

# Over 130,000 Verizon, AT&T Retirees Laud Federal Pension Asset Protection Legislation

*Seeks to Stop Predatory Investors from Offshoring Retiree Assets*

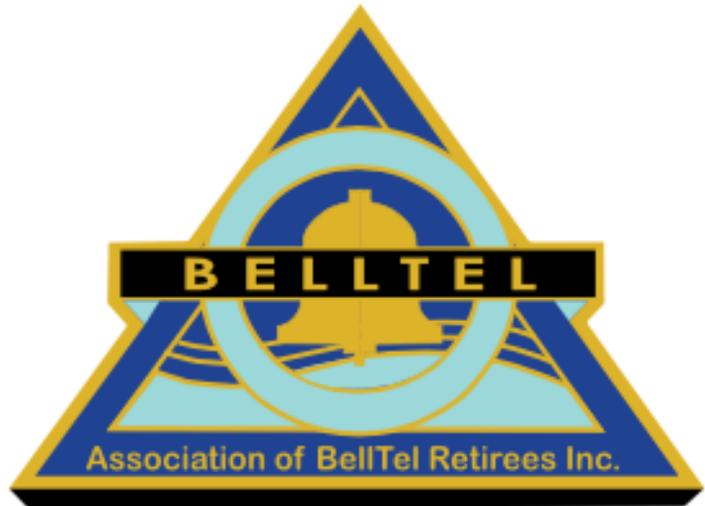
COLD SPRING HARBOR, NEW YORK, UNITED STATES, August 9, 2022 /EINPresswire.com/ -- Since 2012, close to \$220 billion dollars has been transferred out of federally protected defined benefit pension plans into less secure group annuities. This process, known as pension risk transfer (PRT) or pension de-risking, allows companies to move away from their responsibilities to retired employees who earned the right to a pension.

In 2021 alone, in excess of \$40 billion was transferred to annuity providers, with PRT deals happening at a staggering pace.

For pensioners, de-risking presents many risks and no upside, as group insurance annuities are far less regulated and less secure for pensioners.

For these reasons, Verizon and AT&T retirees have come out in strong support of the federal [Pension Risk Transfer Accountability Act of 2021 / HR5877](#) introduced by U.S.

Representative Frank J. Mrvan (D-In) and U.S. Senator Chris Murphy (D-CT). The bill, based on the RISE Act, is also known as the "PRT Accountability Act."



U.S. Representative Frank J. Mrvan (D-In)

The PRT Accountability Act would direct the U.S. Secretary of Labor to review and enhance the fiduciary standards required for choosing the safest available annuity provider consistent with the Employee Retirement Income Security Act's (ERISA) protective purposes.

The non-profit [Association of BellTel Retirees](#) believes the legislation is a step in the right direction for the protection of retirees' earned benefits.

In 2012, 41,000 Verizon retirees had their pensions transferred to a group annuity. Such insurance annuities afford fewer protections than traditional pensions. The wave of de-risking transfers has only grown since then, concerning retirees about the transparency and stability of the entities overseeing their pension payments.



U.S. Senator Chris Murphy (D-CT)

Given that so many insurance companies, and their assets, are being taken over by private equity and hedge fund investors--some of whom utilize offshore affiliate holding companies--the PRT Accountability Act is poised to provide much-needed guidance to companies looking to select the safest available annuity provider.

BellTel Chairman Thomas Steed said, "In the last decade, nearly \$220 billion in retiree pension assets have simply been uprooted and transferred – without authorization of the beneficiaries – to third party Wall Street investors many of whom operate in an opaque world that cloaks their true assets, liabilities, risk portfolio, and management fees. How can America's retirees reasonably place their trust in companies that use offshore entities and shell corporations to evade transparency and accountability?"

Among recent 2021 transactions, Hewlett Packard sent \$5.2 billion in retiree pension assets to Prudential, and Lockheed Martin sent \$4.9 billion to Athene. Also, Fortitude Re bought \$31 billion in annuity assets. The reinsurer is co-owned by The Carlyle Group (71.5 percent ownership) and T&D Holdings (25 percent).

Mr. Steed added, "Millions of my fellow retirees remember the very risky investment vehicles that took down Lehman Brothers, AIG, Bear Stearns – empires just over a decade ago. Since the federal guidance for pension protections has not been updated since 1995, Congressman Mrvan and Senators Murphy's introduction of HR 5877 is not only welcome but long overdue. We hope its swift passage will result in ironclad guarantees that our retirement assets cannot be handed

over to rogue investors willing to gamble with the assets that have been earmarked for our golden years.”

Edward Stone, Executive Director of the non-profit advocacy group [Retirees for Justice](#), noted, “Once a pension risk transfer has been undertaken, retirees lose all of the uniform protections intended by Congress under ERISA and, as it stands currently, they become subject to 50-different non-uniform state laws, depending on a retiree’s state of residence at the time of insolvency or impairment of the issuing insurance company. It is truly unfair to retirees across America.”

Mr. Stone continued, “Given the fact that retirees lose so much in terms of ERISA protections post-PRT, it is critically important that pension plan sponsors undertake truly rigorous and thorough evaluations of both the claims’ paying ability as well as the financial security of any insurer being considered for a PRT in a manner that is consistent with ERISA’s fiduciary requirements.”

The Association of BellTel Retirees is a nonprofit advocating for over 130,000 members retired from and current employees of the successor companies and subsidiaries of the original Bell System. Its membership is made up of both union and management retirees from across Verizon and AT&T, located across the nation.

Christian Agredo  
Association of BellTel Retirees  
+1 646-213-0286  
[email us here](#)

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