

1 State of Arkansas

2 80th General Assembly

3 Regular Session, 1995

H.C.R.

1004

4 By: Representatives Flanagin and Goodwin

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## HOUSE CONCURRENT RESOLUTION

8 URGING THE JOINT INTERIM COMMITTEE ON AGING AND  
9 LEGISLATIVE AFFAIRS TO STUDY THE FINANCIAL IMPACT ON OLDER  
10 ARKANSANS FROM THE INADEQUATE FUNDING OF CERTAIN DEFINED  
11 BENEFIT PENSION PLANS TO DETERMINE IF STATE GOVERNMENT  
12 NEEDS TO TAKE ACTIONS TO PREVENT SIMILAR CIRCUMSTANCES IN  
13 THE FUTURE.

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### Subtitle

16 URGING A STUDY OF THE FINANCIAL IMPACT OF INADEQUATE  
17 FUNDING OF CERTAIN DEFINED BENEFIT PENSION PLANS

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19 WHEREAS, reports from the federal Pension Benefit Guaranty Corporation  
20 have identified many private defined benefit pension plans which are, either,  
21 inadequately funded to pay full benefits for beneficiaries or are underfunded  
22 to the extent they will be unable to meet the full extent of their future  
23 financial obligations; and

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25 WHEREAS, during the 1980s, many public and private pension funds had  
26 excessive overall rates of returns on their investments due, in large part,  
27 to huge investment returns from gains in the stock and securities markets;  
28 and

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30 WHEREAS, during the 1980s, many of the private and public pension funds  
31 who now find themselves inadequately funded, skimmed these excess profits  
32 from their pension funds for corporate profits or to pursue  
33 non-pension-related investments and used the excessive overall rates of  
34 return of the pension funds as excuses to reduce their investment in these  
35 pension funds; and

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WHEREAS, many private and public pension funds have reduced or will have to reduce in the future the benefits that will be paid to plan beneficiaries and have switched from "defined-benefit" plans to "defined-contribution" plans to reduce their obligations to future beneficiaries of their pension funds,

NOW THEREFORE,  
BE IT RESOLVED BY THE HOUSE OF REPRESENTATIVES OF THE EIGHTIETH GENERAL ASSEMBLY OF THE STATE OF ARKANSAS, THE SENATE CONCURRING THEREIN:

THAT the House of Representatives of the Eightieth General Assembly of the State of Arkansas urges the Joint Interim Committee on Aging and Legislative Affairs to study the issue of underfunding of private and public defined benefit pension funds to determine the financial impact on older Arkansans and to examine this issue, in light of state-federal preemption, and determine whether state government needs to and should take some action to prevent similar circumstances from overtaking private and public pension funds in the future.

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