

NASRA Federal FAX

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SECOND CONGRESSIONAL SESSION, WINTER MEETINGS KICK OFF NEXT WEEK; PENSION PROVISIONS LIKELY ON HOLD FOR ANOTHER TAX BILL

The second session of the 106th Congress is scheduled to begin on January 25, 2000, during the NASRA winter directors meetings and Joint Legislative Conference. Congress concluded the first session on November 20, 1999, with many public pension provisions still pending.

At the end of last session, public pension provisions were on the floor of the Senate as part of the Bankruptcy Reform Act (S 625) and were in minimum wage legislation (HR 3081) under consideration in the House. Both were shelved, however, when Congress adjourned for the year following the final approval of all the FY2000 appropriations legislation. The Senate bankruptcy bill—which also includes provisions to codify protections for pension plan assets from bankruptcy creditors—is set for a potential do-or-die vote on January 25, 2000. The outlook on the vote is extremely grim and could easily signify the end of bankruptcy reform this Congress. Members of the House Leadership had stated their intentions to again address the minimum wage bill early this session, though recent discussions with staff indicate that there still may not be enough Democratic support for the tax provisions in the bill or Republican support for the minimum wage provisions.

Thus, the forecast for the proposals this session will likely again depend on the emergence of a larger tax package as a viable legislative vehicle. Heightened congressional interest in pension issues, increased plan participant involvement, and the approaching retirement of baby boomers could prompt action on retirement policy legislation, but there are a number of additional issues that may muddy the waters. The ongoing debate over cash balance plan conversions will certainly continue to dominate the pension policy agenda as lawmakers and federal regulators grapple with balancing plan participants' concerns against damaging defined benefit plans and stifling new plan designs (see article below). Social Security reform will also generate discussion, although no substantial legislative action is currently expected. Most importantly, however, will be the partisan atmosphere that presidential and congressional elections will likely stir on Capitol Hill.

Gore Pension Proposals Released. A set of proposed reforms to the nation's pension system have been released by the Gore Campaign. A summary of the initiatives was on the front page of the Gore Campaign Web Site the week they were released and can now be found at the following address: http://www.algore2000.com/briefingroom/releases/pr_111999_pensions.html. The most touted reform deals with cash balance conversions. Also on Gore's list of pension reforms, however, is a tax credit for certain pension administrative costs (up to \$1000), repealing 415 limits for multi-employers, reducing certain IRS fees, and payroll deduction IRA contributions. Noticeably absent is pension portability, 457 enhancements, and increased limits. Public pension advocates are currently speaking with Gore officials regarding the possibility of adding these provisions to the package of reforms.

President's FY2001 Budget Proposal. Public interest groups and unions are also hopeful that public pension initiatives will be included in the President's FY2001 budget proposal, due out February 7th. The purchase of service credit provision was included in the Administration's FY2000 proposal, as was a modified version of the portability legislation. Following modifications prompted by Treasury Department concerns, it is hoped that a more comprehensive package of public pension initiatives will be included this year.

Legislative Initiatives. Public pension advocates have launched a number of visits with congressional offices (particularly Democrats) to get public pension issues back on the radar screen and remove some of the stigma that has surrounded the provisions following their attachment to the \$792 billion Republican tax bill. In addition, while pension tax packages, such as the bipartisan Portman-Cardin bill had 155 co-sponsors and endorsements from many industry associations, they also raised concerns among others—like the Pension Rights Center, the Center on Budget and Policy Priorities, and the Treasury Department—regarding the distribution of tax benefits under the legislation (see article below). Most congressional offices have indicated support for a majority of the provisions in the package, but suggested that further education is needed on the individual provisions, particularly the public pension proposals. Representative Rob Portman (R-OH), an ardent advocate of the pension tax legislation, will be sharing his insight and strategy at the NASRA, NCTR, NCPERS Joint Legislative Conference on January 25, 2000.

