

development in ANWR, the pristine Arctic wilderness, which we are not going to do.

I yield the floor.

The PRESIDING OFFICER. The Senator from Iowa.

TAX LEGISLATION

Mr. GRASSLEY. Mr. President, last week, we started to debate a tax bill and it had to be brought down because there wasn't consent to move ahead on it. Before we adjourn and go home, hopefully, we will pass a tax bill. But there are a lot of provisions in that bill that are very good; common sense dictates them; and a lot of these are very bipartisan. So the President has threatened to veto the tax bill. I want to bring up some of these issues and ask the President why he would veto something as good as these provisions, where there is bipartisan consensus that we ought to pass them.

Obviously, this bill doesn't contain everything I would like to see in it as a Member of the Senate. As a member of the Finance Committee, we have a chance to be on the ground floor of the drafting of the legislation coming out of that committee. On the other hand, no one person, even a member of the committee, can get everything he wants in the bill. There are even some things in this bill that I don't like, but on balance it will do a lot of good for a lot of people. Therefore, I think it should be enacted.

To begin with, the bill contains a number of provisions I authored or co-authored with some colleagues and these are the bipartisan provisions that I am thinking about. For instance, on the issue of pensions, I worked very closely with Senator GRAHAM of Florida—several critical pension provisions. As we anticipate the upcoming retirement of the baby boomers, we are always astonished at how much it is going to cost during their retirement. Retirement is expensive, not only due to rising life expectancy but also because inflation and taxes must be factored into the cost of retirement.

We keep insisting that baby boomers—now 10 years away from their retirement—must do more to prepare for that retirement. How can they do that if we don't give them the tools they need? This bill has a lot to do with that because it would make small but significant steps to improve the ability of baby boomers and subsequent generations to prepare for retirement. This bill will increase retirement savings and the national savings rates by allowing workers to save more in their pension plan or in their individual retirement account.

How can the President find disagreement on that point—the necessity of having better pension systems, the necessity for updating the individual retirement accounts so more can be

saved in those accounts and so more people can be encouraged to save in those accounts?

Our bill would restore section 415 limits for pension contributions closer to—not all the way, I am sorry to say—where they were before the 1993 tax increase bill was passed.

You remember that 1993 tax increase bill? As Senator MOYNIHAN said on the floor of the Senate, it was the largest tax increase in the history of the world after Bob Dole said it was the largest increase in the history of the country.

That was a pretty significant tax increase in 1993. You remember that it passed on the tie-breaking vote of Vice President GORE as he sat right there in the chair. He cast the tie-breaking vote to pass a tax bill that most all Republicans thought was bad for the country. Even some Democrats thought it was bad for the country. When Republicans were in the minority, it would have still died on a 49-to-49 vote—except for the tie-breaking vote of the Vice President.

This bill will restore some of the bad aspects that the 1993 tax bill had on pensions contributions with these 415 limits. This bill increases existing IRA contribution limits because under this bill Americans would be able to contribute \$5,000 annually. That is an increase up from the current \$2,000 maximum contribution. This IRA limit has not been increased in the 18 years since the last time it was effective.

For workers without a pension, a pretax individual retirement account is one of the best ways they can save for retirement. This limit is being increased for traditional IRAs and Roth IRAs.

Why would the President want to veto that for people who don't have anything other than individual retirement accounts with the present \$2,000 limit? You can see what has happened to that \$2,000 limit because of inflation. After 18 years, it is not anywhere near the incentive for savings that it was in 1982.

Increasing it to \$5,000 would be a tremendous incentive for people who don't have pensions to save on their own for retirement, in addition to a baby boom generation that is not going to get out of Social Security as much as my generation will get out of Social Security when they retire.

Consequently, that helps make up for some of the shortcomings of the Social Security surplus for the baby boom generation.

Further, the bill encourages more people to save through an IRA by accelerating the scheduled increases in IRA income eligibility requirements. Individuals making up to \$50,000 and couples making up to \$80,000 could participate in an IRA. And the bill allows catch-up contributions for IRAs of an additional \$1,500 for those age 50 or over.

