

with an age 65 annuity under the pre-amendment final average pay formula would not satisfy the requirement that the comparison be meaningful; instead, the comparison must be in a life annuity form or a form authorized under Treasury regulations (which may, for example, authorize the comparison to be based on a lump sum form provided that that form is used for both the old and the new formulas). The notice (including the basic notice, but not including the supporting information) must be written in a manner reasonable calculated to be understood by the average plan participant.

**Representative categories:** The examples must be selected in a manner that is fully and fairly representative of the various categories of adversely affected individuals depending on whether the amendment results in similar reductions. While the classes of participants identified in the basic notice will generally be able to be determined under the plan document (e.g. salaried vs. hourly, Subsidiary A vs. Subsidiary B), it is intended that the categories used in the enhanced notice be more refined. While the determination of differing categories will depend on the plan's formulas before and after the amendment, the factors relevant to the determination of the number of categories appropriate to illustrate the effects of the amendment may include age, service and early or normal retirement eligibility. For example, in the case of an amendment that reduces the normal and early retirement benefits, employees who are already eligible for early retirement might be grouped together in a single category.

Supporting information required to be made available at time of advanced enhanced notice: The supporting information required to be made available upon a participant's request will include the factors used to convert the cash balance to an annuity, early retirement reduction factors, and similar assumptions for benefit projections, but the employer will not be required to make available the participant's personal information, such as the participant's date of hire, service history, or compensation. It is understood that, because the information may contain formulas and definitions of plan terms, it may not be practical for this information to be presented in a manner that can be readily understood by the average plan participant, but this information, along with the personal information, should be sufficient so that a professional advisor for the participant can perform the calculations. It is expected that employers could satisfy these requirements by making available appropriate computer programs or other appropriate technology, or providing a plan document with necessary supplemental schedules of current interest and mortality assumptions.

**Individual benefit statements:** Each individual to whom the enhanced advance notice has been, or is required to have been, furnished can make one request for an individual benefit statement at any time up to one year after the effective date of any amendment that requires section 204(h) enhanced disclosure. As under current law, no charge may be imposed for furnishing the required individual benefit statement. Under section 502(c)(2) of ERISA, an administrator is subject to liability up to \$100 a day if the individual benefit statement is not provided within 30 days after the

date of the request. In no event is the statement required to be provided earlier than 90 days after the effective date of the plan amendment. The Secretary of Labor may in her discretion determine that the statement may be provided at a later date. For example, the Secretary of Labor may determine in a particular case or by guidance of general applicability that the statement can be provided up to 60 days after the request (or, if later, six months after the effective date) in exceptional circumstances. Such exceptional circumstances might include, for example, cases in which the participant's accrual credit is in part based on periods during which the participant has worked for a predecessor or another party other than the plan sponsor, and the participant's work history with the other party is not readily available.

However, it is not intended that any such extension of time is to be permitted to be used as a pretext for a broad-based delay in delivering individual benefit statements that can reasonably be furnished at an earlier date.

**Anti-abuse intent:** It is intended that the protections of the Act are not to be evaded, so that, for example, if a plan seeks to evade the enhanced notice requirements by freezing benefits and then resuming accruals at a reduced accrual rate, a second enhanced notice would be required (taking into account the new accrual rate).

**No inference:** The fact that enhanced disclosure is required as to certain effects of an amendment on certain classes of participants is not intended to imply that the amendment or the plan design change effected by the amendment complies with current law.

**Alternative methods of compliance:** The Secretary of the Treasury is authorized to prescribe alternative or simplified methods of compliance with section 204(h) for the enhanced notice and related information, including and exemption, from some or all of these requirements, in situations not involving a fundamental change in the manner in which accruals are calculated where such other methods are adequate to reasonably inform applicable individuals of the nature of the reductions (such as a complete suspension of accruals under the plan, certain uniform reductions in the benefit accrual formula, or an incremental change in the period taken into account to determine career average or other plan compensation). A fundamental change in the manner in which accruals are calculated would not include certain changes in the compensation taken into account or a uniform reduction in the percentage of compensation on which contributions or accruals are based, but would include, for example, a conversion from a traditional plan (i.e., a flat dollar benefit, career average pay or final pay defined benefit pension plan) to a hybrid pension plan, such as a cash balance plan. A simplified or alternative method may also be permitted in order to ensure that the Act does not discourage consolidation of an individual's plan benefits, for example, if a buyer's plan is involved in a merger or consolidation with the seller's plan or if the buyer's plan receives a transfer from the seller's plan, the buyer is not subject to requirements that would not apply if the buyer's plan had not accepted a transfer from the seller's plan.