Prominent Line-up of Speakers to Address Joint Legislative Conference

The program for the NASRA, NCPERS and NCTR Joint Legislative Conference will feature Congressional and Administration officials, industry association representatives, and political analysts. The topics will cover current and future legislative and regulatory activity, an outlook on the 2000 elections, and the future landscape in which public pension officials will likely be operating and investing. A preliminary list of issues and speakers follows:

Annual Joint Legislative Conference

<i>The 2000 Political Environment</i>	Greg Valliere , Managing Director, Schwab Washington Research Group
<i>What's on the Voters' Minds</i>	Celinda Lake , Lake Snell Perry and Associates
<i>Democratic 2000 Legislative Agenda</i>	Representative Martin Frost (D-TX), Chairman of the House Democratic Caucus
<i>Republican 2000 Legislative Agenda</i>	Representative Tom Davis (R-VA) (invited), Chair of the National Republican Congressional Committee
<i>Regulatory and Legislative Issues Surrounding Cash Balance Plan Conversions</i>	Mark Iwry , Benefits Tax Counsel, U.S. Department of the Treasury Diann Howland , Pension Policy Advisor, Senate Committee on Aging
<i>Universal Coverage and Social Security Reform</i>	Barbara Kennelly , Counsel to the Social Security Commissioner, former member of Congress Gary Bartlett , Legislative Director, Rep. Bill Archer (R-TX) Cathie Eitelberg , Senior Vice President, The Segal Company
<i>New Pension Proposals in the House and Senate and the Legislative Outlook</i>	Maria Freese , Legislative Assistant, Senator Max Baucus (D-MT) Bridget Flynn , Legislative Assistant, Rep. Earl Pomeroy (D-ND)
<i>Pending Pension Tax Provisions</i>	Representative Rob Portman (R-OH)
<i>IRS Restructuring and the New Tax Exempt/Employee Plans Division</i>	Carol Gold , Director of Employee Plans, IRS Tax Exempt/Employee Plans Division
<i>Update on the SEC's Proposed Pay to Play Regulations</i>	Gerri Madrid , Committee Director, Federal Budget and Taxation, National Conference of State Legislatures

Presidential Candidates Comment on Social Security, Mandatory Coverage

Presidential contenders have offered few specifics in recent press comments and public debates regarding their proposals to

shore up the financial status of the Social Security system. Vice President Al Gore and former Senator Bill Bradley have both stated their desire to keep Social Security off budget and their opposition to raising the eligibility age for Social Security. However, Senator Bradley suggested that strong economic growth would allow the fund to grow out of the current demographic quandary while Vice President Gore touted the Administration's proposal to devote the entire surplus to shoring up the fund, including savings from reduced interest on the national debt. In an interview on *Meet the Press*, Gore further rejected the idea of adding the 5 million uncovered State and local workers to Social Security's ranks and refuted reporter Tim Russert's implication that these workers are "moonlighting" and "double-dipping," stating there are current policies (GPO and WEP) that already address those concerns.

On the GOP side, Governor George W. Bush repeated his desire to begin a system where private accounts will play some part in Social Security. Unlike his Democratic counterparts, he would not rule out raising the retirement age to preserve the system, for which his rival Steve Forbes criticized him. Forbes strongly favors privatization as the central component of reforming and saving the system.

Board Suggests Current Social Security Projections May Be Overly Optimistic

A recent report to the Social Security Advisory Board cautioned that substantial resistance to raising the eligibility age combined with longer life spans will likely decrease the current projected financial longevity of the social insurance program. In addition, it suggested that the current estimates for wages and productivity are also overly hopeful, which would exacerbate the problem. Ways and Means Committee Chairman Bill Archer (R-TX) renewed his call for more fundamental reform, including the establishment of private accounts within Social Security. Noting the complications cited by the Advisory Board, Archer suggested that current projections of the system's solvency until 2034 may be exaggerated. There is concern that these pessimistic estimates may be motivated by political interest in reforming the system and could also make mandatory coverage of state and local employees currently not in the system a more attractive option.

Employer Groups Threaten Court Action on UI for FMLA

Several business groups denounced President Clinton's proposal to encourage States to use their Unemployment Insurance systems to replace incomes lost due to Family and Medical Leave. The employer groups vowed to have the action, which comes through executive order rather than new law, struck down because those workers on leave who have the right to return to their jobs cannot meet the definition of "unemployed." Other groups applauded the planned extension of UI, as the FMLA guarantees only unpaid leave to workers. At the Federal level, the Office of Personnel Management plans to implement an expansion of FMLA by allowing Federal workers to use up to 12 weeks of sick time for family leave, up from the current allowance of 13 days for such purposes.