That will give people an opportunity who have been hit by the inflation-lessening value of the \$2,000 individual retirement account now that they are 50 and over to put aside an additional \$1,500 to make up for some of the shortcomings of Congress not keeping the \$2,000 limit adjusted for inflation.

Why would the President want to veto a bill that gives people who are saving an opportunity to make up for some of the shortcomings of Congress over the last 18 years, or even the negative impact of the 1993 tax bill on some of these pension provisions?

This bill also encourages small businesses to start and maintain pension plans.

One of the problems with the pension law is that there is tremendous discouragement for companies with under 100 employees to go to the expense of setting up a pension plan. For employers with over 100 employees and with the overhead that companies such as that have, it is not such a problem. You find larger corporations have pension plans—not small businesses.

The provisions encouraging expansion of coverage are vital and overdue improvements in pension law.

I will give you an example. The bill modifies the top-heavy rules which only apply to small businesses. The top-heavy rules have been rightly criticized because they place burdens on small business pension plans. Those same requirements are not applicable to big business. The top-heavy rules make sponsoring a pension plan expensive, complicated, and out of reach for many small employers. In fact, the ERISA Advisory Council in this administration even supported the outright repeal of these top-heavy rules.

This bill does not repeal the top-heavy rules, as much as we should, according to the Advisory Council's recommendation. It simply modifies the most onerous aspects of the rules to make having a plan more attractive for small firms.

The bill also reduces plan costs and PBGC premiums for small businesses and eases administrative burdens by streamlining onerous pension regulations. These changes help to make the experience of maintaining a plan less difficult for small companies. Further, the bill simplifies annual reporting requirements, eliminates IRS user fees for new plans. These provisions encourage small businesses to provide pension coverage. When small businesses start up new plans, American workers win!

The bill contains many provisions which will help rank and file workers specifically.

For example, this bill enables workers aged 50 and over to make so-called catch up contributions to their retirement plan.

That may sound like something that is new and we shouldn't do. But we allow State and local government

workers to make these catchup contributions under current law if they are within 3 years of retirement.

I know of no reason why we should not make the benefit of catchup contributions available to all workers—not just for those of State and local governments. We would do so in this bill for workers in for-profit businesses and also not-for-profit businesses.

Unfortunately, this bill will not allow workers who make \$80,000 or more to make these “catchup” contributions despite the fact there is not such an \$80,000 limit on the current law for State and local employees.

This is a further inequitable situation—something we give State and local government employees but we don't give employees in the private sector. We make up some of that in this legislation but not 100 percent, I am sorry to say. I regret that the bill made this restriction necessary because of negotiations that were going on between the House and Senate.

The bill reduces the vesting period for receipt of the employer's matching contribution and defined contribution plans—such as a 401(k)—from 5 years to 3. Make no mistake about it; this is a huge help to many workers. This will particularly help women, maybe because of taking care of an elderly relation, or maybe to start a family or women who are in and out of the workforce or maybe even in some cases men who are in and out of the workforce, but they are more apt to be women.

This will give them an opportunity to enhance their match so they can make up for lost time because of not being in the workforce.

This bill makes another important change to law that will help low- and modest-income workers. The bill repeals the 25 percent of compensation limit on savings and defined contribution plans.

That is a savings barrier that frustrates those of modest income. Most workers in this Nation will be saving through section 401(k) plans or section 403(b) plans or section 457 deferred compensation plans. In a 401(k) plan, for example, the limit for saving is 25 percent of compensation or a maximum of \$10,500. Our bill repeals the 25 percent of compensation for the benefit of low and modestly paid workers who could be very thrifty people but are prohibited from saving more. They may want to sacrifice during their work years to have a better quality of life in retirement, but the present limit of 25 percent will keep them from doing that. We ought to make it possible for people who want to look ahead to do more for enhancing their retirement and have more savings for that retirement to be able to do it. This legislation does that.

I don't know why the President wants to veto such good provisions for low- and modest-pay workers. In Iowa and much of the Midwest, people are

not only thrifty but they are very frugal. Let them save their money if they want to; that money belongs to them, not to the government.

