

114TH CONGRESS
1ST SESSION

H. RES. 41

Expressing the sense of the House of Representatives that the Federal Government should not bail out State and local government employee pension plans or other plans that provide post-employment benefits to State and local government retirees.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 21, 2015

Mr. CHAFFETZ submitted the following resolution; which was referred to the Committee on Education and the Workforce

RESOLUTION

Expressing the sense of the House of Representatives that the Federal Government should not bail out State and local government employee pension plans or other plans that provide post-employment benefits to State and local government retirees.

Whereas the Federal Government is operating at an annual deficit and is increasing its outstanding debt every year;

Whereas the Federal Government, as of January 2015, is carrying more than \$18.0 trillion in debt, of which \$13.0 trillion is owed to the public and \$5.08 trillion is owed to Social Security and other trust funds;

Whereas the Federal Government borrowed 14 cents for every dollar it spent in 2014;

Whereas foreign governments, individuals, and corporations as of October 2014 own 47 percent of Federal debt held by the public;

Whereas Social Security's unfunded liabilities in 2014 are \$10.6 trillion over 75 years and \$24.9 trillion over the infinite horizon;

Whereas the Federal debt held by the public is expected to increase by more than \$7 trillion from 2014 to 2024 according to the Congressional Budget Office;

Whereas State and local governments are heavily dependent on Federal revenues;

Whereas more than 16 percent of the entire Federal budget goes directly to States and local governments;

Whereas more than 22 percent of total State and local government general revenue comes from the Federal Government according to Census Bureau's latest Annual Survey of State and Local Government Finance;

Whereas numerous State and local government employee pension plans have offered overly generous retirement benefits to its employees and are in dire financial situations with combined unfunded liabilities of more than \$4 trillion;

Whereas many State and local government pension plans have understated liabilities and overstated asset growth rates and have employed methodologies that private sector plans are prohibited from using by Federal law; and

Whereas several State and local pension plans are expected to fully exhaust their funds within ten years: Now, therefore, be it

1 *Resolved*, That it is the sense of the House of Rep-
2 representatives that—

3 (1) the Federal Government should not bailout
4 State and local government employee pension plans
5 and other post-employment benefit plans; and

6 (2) State and local governments should imme-
7 diately institute reforms to their employee pension
8 plans, including replacing defined benefit plans with
9 defined contribution plans.

○