

TO AMEND THE WELFARE AND PENSION
DISCLOSURE ACT

105-1623

HEARINGS

GENERAL SUBCOMMITTEE ON LABOR

OF THE

COMMITTEE ON EDUCATION AND LABOR

HOUSE OF REPRESENTATIVES

EIGHTY-NINTH CONGRESS

SECOND SESSION

H.R. 11778

TO AMEND THE WELFARE AND PENSION DISCLOSURE ACT TO DEFINE AND PROVIDE A CLEARER BASIS FOR THE DETERMINATION OF THE AMOUNT OF ALLOWANCE TO BE PAID TO COLLEGE OF

HEARD AT THE WASHINGTON OFFICE
OF THE GENERAL INVESTIGATIVE COMMITTEE
ON FEBRUARY 1, 1946

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ROBERT C. THOMPSON, Staff Director

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TO AMEND THE WELFARE AND PENSION DISCLOSURE ACT

MONDAY, AUGUST 22, 1966

HOUSE OF REPRESENTATIVES
GENERAL SUBCOMMITTEE ON LABOR
OF THE COMMITTEE ON EDUCATION AND LABOR,
Washington, D.C.

The subcommittee met pursuant to call at 10 a.m. in room 2261, Rayburn House Office Building, Hon. John H. Dent, chairman of the subcommittee, presiding.

Mr. DENT: The committee will come to order.

We are meeting this morning to hold a short explanatory hearing on H.R. 1778. This is a subject matter that we have gone over before, and I think most of the committee members are aware of the necessity for this type of legislation. At this time it is probably a little overdue. However, I would like to have it clearly explained to those who have not had an opportunity to study it. We have the bill written by Mr. George M. ...

H.R. 1778 now.

Mr. ...

Mr. ...

Mr. ...

Mr. ...

Mr. ...

Mr. ...

Mr. ...

Mr. ...

Mr. DENT: We have with us this morning the Honorable Paul J. Kirby, who will be the witness. I understand for the bill.

Mr. Kirby:

and to reduce the burden of the case. I think, however small the increase in the number of members of the Social Security Government pension plan, would be a good one.

Therefore, Mr. Chairman and members of the subcommittee, I fully support H.R. 1177 and respectfully recommend a favorable vote on the bill.

Mr. Chairman, thank you very much. Congress is adjourned. I am sure that the committee will take the necessary steps to expedite the bill and to bring it to a favorable vote on the floor.

Very truly yours,
[Name]

Mr. Chairman, I am sure that the committee will take the necessary steps to expedite the bill and to bring it to a favorable vote on the floor.

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4 TO AMEND THE WELFARE AND PENSION DISCLOSURE ACT

We would assume, then, you are speaking the departmental view on this bill.

Mr. BALLARD. That is right.

Mr. DENT. Thank you. You may proceed.

STATEMENT OF J. VERNON BALLARD, ASSISTANT DIRECTOR FOR REPORTS AND ANALYSIS, OFFICE OF LABOR-MANAGEMENT AND WELFARE PENSION REPORTS, U.S. DEPARTMENT OF LABOR

Mr. BALLARD. Mr. Chairman, members of the subcommittee, I am pleased to be here as a representative of the Department of Labor to express our general support for H.R. 11778. I have a prepared statement which I will read now for the record.

The bill would amend the Welfare and Pension Plans Disclosure Act in two respects. First, it would modify the present requirement for filing two copies of plan descriptions (form D-1) and annual reports (form D-2) under the Act by providing for the filing of only one copy of these reports. Secondly, it would eliminate the present requirement in section 6 that plan description reports be sworn to by the Administrator. Also, section 7 (b) provisions would be changed to permit an administrator to simply state instead of swear to the accuracy of report.

The Department of Labor believes these amendments are desirable for a number of reasons. A very large volume of these reports are filed with the Department every year. In fact, 1960 alone we received 502,549 Form D-1 on annual plans, 2,700 Form D-1 amended files, and 10,574 Form D-2 annual reports. The report is usually a rather bulky document, ranging from 2 to 26 pages and many of them contain a great deal of unnecessary information, such as the names of all the employees and their addresses, the contributions paid by each. This information is often available to the public, and it is more costly to have to process and disseminate this information. Very early in our experience under the act we decided to reduce the cost of processing the reports by eliminating the requirement that the Department receive duplicate copies of the reports and that two copies be filed instead of one. For compliance with the act to be made as simple and as unburdensome as possible, it is our feeling that a change in the method of processing should be contemplated only one copy of each report was readily accessible to our inspectors. But the existing provisions are usually reported as being costly to the two copies required to meet the burden as usually practice the filing of a file copy.

The bill we are proposing in this act would reduce the administrative burden on the Department of Labor in expediting disclosure documents and improving the availability of information to the public. Moreover, the cost of the plans of preparing and filing the reports would certainly be reduced.

I might point out that the study which is the report of the Advisory Council on Employee Welfare and Pension Benefit Plans, appointed under authority of section 14 of the Welfare and Pension Plan Disclosure Act, advises the Secretary with respect to the carrying out of the act, that under the

We would, however, suggest one change to H. R. 11778 as it now stands. Section 5(a) of the bill amending section 5(a) of the act would eliminate the words "and copies thereof shall be executed, published and filed in accordance with the provisions of this Act and the Secretary's regulations thereunder." We do not feel that the purpose of the amendment would require any change in section 5(a) of the act, since the execution, publication, and filing of reports are in terms required to be performed "in accordance with the provisions of this Act." Accordingly, the requirement of one copy in the revised section 5(b) would therefore apply even if the plural word "copies" were left in section 5(a). We suggest that this section be modified to delete only the words "copies thereof." Deletion of the additional language could create a confusion with regard to the Secretary's authority under the act to prescribe regulations. This presumably was not the intention of the drafters who probably sought only to conform section 5(a) to the proposed requirement of one copy.