The bill also greatly enhances pension portability. Because of these provisions, workers will be able to take their pension money with them when they leave one job to go to another job. Their retirement plan contributions will not be stuck in the plan of their previous employer. When more of those matching contributions are vested as I just mentioned a minute ago, a larger account can be rolled over to an IRA and to the retirement savings plan of a subsequent employer, regardless of whether the employer is for profit, not for profit, or a government employer.

Under current law, you can't make those rollovers. The pension portability provisions of this bill are a great way to reduce pension plan leakage. The issue of leakage is real, and I hope we get to examine it in more detail next year and even improve it more than this present legislation does.

The business also improves pension funding so benefits will be more secure over the long term. Good pension funding is one of the very foundations of the ERISA law. Most plans are well funded but some are not funded properly at all. We need to be taking a closer look at the underfunded plans and shine the spotlight on them.

I want to look at the reasons why some plans have not been better funded, and I hope to look at the status of the underfunded plans in greater detail next year.

Finally, I take note for my colleagues and cosponsors that this bill does not include everything I would have liked, and I hope we will be able to do more for pensions according to what Senator GRAHAM of Florida and I suggested in our legislation, which had many cosponsors.

When all is said and done, there are a lot of good provisions in this bill, particularly those that deal with women who are in and out of the workplace so they can make up lost time on their pensions if they want to pay more into it. It does an awful lot for low- and medium-paid employees so that they can make up for the fact, if they want to save more for retirement, that the present 25-percent limit doesn't allow them to do that.

The bottom line is, why would any President want to veto such a good bill?

I yield the floor.

The PRESIDING OFFICER. The Senator from Ohio.

Mr. VOINOVICH. Mr. President, in keeping with the back and forth, would it be all right for me to speak for up to 15 minutes?

Mr. REID. Mr. President, I want to be as agreeable as possible, but the Senator from Idaho took 15 minutes in-

stead of 10 minutes, and the Senator from Iowa took 15 minutes rather than 10 minutes, and I called my friend from Wisconsin, who rushed over here and dropped everything to speak.

Mr. FEINGOLD. Mr. President, I ask if I could have unanimous consent to speak for 30 minutes after the conclusion of the remarks of the Senator from Ohio.

The PRESIDING OFFICER. Without objection it is so ordered. The Senator from Ohio is recognized.

CHANGE OF VOTE

Mr. VOINOVICH. Mr. President, on rollcall vote No. 289, I inadvertently voted yea, when I intended to vote nay. I ask unanimous consent that on rollcall vote No. 289, I be permitted to change my vote from yea to nay, which in no way will change the outcome of the vote.

The PRESIDING OFFICER. Without objection, it is so ordered.

NOTHING TO BRAG ABOUT

Mr. VOINOVICH. Mr. President, this is the day the Lord has made; let us rejoice and be glad. This is Sunday, when it is the Sabbath for millions of Americans. Many of my colleagues have explained why we are here today, but I hope this is the last Sunday that the Senate, the U.S. Congress, is in session unless it is for a crisis of national or international concern. I hope this is the last Sunday that we would be here for anything but that.

Next Tuesday, the citizens of this nation will go to the polls and elect the next president of the United States. One of the first challenges that the new president will face is the need to recapture what has been lost for a generation of Americans: trust in the Federal Government.

The American people used to believe in the competence of the Federal Government to provide services and meet this nation's needs in a variety of ways. Unfortunately, in too many instances, this is not happening. Today, the Federal Government is held out as a source of scorn and ridicule.

The fact of the matter is that the Federal Government has brought most of this on itself through a gross inattention to management.

In 1993, Vice President GORE launched his “Reinventing Government” initiative. Purported to make government “work better and cost less,” it had every intention to turn the diminished reputation of the Federal Government around.

However, this initiative will be remembered not for its modest accomplishments, but for missed opportunities. It has rejected bold efforts to reform Federal programs and personnel issues, and actually contributed to the growing human capital crisis that will