Federal Focus Continues on Cash Balance Conversions, Treasury and Congressional Counsels to Review Issues at Joint Legislative Meeting

Criticism of converting traditional defined benefit plans to cash balance arrangements as unfair to older workers continues to draw attention from federal policy makers. Recent legislative initiatives have focused on tightening ERISA's disclosure and notice rules (see 11/15/99 *Federal FAX*). Cash balance provisions were included in Vice President Gore's proposed pension reforms. In addition, officials in the Clinton Administration have suggested that further thought is needed on the interplay of these new plans with existing qualification rules.

Separately, the Labor Department has added fiduciary breach to the list of issues it will review as it continues to contemplate cash balance plan conversions. This move comes amid allegations that pension consultants have promoted cash balance and other hybrid plans as a tool to essentially skirt prohibitions on cutting back promised benefits. The Equal Employment Opportunity Commission will also examine cash balance plans for age discrimination, calling it their "top priority." In addition, DoL and its PWBA division have released a list of common questions about cash balance plans, including the Federal pension law that applies to these plans, requirements to convert from a traditional DB plan to a cash balance plan, required disclosures to employees, and the interaction of plan conversion on retiree health benefits.

Cash balance conversions are likely to continue receiving national attention and to dominate the federal pension agenda. (Cash Balance plan conversions were even featured on the *Today Show* on December 1, 1999). Mark Iwry, benefits tax counsel at the Department of the Treasury and Diann Howland, pension counsel to the Senate Committee on Aging, will address the numerous regulatory and legislative issues in this area and their impacts on public pension plans and pending pension legislation at the Joint Legislative Conference on January 25, 2000.

Hatch to Serve on Joint Committee on Taxation

Presidential candidate Senator Orrin Hatch (R-UT) was recently appointed by the Senate Finance Committee to the Joint Committee on Taxation. He will assume the post vacated by the late John Chafee (R-RI). Senator Hatch and his staff have a great deal of pension knowledge and have shown themselves as strong advocates for the concerns of State and local employers and their pension programs. Senator Hatch was the lead sponsor of the Senate legislation providing for a permanent moratorium on the application of nondiscrimination rules to governmental plans.

Pension Benefits Top Tax Expenditure List

The Joint Committee on Taxation's annual review of federal tax expenditures (tax revenue lost through policy-related tax exclusions, credits, and deductions) will place pensions at the top of the list of most costly tax policies. The JCT anticipates a

\$418 billion cost to the U.S. Treasury for pension policy over the next five years. Health care, at \$324 billion, and home mortgage interest deductions at \$301 billion, are the next most costly policies. Unfortunately, there is no differentiation made for tax deductions vs. tax deferrals.

Education Assistance, Retiree Health Funding Again Extended

Popular tax provisions regarding employer assistance for educational benefits were renewed last year as part of the "Extenders" bill. Extenders are a bundle of popular tax provisions which expire periodically and must be extended. The exclusion from gross income for employer-provided educational assistance was set to expire with respect to undergraduate courses beginning on or after June 1, 2000. The exclusion does not apply to graduate-level courses. The new law extends the exclusion for undergraduate-level courses through December 31, 2001. The measure also included a provision allowing the use of excess pension assets for retiree health costs.

TREASURY/INTERNAL REVENUE SERVICE (IRS)

Treasury to Study Distribution of Pension Benefits, JCT Paper Refutes Current Methodology

The Treasury Department will review the distribution of tax benefits of pensions among the American workforce at the request of Senator Daniel Patrick Moynihan (D-NY) and Congressman Richard Neal (D-MA). The lawmakers instructed the Treasury to look at which income groups benefit from both "old fashioned" defined benefit plans and newer savings vehicles such as IRAs, Roth IRAs, SIMPLE IRAs, 401(k) plans, SIMPLE 401(k) plans, 403(b) plans, and 457 plans. The information request may stem in part from current criticism of pension proposals before Congress from the advocacy group Center on Budget and Policy Priorities; indeed, Congressman Neal's letter to Treasury Secretary Lawrence Summers cited the group specifically. The CBPP analysis, which found that the pension proposals would unduly benefit the rich, has drawn fire from a number of groups, as its analysis looks at the tax expenditures to the federal government rather than the actual benefits paid out of qualified pension arrangements.