The Secretary of the Treasury may also issue guidance under which a plan may provide the notice only 15 days before the effective date in cases in which a 45-day advance notice would be unduly burdensome either because the amendment is contingent on a merger, acquisition, disposition or other similar transaction or because 45-day advance notice would be impracticable (such as where benefits are being reduced as part of a liquidation or reorganization in bankruptcy or insolvency proceedings).

**Sanctions:** An excise tax applies to a failure to satisfy the notice requirements and, in the case of an egregious violation, the individual is entitled to the greater of the benefit under the amended plan or the plan before the amendment. Except in the case of a multiemployer plan, the tax is imposed on the employer. If a plan (other than a multiemployer plan) is sponsored by a party other than an employer, it is intended that the plan sponsor will be treated as the employer for this purpose. An egregious violation includes a situation in which there has been no intentional failure to provide notice, but the employer fails to take reasonable corrective steps after discovering that there was a failure to provide notice to some individuals.

**Effective date exception** where information provided within 120 days of enactment: The notice and information required under the Act is not required to be provided earlier than 120 days after the date of enactment of the Act. For example, if a large pension plan is amended to reduce benefits effective on the day after the enactment of the Act, the amendment could go into effect on the day after the enactment of the Act, but the plan could provide the required enhanced notice and related information (and also furnish any requested individual benefit statements) as late as 120 days after the date of enactment.

HONORING THE BROOKLYN CHINESE-AMERICAN ASSOCIATION'S EIGHTH AVENUE SENIOR CENTER ON ITS SIX YEARS OF SERVICE

**HON. NYDIA M. VELÁZQUEZ**

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Thursday, October 7, 1999*

Ms. VELÁZQUEZ. Mr. Speaker, I rise today to recognize the achievements of the Brooklyn Chinese-American Association, and the sixth anniversary of its Eighth Avenue Senior Center.

For more than a decade, the Brooklyn Chinese-American Association has provided vital assistance to tens of thousands of the Chinese-American residents who constitute one of New York's fastest-growing communities. Six years ago, recognizing a critical need in this community, the Association opened the Eighth Avenue Senior Center, which provides daily congregate meals, citizenship classes, medical check-ups and screenings, monthly birthday parties, field trips and many other services.

Operating out of modest facilities but with exceptional heart and dedication, the center

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has a membership of almost 2,000 and offers services to over 160 senior members daily.

The centerpiece of this year's sixth anniversary commemoration is the Millennial Roundtable Celebration. Fulfilling an extraordinary and touching ceremony, tables will be organized with seating for 12 seniors who are each at least 84 years of age—totaling 1,000 years. For the first time, to commemorate the end of the century and the turn of the millennium, a Double Millennial Roundtable will be featured, with seating for 23 seniors who are at least 87 years of age and totaling 2,000 years of age.

A poet wrote, "I like spring, but it is too young. I like summer, but it is too proud. So I like best of all autumn, because its tone is mellower, its colors are richer, and it is tinged with a little sorrow. Its golden richness speaks not of the innocence of spring, nor the power of summer, but of the mellowness and kindly wisdom of approaching age."

Mr. Speaker, I urge all my colleagues to join me when I commend the Eighth Avenue Senior Center, and the Brooklyn Chinese-American Association, for its work to ensure golden richness in the lives of our seniors.

PROVIDING FOR CONSIDERATION  
OF H.R. 2990, QUALITY CARE FOR  
THE UNINSURED ACT OF 1999,  
AND H.R. 2723, BIPARTISAN CON-  
SENSUS MANAGED CARE IM-  
PROVEMENT ACT OF 1999

SPEECH OF

**HON. JAY INSLEE**

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, October 6, 1999*

Mr. INSLEE. Mr. Speaker, I rise in opposition to the rigged rule for debate on the patients' bill of rights. Ever since this session began, I have been working with my colleagues to bring 'bipartisan patients' bill of rights to the floor for a vote. But now that Republicans have been forced to allow a vote on the bipartisan consensus managed care bill, they have written a rule designed to kill the measure.

Instead of providing a fair and open rule considering the patients' bill of rights, the Republican Leadership has stacked the deck by writing a rule that blends the managed care bill with a measure riddled with special interest "poison pills" designed to kill the measure, and that denies us the opportunity to offset any potential revenue losses from the measure.

The Republican Leadership is combining the bipartisan managed care bill with a so-called insurance access bill, which is not paid for. In addition, the Republican leadership is denying a bipartisan group of members the right to offer an amendment to offset the cost of the bill and be fiscally responsible.

If we can defeat this flawed rule, bipartisan advocates of managed care reform will return with a fair and open rule that will permit enactment of managed care reform. My constituents deserve patients' bill of rights. I urge my colleagues to vote down this rule and to support real managed care reform and bipartisan patients' bill of rights.

