

employer matching contributions made under any qualified plan.

The provision would be effective for plan years beginning after December 31, 1998.

Section 6A. Pension Right to Know Proposals

This provision would modify current law with respect to a written waiver of a survivor annuity. Under current law, the plan participant (not the spouse) is provided with a written explanation of the terms and conditions of the survivor benefit. This provision would require that the same written information provided to the plan participant also is provided to the spouse. This would help the spouse to fully understand both his or her rights under the plan, and the full implication of a waiver of those rights.

This provision would be effective for plan years beginning after December 31, 1998.

Section 6B. Right to Know Pension Plan Distribution Information

This provision would require employers who use any one of the 401(k) safe harbor plan designs to provide employees with sufficient notice that would afford them the real opportunity to make an informed decision regarding electing to contribute (or modify a prior election) to the employer-sponsored plan. The employee would be provided at least a 60-day period before the beginning of each year and a 60-day period when he or she first becomes eligible to participate. In addition, the current requirement that employers notify eligible employees of their rights to make contributions, as well as notify them of the employer contributions formula being used under the plan, would be modified to require that such notice be given within a reasonable period of time before the 60-day period, rather than before the beginning of the year.

This provision would be effective for plan years beginning after December 31, 1998.

Section 7. Mandatory 1 Percent Employer Contribution required under alternative methods of meeting nondiscrimination requirements for 401(k) plans

This section modifies the section 401(k) matching formula safe harbor by requiring that, in addition to the matching contribution, employers would make a contribution of 1 percent of compensation for each eligible nonhighly compensated employee, regardless of whether the employee makes elective contributions. This contribution shows the value of tax-deferred compounding. This provision would not apply where the employer uses the safe harbor design under which the employer contributes 3 percent of compensation on the behalf of each eligible employee without regard to whether the employee makes an elective contribution.

This provision would be effective for plan years beginning after December 31, 1998.

Section 8. Definition of Highly Compensated Employees

Under current law, a highly compensated employee is defined as an employee who was a five percent owner of the employer at any time during the preceding year, or had compensation of \$80,000, and if the employer elects was in the top-paid group of employees for the preceding year. An employee is in the top-paid group if the employee was among the top 20 percent of employees of the employer when ranked on basis of compensation paid to employers in previous years. This section eliminates the top-paid group from the definition highly compensated employee. Thus, the level of compensation earned or ownership determine whether the employee is highly compensated.

This provision would be effective for plan years beginning after December 31, 1998.

Section 9. Treatment of Multiemployer Plans Under Section 415

This section would repeal the 100 percent-of-compensation limit, but not the \$130,000 limit for such plans, and exempts certain survivor and disability benefits from the adjustments for early commencement and participation and service of less than 10 years.

This provision would be effective for plan years beginning after December 31, 1998.

Section 10. Full Funding Limitation for Multiemployer Plans

This Section would eliminate the limit on deductible contributions based on a specified percentage of current liability. The annual deduction for contributions to such a plan would be limited to the amount by which the plan's accrued liability exceeds the value of the plan's assets.

This provision would be effective for plan years beginning after December 31, 1998.

Section 11. Elimination of Partial Termination Rules for Multiemployer Plans

Under current law, when a qualified retirement plan is terminated, all plan participants are required to become 100 percent vested in their accrued benefits to the extent those benefits are funded. In the case of certain "partial termination" that is not actual plan termination, all affected employees must become 100 percent vested in their benefits accrued to the date of the termination, to the extent the benefits are funded. Partial terminations generally occur when there is a significant reduction in workforce covered by the plan. This section repeals the requirement that affected participants become 100 percent vested in their accrued benefits upon the partial termination of qualified multi-employer retirement plans.

This provision would be effective for partial termination beginning after December 31, 1998.

REFORM OF THE IRS

HON. BOB SCHAFFER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 1, 1998

Mr. BOB SCHAFFER of Colorado. Mr. Speaker, though the federal government does few things well, when it comes to collecting taxes, the Internal Revenue Service (IRS) is a proficient, ruthless, and relentless agency squeezing every subject for the government's due, and then some.

Last month the president called "irresponsible" and "reckless" the several efforts by Republicans in Congress to reign in the IRS. These reforms entail restoring taxpayer rights, curbing IRS abuses, and ultimately rebuilding a sense of fairness in America's tax policy.

Furthermore, Congressional reformers are seeking to turn the tables on the IRS by burdening the bureaucracy with justifying its policies before proceeding on its confiscatory mission.

The debate in Washington, D.C. is centered on the differences between those who demand dramatic improvements and those content to merely tinker with the tax code.

Meanwhile, Americans will spend a combined 5½ billion hours this year working to comply with our current tax system.

April is tax month, a time to reflect on the financial cost of citizenship. The federal budget tops \$1.7 trillion this year.

In spite of the Capitol Hill hoopla about a supposed federal budget surplus, the total fed-

eral debt has recently surpassed \$5.5 trillion and continues to grow. In fact, during the time separating the delivery of President Clinton's 1997 State of the Union address and his 1998 version, the debt grew an incredible \$185 billion!