A recent Joint Committee on Taxation report claimed the Treasury Department data upon which the CBPP study was based inadequately disclosed data limitations associated with its tax statistics, which in turn made it difficult to assess the reliability of their distributional analyses. The report expanded upon a number of concerns Vice Chairman of the JCT Jim Saxton (R-NJ) highlighted in a Dec. 21 letter to Treasury Secretary Lawrence Summers. The report generally concluded that the process, development, and release of distributional tax tables are misleading, highly conjectural and in need of reform. The study, *A Guide to Tax Policy Analysis: Problems with Distributional Tax Tables*, is available on the JCT web site: <http://www.house.gov/jec>

Service Seeks Advice on Severance Plans, Plan Reporting Extension

The IRS is seeking comment on State and local government severance plans following a recent dispute on whether these arrangements may properly be considered bona fide severance pay plans and treated as nonqualified deferred compensation. The recent IRS announcement (2000-1) also provided interim guidance instructing State and local employers to exclude from reporting compensation amounts under these plans if that plan existed on December 22, 1999, mainly serves non-highly compensated employees working for a State or local government, is nonelective, and was treated by the government entity as a bona fide severance plan for any years prior to 1999. The plan must be intended as a temporary, transitional income stream rather than retirement income and cannot have a pay-out period longer than five years.

For further information, contact Cheryl Press of the Office of Associate Chief Counsel at (202) 622-4606. The Service will accept comments until February 20, 2000. Plans should address their comments to Internal Revenue Service, Attn.: CC:DOM:CORP:R (Section 457 Plans), Room 5201, P.O. Box 7604, Ben Franklin Station, Washington, DC 20044 or comments can be filed through the Internet at http://www.irs.gov/tax__regs/regslst.html.

Comments on Disclosure also Requested

The Service also requested comment on reducing the burden of making certain required disclosures, particularly regarding the requirement to provide plan participants with notices describing their plan or legal rights. Although the IRS proposes no change in current practice, plans which would like to advise the IRS on the practical value of information they must report, the role technology can play in reducing the burden of compliance, how well the Service has done on estimating the burdens it imposes for data disclosure, and other administrative matters should contact Garrick R. Shear, Internal Revenue Service, Room 5244, 1111 Constitution Avenue NW., Washington, DC 2022 or Faye Bruce at (202) 622-6665 for additional information. Deadline for comment is February 25, 2000.

Exempt & Governmental Division Open for Business

The IRS opened its Tax Exempt and Government Entities (TE/GE) Division early last month to provide better service for pension plans, charities, State and local instrumentalities, and other tax constructs that fall within the definitions of government or exempt organizations. Division staff includes Commissioner Evelyn Petschek, Deputy Commissioner Darlene Berthod, head of Employee Plans Carol Gold, head of Exempt Organizations Steve Miller, and head of Government Entities Ed Weiler. The TE/GE Division is one of four entities that is designed to focus on customers and it will take the place of the current geographic-based organizational structure at the IRS. TE/GE officials recently stated that with this team in place, the Division is well positioned to begin operations later this year. Ms. Carol Gold will be discussing the restructuring efforts and their implications on employee plans at the Joint Legislative

Conference, January 25, 2000.

IRS Releases Regulatory Agenda

The IRS has released its list of pending projects. Pension related material on the list includes: **Proposed Regulations** on Section 411(d)(6) Protected benefits exceptions, Section 401(k) and 410(m) cash or deferral plans, and Section 457(b) deferred compensation plans; and **Final Regulations** on loans treated as distributions, clarification of the definition of a "highly compensated employee," and applying technology to plan administration.

In addition, the IRS continues to work toward additional rules for golden parachute payments, tax treatment of foreign deferred compensation plans, allocation of accrued benefits between employer and employee contributions, the place of Family and Medical Leave Act benefits in cafeteria plans, COBRA coverage requirements in group health plans, and qualified transportation fringe benefits, among others.

DEPARTMENT OF LABOR (DOL)

New Assistant Secretary for PWBA

Leslie B. Kramerich became Acting Assistant Secretary for the Pension and Welfare Benefits Administration, moving up from her former post as PWBA's Assistant Secretary for Policy. The previous Assistant Secretary, Richard McGahey, left the PWBA for the private sector firm Abt Associates of Cambridge, Massachusetts. Before coming to the DOL, Ms. Kramerich had worked at the PBGC and was detailed to the Office of Senate Minority Leader Tom Daschle (D-SD) where she worked with public pension representatives on thwarting pending nondiscrimination testing rules.

SECURITIES AND INVESTMENTS

Home Loan Program for DC Participants May Replace Many Plan Loans

A California firm is offering home loans with no down payment for participants in certain defined contribution and deferred compensation plans, providing an alternative for participants to fund home without raiding their retirement savings for the down payment. Home purchases are a major source of so-called pension "leakage" prior to retirement, which costs participants from 2 to 28 percent of their retirement income, according to a 1997 GAO study. Plan loans also present administrative problems for sponsors.

