

MEMO# 4895

June 21, 1993

LEGISLATIVE ALERT CONCERNING ERISA ENFORCEMENT AMENDMENTS

June 21, 1993 TO: PENSION COMMITTEE NO. 21-93 RE: LEGISLATIVE ALERT CONCERNING
ERISA ENFORCEMENT AMENDMENTS

_____ As we previously advised you, the Senate this week will consider the budget reconciliation legislation (H.R. 2264) which includes amendments to ERISA that would provide for a cause of action against nonfiduciary service providers for knowing participation in fiduciary breaches. The legislation, which also expands the remedies and civil penalties available under ERISA with respect to service providers and others, would have an insignificant revenue impact. (See Institute Memorandum to Pension Committee No. 20-93, dated June 17, 1993.) Thus, the provision could be removed from the budget legislation in two different ways. First, it could be subject to a point of order on the Senate floor on the grounds that its purpose is not budgetary in nature. If the provision is ruled out of order, it would take at least 60 Senators to overturn the point of order and keep the provision in the bill. Second, the provision could be removed on the Senate floor upon a motion by one Senator and a majority vote. We therefore ask that you call or write your senators and urge them to oppose the inclusion of this provision in the budget reconciliation legislation. Attached for use in your letter or call is a list of talking points as well as a list of the names, addresses and telephone numbers of all of the members of the Senate. Given the time constraints of this effort, letters should be sent by FAX if possible. Please feel free to contact the undersigned at (202) 955-3516 or Michael Stern at (202) 955-3559 if you have any questions. Kathy D. Ireland Associate Counsel - Pension Attachments

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