EXTENSIONS OF REMARKS

HONORING THE RAMSEY FIRE DE-  
PARTMENT ON ITS 100TH ANNI-  
VERSARY

**HON. MARGE ROUKEMA**

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

*Thursday, October 7, 1999*

Mrs. ROUKEMA. Mr. Speaker, I rise to congratulate the Ramsey Fire Department on its 100th Anniversary. This volunteer unit is one of the finest in New Jersey and deserves the thanks and support of every resident of our community.

Volunteer firefighters are among the most dedicated public servants in our communities. They set aside their own convenience—indeed, their own safety—to protect the lives and property of their neighbors and ask nothing in return. Volunteer firefighters turn out to do their duty in the darkness of freezing winter nights and in the heat of suffocating summer days without hesitation.

The Ramsey Fire Department was established in 1899 with 32 original members. The new fire company made a \$25 deposit on their first fire engine, an 1885 Babcock Chemical Wagon purchased second-hand from the Rutherford Fire Department. The Dater family of Ramsey donated property near the railroad tracks for the first firehouse, built at a cost of \$197, and the Ramsey Fire Department was in business. The first alarm was a brush fire near the tracks in April and the first building fire followed in January 1900.

The department grew quickly during the early years of the century, soon adding a horse-drawn ladder wagon and going to motorized fire trucks in 1912. A modern pumper was added in 1927 and the Ladies Auxiliary was founded in 1935 with 23 charter members. Additional equipment was purchased in subsequent years and the Island Avenue fire station constructed in 1951 to accommodate the growing fleet. A substation in the form of a three-bay addition to the borough garage was added in the 1960s. The 1970s saw the formation of the Junior Fire Brigade to encourage young people to become involved and a conversion from the traditional "fire engine red" paint scheme on equipment to lime yellow.

The Ramsey Fire Department has twice received the Box 54 Unit Citation Award from the New Jersey-New York Volunteer Firemen's Association for daring rescues, once in 1975 and again in 1984. In 1981, the department found itself the victim of arson when fire destroyed the second floor of the Island Avenue building. The building was repaired and rededicated the next year.

Major renovations of the fire department headquarters on Island Avenue were completed in 1992, including a room to display antique fire apparatus, a new radio room, a chief officer's room, an office for administrative officers and a 150-foot radio communications tower. Since 1996, the headquarters building has been known as the Robert E. Litchult Fire Safety Building in honor of Litchult, who served a record 63 years with the department.

Responding to nationwide difficulties in recruiting volunteer firefighters, the department in 1994 formed a Recruitment and Retention Program to solicit new members.

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Throughout its long and distinguished history, the Ramsey Fire Department has protected both lives and property through professionalism, dedication and skill of its many members. The department has grown vastly in personnel, equipment and other resources. Today, it is among the finest firefighting organizations in the State of New Jersey. Members constantly train to improve performance in order to do their jobs as safely and efficiently as possible.

The Ramsey Fire Department has come a long way from its founding. Today's state-of-the-art fire engines and high-tech equipment put Ramsey on par with any other fire department in the region. But it takes more than equipment and buildings to run a fire department. It takes dedicated, hard-working individuals willing to put the safety and property of their neighbors first. People like President Ken Bell and Fire Chief George Sutherland and all the officers and firefighters of the Ramsey Fire Department deserve our most special thanks.

The Ramsey Fire Department was founded 100 years ago on the principle of neighbors helping neighbors. That principal has made the department a success and will continue to do so in the future.

I would like to ask my colleagues in the House to join me in congratulating the Ramsey Fire Department on 100 years of meritorious service to the community, and in paying tribute to the brave and dedicated firefighters who have sacrificed personal safety in response to the needs of others. All past and present members of this very professional "volunteer" fire department deserve our deepest thanks for their work on the behalf of our community.

THE SENIOR CITIZENS  
PROTECTION ACT

**HON. RICK LAZIO**

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Thursday, October 7, 1999*

Mr. LAZIO. Mr. Speaker, I rise today to introduce a bill to cut fraud and abuse in our Medicare system, restore balance in our health care system, and give us all a better quality of life. Federal, state, and local governments need more tools at their disposal to crack down on rampant health care fraud. Congress needs to empower law enforcement to preserve and protect Medicare, decrease the crime rate, and let each and every one of us feel safe and secure in our retirement years.

The Health and Human Services' Office of the Inspector General recently released startling information on their audit of the Health Care Financing Administration (HCFA). According to the audit, the Medicare Program lost \$20 billion in fraud and improper payments in Fiscal Year 1997. What is unconscionable is that only \$4 billion was recovered.

A recently published Focus Group Study of Medicare Insurance Counselors found that most officials believe a significant amount of fraud exists and continues to undermine the Medicare program. In the study, many experts said HCFA took no action after being notified