The Mortgage Acceptance Plan (MAP100) was created by Chambers, Dunham, Rubin & Company and will be distributed through Scudder Kemper Retirement Services. Participants in section 401(k), 403(b) or 457 plans that have either a loan option or hardship withdrawal option will be eligible. Reportedly, MAP100 is structured so that participants who are

unable to make repayments on their home loans will not be forced to tap plan assets, although they are presented the option of taking a plan loan or a hardship withdrawal. Neither option would be forced, and the individual could tap other assets or attempt to refinance their loan.

SEC Seeks Comment on Role of Independent Directors of Investment Companies

The SEC seeks comments on methods to strengthen the role of boards in investment company management, a timely initiative considering the growth of stock ownership among the public through mutual funds. Under the Commission proposal, investment companies would have to make broader disclosure of their directors' shares in the fund, potential conflicts of interest, compensation, and qualifications for their position. Interested parties should send three copies of their comments to Jonathan G. Katz, Secretary, Securities and Exchange Commission, 450 Fifth Street, NW., Washington, DC 20549-0609. Comments may also be filed electronically at rule-comments@sec.gov. Both hard and soft copies must reference File No. S7-23-99.

Trading Fees Lowered

With the enactment of H.R. 3194, the Consolidated Appropriations Act of 2000, filing fees for securities issues dropped from \$278 per \$1,000,000 of an offering to \$264 per \$1,000,000. The SEC had received criticism from Members of Congress that the fees charged were excessive for the needs of the Commission. Registrants who paid the old fee on November 29, 1999, may be entitled to a refund. Contact the Commission's Filer Support Unit at (202) 942-8900 for more information.

SEC Targets Selective Disclosure, Insider Trading; Seeks Better Audit Committees

On December 15, 1999, the SEC proposed rules to increase required disclosures to the investing public, clarified currently nebulous insider-trading rules, and added certain conditions to the operation of corporate audit committees, including new mandates that financial statements be reviewed by independent auditors and that audit committee report be included in the company proxy statement. More information on these initiatives is available at www.sec.gov.

Reports Anticipated for Likely Futures Trading Showdown this Spring

A General Accounting Office (GAO) study of trading issues is expected to be released in the late Winter or early Spring as a prelude to the next round of combat over futures trading. GAO will broadly examine the current futures market, as the agency has been directed to do by all of the noteworthy Congressional Committees with oversight interests in the issue. A special focus of the GAO's efforts will reportedly involve foreign trading in single stock instruments and the much wider issue of what consequences might flow from repeal of the Shad-Johnson

accord currently governing futures regulation.

Elsewhere, key players Senator Richard Lugar (R-IN), Chairman of the Senate Agriculture Committee, and Senator Phil Gramm (R-TX) recently sent a letter to SEC Chairman Arthur Levitt and CFTC Chairman William J. Rainer. The Senators asked the regulators to investigate various proposals from the *President's Working Group Report on Over-the-Counter Derivatives Markets and the Commodity Exchange Act* and report back to them no later than February 21 for possible inclusion in the reauthorization of the Commodities Exchange Act, the law currently governing futures regulation.

SEC Anticipates Huge Volume Surrounding Decimal Conversion

SEC Market Regulation Deputy Director Robert Colby told the public that the Commission will seek to insure that trading systems are ready for an anticipated surge in volume when the markets move to nickel and penny pricing from the current "pieces of eight" system. Regulatory and market participant worries over decimalization might push back the timetable for the changeover, which is currently scheduled for a phase-in between July and October of this year. Reportedly, a Securities Industry Association study issued in April projects that trading in the over-the-counter market could increase by 81 percent and trading for individual equity options could increase more than 300 percent.

Dingell Pushes for Anti-Spoofing, Other Fraud Actions

Top Commerce Committee Democrat John Dingell (MI) wrote market regulators to request a strategy for addressing a new kind of fraud on the NASDAQ known as "spoofing." In this scheme, the perpetrator places a large order on an electronic exchange, cancels the order seconds later, and benefits from the buying crush triggered by the momentary order. Dingell suggested that the practice is undermining market integrity and generating volatility. He gave the Justice Department, NASD Regulation, and the SEC a February 4 deadline to come up with a plan.