The IRS employs 114,000 agents who churn out eight billion pages of forms and instructions mailed to Americans every year. Even the simplest form, the 1040 EZ, has 33 pages of fine-print instructions. Over 300,000 trees were harvested just to produce the paper for these missives.

In Congress, I've joined the growing crowd calling for wholesale reform of the IRS. For example, I'm backing efforts to repeal the death tax (estate tax), to abolish the marriage penalty, and to further eliminate taxes which discourage investment and savings.

I'm also calling for a sunset of the IRS tax code by December 31, 2001. This unprecedented act would force the IRS and Congress to agree on a fair, simpler tax law. The "sunset" provision would answer the customary political gridlock in Congress with the promise to pull the IRS out by its roots until leaders can agree to put taxpayers ahead of bureaucrats.

Taxation is unavoidable. However, tax fairness and simplicity are features upon which Americans should insist.

CAMPAIGN REFORM AND ELECTION INTEGRITY ACT OF 1998

SPEECH OF

HON. JOSEPH P. KENNEDY II

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 30, 1998

Mr. KENNEDY of Massachusetts. Madam Speaker, for months, Members on both sides of the aisle have worked to craft meaningful campaign finance reform. But the Republican leadership's decision last Friday to bring campaign finance reform to the Floor under suspension of the rules has made it clear they are not interested in debating, and passing, true campaign finance reform. This biased procedure stifles debate, precludes the opportunity to offer amendments and prohibits the consideration of the Shays-Meehan proposal—a true reform bill, which bans soft money in federal election years.

In addition, the Republican leadership's tactic of breaking up the Thomas bill into three more bills under suspension of the rules doesn't soften the blow in denying the House the opportunity to debate, and amend, campaign finance reform legislation.

Instead, the Republican leadership is offering an umbrella measure, HR 3485, that is so loaded with poison provisions that it is doomed to failure. I am particularly appalled that the bill before the House contains the exact language of the Voter Eligibility Verification Act which this House rejected last month by a vote of 210–200.

Back in the '60s, many of the Freedom Riders lost their lives for civil rights, including the right to vote. The voter eligibility provisions of this bill would take us back in time before the National Voting Rights Act was enacted. It clearly discriminates against the poor, senior citizens, African Americans and Hispanics.

On Election Day around this nation, local voter registration offices recruit people to work

at the polls. Under this bill, if a poll worker in California, Florida, Illinois, New York or Texas chooses to challenge the eligibility of a person coming to vote, that poll watcher can do so. Conveniently, these are the states where the majority of our nation's Hispanics live. This is the United States of America. When a person comes to vote, they should not be expected to jump through hoops, clear hurdles or be hindered in any other way. And the Immigration and Naturalization Service should not have to confirm for a poll watcher that a citizen wishing to vote is actually a citizen.

There's always a good reason why anyone does something. And then there's the real reason. This is a Republican ploy to keep certain constituencies from the ballot box. This bill is a dressed up 90's version of the poll tax—designed to clearly intimidate Hispanics and other minorities into staying away from the polls—and it betrays the Privacy Act and the Voting Rights Act.

Mr. Speaker, I urge my colleagues to vote against this bill for many reasons. First, it would shut the door to voting rights of any person a poll worker chooses to challenge. Second, raising the annual contribution limit for individuals from \$25,000 to \$75,000 looks to me like a sweetheart deal the Republicans are making with their wealthy donors. Third, it would require labor unions to get written consent from their members before the unions can spend union dues money on political activities. This is one more back door effort by the Republicans to bust the unions. I urge my colleagues to vote against HR 3485, and against the upcoming bill entitled "Paycheck Protection Act," which is a union-busting bill.

These bills do nothing to truly reform our campaign finance system.

IN SUPPORT OF HOUSE
CONCURRENT RESOLUTION 247

HON. LINCOLN DIAZ-BALART

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 1, 1998

Mr. DIAZ-BALART. Mr. Speaker, I rise today in support of House Concurrent Resolution 247. This bill, in a small way, recognizes what the Reverend Dr. Martin Luther King, Jr. has contributed to the civil society of the United States and to the world. In a sense, this bill outlines what we owe to Dr. Martin Luther King for the lessons he taught us on how to change our world and how to bring about justice. Dr. King's life and his work are a powerful example to all people who care about freedom, justice and equality.

Dr. Martin Luther King loved this country. Dr. King's America was not perfect, but he envisioned a day when it would be perfect. The America he lived in was not perfectly just, but he saw a day when Justice would be given to all. Not everyone in Dr. King's America was free, but in his mighty and prophetic dream, he saw a day when Freedom would ring from every mountaintop and on that day—as he promised—"all of God's children, black men and white men, Jews and Gentiles, Protestants and Catholics, will be able to join hands and sing in the words of the old Negro spiritual, "Free at last! Free at last! Thank God Almighty, we are free at last!"

