Your constituents deserve better.

Posted by: Bill Bettag on 1.22.03 | 3:53 pm from Denver, CO

---

Why doesn't Bush stick to making war on Saddam instead of seniors.

Posted by: E. Dadison on 1.22.03 | 6:56 pm from Tuckahoe, NY

---

The proof is in the pudding and it isn't feeding anyone at the middle-class or lower levels. 3 jobs to pay the bills isn't a decent quality of life. I didn't elect W. and I don't think the elections were valid but no one is crying out about that-least of all the democrats. When are we the people going to take our government back so it can do the job it is supposed to be doing? Your essay is interesting but so what? What is your party doing? It puffs and puffs and goes along with the Bush Agenda. You lost big because you had no real backbone and didn't stand up to a man/woman on the issues. Election reforms - real ones might help put the power back in the hands of real working people. Now we have Dickens in Amerika.

Posted by: S. Langer on 1.23.03 | 10:06 am from NYC

---

[internships](#) | [media kit](#) | [project censored](#) | [subscribe](#)

In These Times ©2003 | Powered by [pMachine Pro](#) | [Contact web editor](#) | [RSS XML Feed](#)