CURTIS RATCLIFF REMEMBERED AS FRIEND OF TAXPAYERS

HON. CHARLES H. TAYLOR

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 22, 1999

Mr. TAYLOR of North Carolina. Mr. Speaker, Buncombe County, Western North Carolina and America lost a true leader this week, R. Curtis Ratcliff. ''Curt'' was a leader in Buncombe County government for nearly two decades and fighter for the taxpayers. I am honored to share with my colleagues The Asheville Citizen Times of March 18th appreciation of Curt.

[From the Asheville Citizen Times, Mar. 18, 1999]

RATCLIFF REMEMBERED AS FRIEND TO TAXPAYERS

(By Barbara Blake)

LEICESTER—R. Curtis ''Curt'' Ratcliff was a man who ruffled plenty of political feathers during his 16 years at the helm of Buncombe County government. But few would argue with the fact that he was a champion of the ''little man'' and a passionate advocate for county taxpayers.

Ratcliff, who died Monday at age 69, had friends and foes in the political arena. But community leaders who worked with Ratcliff during more than two decades in public service said Wednesday he was a man of his word, a tireless proponent of fiscal responsibility and a friend to the community.

''Sure, there were partisan politics,'' said former County Commissioner Doris Giezentanner, one of many Democrats who squabbled with the Republican leader during his four terms as chairman of the county board.

''That always happens on a mixed board or even one that is one party or another,'' Giezentanner said. ''But it's quickly forgotten; I will always remember Curtis as a kind, generous person even when we differed politically.''

Ratcliff, who served as commission chairman from 1972 until he was defeated in 1988 by UNCA political science professor Eugene Rainey, differed politically with a lot of elected officials over the years—sometimes even those of his own party, if they seemed to favor citizens inside rather than outside the city of Asheville.

Former Asheville Mayor Louis Bissette was one of them—a Republican, but a champion of the city's interests in divisive issues like the revamping of the city-county water agreement.

''There were some very difficult issues that arose during the 1980s between the city of Asheville and Buncombe County,'' Blasette said. ''But even in the midst of those emotional times, I always found you could depend on Curt Ratcliff's word, and he always acted in what he believed to be the best interests of the people of Buncombe County.''

Tom Sobol, current chairman of the board, was a newcomer during Ratcliff's last term, 1984–88. One of two Democrats—with Giezentanner—on the five-member commission, Sobol clashed frequently with the Republican leader.

''Even though I was in the minority party, Curt was always up front and totally honest with me on every issue that came up,'' Sobol said. ''We had different political philosophies, but he was always up front about where he was going to be (on an issue) and what was going to happen.''

Ratcliff also kept his door open to the freshman commissioner and offered help when it was needed.

''I never went into Curt's office that he wouldn't take time to explain to me the workings of some county government problem I had a question about,'' Sobol said, ''That meant a great deal to me, that he would take time to deal with me when he didn't have to.''

Former Republican Commissioner Jesse Ledbetter, who served two terms with Ratcliff, said the long-time chairman was ''an advocate for the little people of Buncombe County, particularly those living outside the city.''

''During this century, I do not know of a better friend to the taxpayers than Curt Ratcliff was,'' Ledbetter said. ''He was always very meticulous in the wise use of public funds, and in safeguarding all public assets.''

''He was a good friend in every way,'' Ledbetter said.

EMPLOYEE PENSION PORTABILITY AND ACCOUNTABILITY ACT

HON. RICHARD E. NEAL

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 22, 1999

Mr. NEAL of Massachusetts. Mr. Speaker, today I am introducing the Administration's pension proposals contained in its fiscal year 2000 budget submission to the 106th Congress. These proposals build on previous efforts to improve the chances for every American to have a secure retirement of which an adequate level of retirement income is a crucial factor. The proposals are aimed at making it easier for employers to offer pension plans, and for employees to retain their pension benefits when switching jobs. Proposals to encourage small businesses to establish pension plans, and to encourage more individuals to utilize retirement accounts are included. In addition, the Administration's pension proposals also contain numerous simplification initiatives.

As we all know, it is assumed that every worker will have retirement income from three different sources—social security, private pensions, and personal savings. This so-called three-legged stool does not exist for many workers, either because they work for employers who do not offer a pension plan, or the benefits offered are inadequate, or because some employees earn too little to save for their retirement on their own. While the 106th Congress is expected to address the problems of the social security system, it is imperative that this Congress expand and improve the private pension system as well.

Many workers, like federal workers in FERS, are eligible to save for their retirement through social security, a defined benefit plan, a defined contribution plan, and hopefully through personal savings. In general, employers in the private sector, however, have moved away from offering defined benefit plans, much to the detriment of overall retirement savings. Since 1985, the number of defined benefit plans has fallen from 114,000 to 45,000 last year. The number of defined contribution plans, conversely, has tripled over the last twenty years. While defined contribution plans have the advantage of being highly portable, and are an important source of savings, it is also important to remember that defined contribution plans were intended to supplement, rather than be a primary source of, retirement income.

In addition, we cannot ignore the fact that women and minorities face special challenges in obtaining adequate retirement savings. For women, this is directly related to employment patterns. Women are more likely to move in and out of the workforce to take care of children or parents, work in sectors of the economy that have low pension coverage rates, and earn only 72 percent of what men earn. Fifty-two percent of working women do not have pension coverage, and 75 percent of women who work part-time lack coverage. For minorities, lack of pension coverage and a lower pension benefit level is often related to low wages. While 52 percent of white retirees receive an employment-based pension at age 55, only 32 percent of Hispanic Americans and 40 percent of African Americans receive such pensions.

While these problems cannot be solved overnight, it is necessary for us to make improvements in the pension system whenever there is an opportunity. I believe we have been provided with just such an opportunity in this Congress, and we should seize that opportunity. The Administration's proposals incorporated into this bill take an important step forward. I encourage my colleagues to join me in making improved pensions a reality for many American workers.

THE EMPLOYEE PENSION PORTABILITY AND ACCOUNTABILITY ACT OF 1999

SECTION BY SECTION

Section 1. Short Title.

This legislation is entitled the Employee Pension Portability and Accountability Act of 1999.

Section 2. Payroll Deduction for Retirement Savings.

This section is intended to promote increased retirement savings among employees. Employees could elect to have contributions, up to a total of $2,000, withheld during the year from their paychecks and contributed to an IRA. Under this Section, employees who are eligible for a deductible IRA could elect to have pre-tax contributions withheld by their employer and deposited to their IRA. These IRA contributions generally would be excluded from taxable income on the W–2 rather than deducted from income on the individual's tax return. However, the amounts would be subject to employment taxes (FICA) and would be reported as contributions to an IRA on the employee's Form W–2. If at the end of the year, the employee is determined not to be eligible for any portion of the $2,000 contribution, the employee would be required to include such amounts as income for that taxable year.

The legislative history under this Section also would clarify that employees not eligible for a deductible IRA could use payroll deductions of after tax amounts as contributions to a nondeductible IRA or Roth IRA. Such an arrangement would not constitute the employer sponsoring a plan.

The provision would be effective for taxable years beginning after December 31, 1999.

Section 3. Credit for Pension Plan Startup Costs of Small Employers.

The credit provided under this Section is intended to be an additional incentive to employers, especially small employers who may not otherwise establish a plan because of high start-up costs. Under this Section, the employer could claim a credit for up to three years after establishing a new qualified defined benefit plan or defined contribution plan including a section 401(k), a SIMPLE, SEP, or IRA payroll deduction arrangement. The credit for the first year of the plan is 50