The Michigan Democrat has also pressed regulators on enforcement of Section 10a anti-fraud provisions. Under the law, an auditor who comes across what appears to be an illegal act must inform the company's management, audit committee, and the board of directors as soon as practicable, according to the statute. Section 10a reports were intended to detect fraud by requiring auditors who found suspect information to report the information to the company board and other authorities. Since the new requirement went into effect, few 10a reports have been filed and Congressman Dingell has asked the GAO to determine why.

NASAA Endorses Commission's 10a-1 Review

The North American Securities Administrators Association generally praised the efforts of the SEC to update Rule 10a-1, which restricts so-called short sales of securities. The State regulator group noted the positive effects that short sales play in

providing liquidity and other market benefits despite the use of short sales in certain kinds of market manipulation. The SEC's position on the short sales review is available on its website at <http://www.sec.gov/rules/concept/34-42037.htm>.

LTCM Legislation Gives SEC Authority on Non-Bank Derivative Dealers

Senator Byron Dorgan (D-ND) and Congressman Ed Markey (D-MA) proposed that the SEC should regulate non-bank derivative dealers. Their legislation (S. 1968 and H.R. 3483 respectively) is a response to the near collapse of derivative giant Long Term Capital Management and the GAO's findings that regulation of the hedge fund was lax. The bills would grant the SEC authority to set capital standards and record keeping requirements for these dealers, among other provisions.

Next Session's Securities Bills to "Work Around the Edges"

The next piece of business for the Senate Banking Committee will likely be the Securities Markets Improvements Act (SMIA), according to recent statements by committee staff. It was suggested that the Committee would be looking to fine tune existing law rather than overhaul the nation's securities laws. A revision of SEC fees, currently well in excess of that needed to fund the Commission, will likely be on the table when SMIA is brought up.

COURTS

Ex-Wife Has Right to Full Monthly Benefit Under QDRO Until Death

An ex-wife's share of a plan participant's benefit reverts to the participant upon the ex-wife's death, according to the U.S. Tax Court (*Walter Rich v. Southern California IBEW-NECA Pension Plan*, Court of Appeal of the State of California, Second Appellate District, Div. 6, 2d Civil No. B127215, July 8, 1999). The qualified domestic relations order provided that upon the commencement of distribution of the participant's benefits, the trust would keep a small amount of the monthly benefit to cover the additional administrative expenses incurred in dividing the participant's benefits, and the participant and his former wife would each receive 50% of the remainder. The payments to the ex-wife were to continue until the earlier of the participant's death or the ex-wife's death. Ten years later, the ex-wife died. The QDRO made no assignment of the ex-wife's interest in the shared pension benefit and the plan lacked the authority to pay anything less than the full monthly benefit earned by the participant.

RESOURCES

DB Plans Less Costly Than DC

The boom market has made defined benefit plans less expensive

than their defined contribution counterparts according to Towers Perrin. In a study of 28 large Dow Jones companies, the pension consultants found that market conditions have made DB administrative costs virtually negligible. Despite this drop, 15 of the 28 companies studied had converted to cash balance plans, continuing a trend which had 44,000 PBGC defined benefit plans in the current year compared to 114,000 in 1985. The greatest help to DB sponsors has been the 17% growth in plan assets over the last two years.

Mixed News from Confidence Survey

More savings preparation and employer-provided plans are playing a large role in American's retirement savings, according to the Retirement Confidence Survey performed by the Employee Benefit Research Institute (EBRI). The survey found that 71% of workers have some measure of confidence that they will be able to retire comfortably, perhaps with a substantial overlap of the 70% of earners who are actually saving for their non-working years. Workers need to do more to calculate their expected retirement income needs, as only half of the workforce has done so, and those already saving may need to do more, according to the EBRI findings. The report mentioned that the aging baby-boomers are saving at only about one-third the rate required for their expected needs. More than one thousand individuals were questioned for the survey. For copies of the report *EBRI Issue Brief* No. 216, "The Evolution of Retirement: Results of the 1999 Retirement Confidence Survey," contact the group at (202) 659-0670 or www.ebri.org. Each copy costs \$25.

Cost of Social Regulation at Quarter Trillion Says OMB's Best Guess

Following a Congressional directive, the Office of Management and Budget placed the cost of Federal "social" regulations at somewhere between \$174 billion and \$234 billion, although the authors of the report were quick to note the near impossibility of providing a reliable estimate.