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## U.S. Bails Out More Kaiser Pensions

SPOKANE, Wash., Oct 06, 2004 (AP Online via COMTEX) -- The federal government will bail out Kaiser Aluminum Corp.'s pension plan covering 9,600 hourly employees, including 4,000 Steelworkers in the Spokane region.

Houston-based Kaiser's pension plan was only 48 percent funded, according to Jeffrey Speicher, a spokesman for the federal Pension Benefit Guaranty Corp. Kaiser had about \$301 million to cover pension liabilities of \$629 million.

The latest bailout means the PBGC has now taken on \$555 million of Kaiser's benefit promises. Earlier, the PBGC took over the pension obligations for Kaiser's salaried retirees and a group of workers at smaller plants.

Kaiser is the seventh-largest company that failed to fulfill its pension promises to workers and needed a bailout from the PBGC. Topping the list are three steel companies: Bethlehem Steel Corp., followed by LTV Corp. and National Steel Corp.

Kaiser has paid only \$19 million in premiums to the PBGC since 1994.

Kaiser filed for bankruptcy 2 1-2 years ago. The company is attempting to reorganize and emerge from bankruptcy protection next year, and Kaiser executives have said the pension obligations stood in the way of the reorganization.

The PBGC's takeover of the Kaiser Aluminum Pension Plan is largely an administrative matter that is not expected to affect retirees older than 65.

Pension shortfalls have created a crisis in the PBGC, which posted a loss of \$7.6 billion last year. Created in 1974 to guarantee basic pension benefits, the PBGC now insures pension benefits earned by 44 million Americans participating in 31,000 corporate retirement plans.

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