Dr. King loved this country because he believed in its promise to all people who make

it their home. Dr. King was a man of faith who believed that Our Creator has endowed us with certain and unalienable rights to life, to liberty, and to the pursuit of happiness. It is a sad fact in our nation's history that these unalienable rights were not always recognized and not always freely granted. Dr. King was like a prophet of old crying in the wilderness. His message was simple: Justice and Freedom are worth fighting for.

But the battles he called us to were not to be fought in the streets with armed struggle and violence. The war that Dr. King waged was not for military dominance or political power, but for the hearts and minds of all who would hear his message. He called on Americans to rise above selfishness and personal ambition, to rise above anger and hate, and to establish Justice and Freedom through non-violent political action and change. His tactics in this war were founded on his deep conviction that morally there was right and there was wrong. It was immoral to segregate people by race and to hate someone because they have a different color skin. It was immoral to oppress other people. It was immoral to financially support institutions that participate in subjugating others.

Mr. Speaker, these things are still immoral. There are still rights that need to be wronged. There are still people living in this world who are oppressed and who are not free. We need look no farther than 90 miles off our shore to see a country where a tyrant rules and the call to freedom is quickly and brutally silenced.

Mr. Speaker, this bill calls on Americans to celebrate the life of Dr. King. This call to celebrate Dr. King's life and contributions comes 30 years after he was gunned down in Memphis, Tennessee. Thirty years go, Dr. King was in Memphis supporting the striking city's sanitation workers exercise of their right to assemble, their right to free speech, their right to determine their own destiny, their basic right to life, liberty, and the pursuit of happiness.

On April 3rd, 1968, thirty years ago this week, Dr. King stood in the Bishop Charles Mason Temple and called on all within earshot to stand together with greater determination. He called on all to move together through the days of challenge to make America what it ought to be. As if he had foreseen his own death the next day, he called for perseverance and patience in the face of opposition. And he left us with hope. Hope that his dream of an America where Freedom rings and Justice is established throughout the land would one day be at hand.

There is work yet to be done. We should all stand together through the days of challenge because America—while great among all nations of the world and history—has greater days to come.

Mr. Speaker, I have joined with my colleagues to sponsor this bill because I deeply believe that all peoples living under tyranny and oppression must be able to make their voices heard. I too have a dream that all peoples one day must live in a just, equal, and free world. I urge my colleagues to vote for this bill and to call on the people of the United States to study, reflect on, and celebrate Dr. King's life and ideals in order to fulfill his dream of civil and human rights for all people.

SENIOR CITIZEN HOUSING—ANOTHER CONTRACT RENEWAL DILEMMA: "SENIOR CITIZENS HOUSING FINANCIAL RESTRUCTURING ACT OF 1998"

HON. RICK LAZIO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 1, 1998

Mr. LAZIO of New York. Mr. Speaker, today I am introducing the Senior Citizens Housing Financial Restructuring Act of 1998. As my colleagues will recall, over the last three years the Congress has been dealing with the section 8 project-based renewal issue pertaining to the FHA multifamily inventory. Last year, the so-called mark to market legislation was enacted to deal with this inventory. However, that legislation did not address the Section 202 housing for the elderly inventory.

The section 202 loan portfolio consists of over 4,500 direct government loans to private nonprofit sponsors for developing rental housing for lower income elderly. Projects developed under this program benefit from 40-year direct loans and 20-year section 8 rental assistance contracts. These projects contain approximately 215,000¹ units, for which funds were reserved from 1976 through 1988. Between 2001 and 2015, virtually all of the section 8 rental contracts for these projects will expire. Projects funded subsequent to 1988 were either funded under the new Capital Advance Program or converted from direct loans to capital advances.²

Mr. Speaker, preservation of this inventory is of paramount concern to me as well as all my colleagues since there is considerable demand for the units and few alternatives for many lower income elderly. Like the FHA multifamily portfolio, a primary issue facing this housing program is the need for renewals of section 8 contracts. Current HUD policy allows annual renewals only. In 2001, approximately 300 projects will come due for renewal. The number will climb each year until it reaches 4,500 projects in 2013. The estimated annual cost of renewals is approximately \$250 million in 2001 and \$2.9 billion in 2021.

As elderly housing becomes more market-oriented and residents age, the older section 202 projects must meet the cost of (1) service coordination, (2) structural retrofitting, and (3) other improvements required to serve more service-dependent residents in the future. However, in the current budgetary environment, Congress will have difficulty meeting these costs under section 8.

My legislation allows that elderly housing operating under earlier versions of section 202 should be allowed to convert to the new, improved form of elderly housing assistance.

¹ Since the program was created in section 202 of the Housing Act of 1959, the program has assisted not-for-profit sponsors, dedicated to serving the special needs of the elderly, in building 337,000 residential rental units—a major portion of the nation's supply of quality, affordable housing for the elderly.

² Since 1990, the revised section 202 program provides (1) a capital advance to finance construction and (2) periodic operating subsidies to fill the gap between the cost of elderly housing and rent revenues that low-income residents can afford. The capital advance is, in effect, an interest-free loan on which no payments are due as long as the housing meets program requirements. Operating support goes to elderly housing through a "project rental assistance contract" (PRAC), renewable in five year increments.