The amendments provided by section 2 of the bill removing the requirements in sections 6(b) and 7(b) of the act for notarizing reports eliminate what we consider to be an unnecessary formality. The reports filed with us by unions, employers, and consultants under the Labor Management Reporting and Disclosure Act are not required to be notarized. We can see no reason for imposing this additional burden upon those reporting under the Welfare and Pension Plans Disclosure Act. The criminal sanction provided by title 18, United States Code, section 1017, which applied to reports under the welfare and pension plans, appears to us to be a sufficient protection against the filing of false information. At its meeting in November 1961, the Advisory Council on Employee Welfare and Pension Benefit Plans also endorsed the objective of section 2 of this bill.

With the changes suggested above, the Department of Labor supports enactment of H. R. 11778.

Thank you very much for giving me the opportunity to appear.

Mr. DeLoach spoke very kindly of a bill which perhaps was a compromise bill and which would have been a different explanation of what you would not do, but the descriptive language that you would like to do is not a bill. He also said that it could be amended by not taking the plural out of the word "copies" and that it could be amended to read "and copy" because all the reports were made in duplicate. He said that he did not know what the bill would do if the number of copies were to be specified in the act. He said that he would like to see a bill which would require the employer to file a copy of the report and a copy of the report to be filed with the Secretary. He said that he would like to see a bill which would require the employer to file a copy of the report and a copy of the report to be filed with the Secretary. He said that he would like to see a bill which would require the employer to file a copy of the report and a copy of the report to be filed with the Secretary.

Mr. DeLoach: There is no objection.

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Mr. Wirtz: Thank you very much.

Another amendment to the bill to include description shall be which would include only the amended.

Mr. DENT: All right. Also on page 2 of the amending act, with respect to affidavits, you keep repeating "reports." Would it be necessary to have this singular there? "Reports" denotes it could be more than one copy of a single report. It could not be, could it? I am referring to the last line, No. 17, "In the case of a report not certified," wouldn't that do? I don't see any sense in the "reports" being in there. We are eliminating the plural to make sure we get the report of the committee at leaving it in the area of affidavits so that no one has any doubt what we mean. If it is all right with the Democrats, let me take the last line and say "In the case of a report not certified."

Mr. BARTON: We have no objection to that, although we do not feel that there is any objection to the plural because they do submit reports to the committee. I am not objecting.

Mr. DENT: Yes. But this is the committee's own affidavit about charges of the children on the grounds of the admitted.

Mr. BARTON: We are not here to discuss an amendment.

Mr. DENT: I believe the Committee did not have any evidence as to the charges of the children on the grounds. If so, why would we have to say "In the case of a report not certified." We will be in a hurry if it is all right.

Mr. DENT: I am not sure that the committee has any evidence as to the charges of the children on the grounds. If so, why would we have to say "In the case of a report not certified." We will be in a hurry if it is all right.

Mr. BARTON: I am not sure.

Mr. DENT: I am not sure that the committee has any evidence as to the charges of the children on the grounds. If so, why would we have to say "In the case of a report not certified." We will be in a hurry if it is all right.

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Mr. DENT: I am not sure that the committee has any evidence as to the charges of the children on the grounds. If so, why would we have to say "In the case of a report not certified." We will be in a hurry if it is all right.

agrees to it. We will discuss the matter afterward and we will let you know.

Mr. HAWKINS?

Mr. HAWKINS. What becomes of the two reports now? Are they kept together? Are they separated as to offices?

Mr. BALLARD. No. I might say that some time ago we made the decision that we would destroy one copy of these after it had met our purposes during certain working processes, we have destroyed it. Now, while we could administratively decide that we could destroy one copy, we didn't feel we could administratively decide to prescribe the filing of only one, because the act required two copies be filed.

Mr. DENT. Mr. Martin?

Mr. MARTIN. No questions.

Mr. DENT. Mrs. Mink?

Mrs. MINK. I have no questions.

Mr. DENT. Mr. Burton?

Mr. BURTON. I am trying to understand the nature of the suggested amendment in your statement. I am having some difficulty understanding it.

Mr. BALLARD. Is that the elimination of the words "in accordance with"?

Mr. BURTON. How would the bill that is before us be changed if we adopted your suggestion?

Mr. BALLARD. The bill before you suggests in section 1(a) of the bill on page 1 that section 5(a) of the act be amended by striking "and copies thereof shall be executed, published, and filed in accordance with the provisions of this Act and the Secretary's regulations thereunder."

We feel that the act does not have to be amended by striking all of that language, merely to get rid of the plural "copies." We feel that to do so would provide some complications in the Secretary's carrying out his authority to provide regulations as they pertain to this particular section. So, we would suggest that just the elimination "and copies thereof" be eliminated and put in its place some such language that "such description shall be executed, published," and so forth.

Mr. DENT. In executive session we will search for the right language. We think we have it.

Any other questions?

Mr. BURTON. No further questions.

Mr. DENT. Are there any other witnesses who have a position on the bill?

No response.

Mr. DENT. If not, we will thank the witnesses. We appreciate your coming here this morning and testifying. We will now clear the room open for all staff members and members of the committee, and we will go into executive session.

Whereupon, at 10:28 a. m., the subcommittee proceeded in executive session.