



NEWS *from* **CONGRESSWOMAN CAROLYN MCCARTHY**
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McCarthy, Andrews Introduce Bill to Protect Pensions and Benefits of Workers Nearing Retirement

*Legislation Addresses Issues Raised in Pending Class Action Suit
Against Allstate Insurance Company*

Washington, D.C. – Congresswoman Carolyn McCarthy (NY-4) and Congressman Rob Andrews (NJ-1) today introduced the Employee Benefits Protection Act of 2003, which prohibits employers from forcing employees nearing retirement to become independent contractors, and thus losing their eligibility to receive full pension and benefits.

“As workers approach retirement age, it is completely wrong for any company to break a promise and deny a hard-working, long-term employee their full pension,” said McCarthy, a member of the Employee-Employer Relations Subcommittee of the House Education & Workforce Committee. “Workers who have devoted their careers and loyalty to one company should be entitled to retirement security.”

“The problem of permatemping is widespread and growing. Nearly everyone either knows someone who has been permatemped or has heard of it happening to someone in the workplace,” said Andrews, ranking Democrat on the Employee-Employer Relations Subcommittee. “No employer should be allowed to exclude full-time workers from pension or health care plans by miscategorizing them as temporary workers. This bill addresses this problem, and I am proud to lend my support as a cosponsor.”

A year and a half ago, Allstate Insurance Company dismissed 6,500 career agents and offered them new jobs as independent contractors. Most of these employees had more than 15 years with the company, but had not reached their 20th year when they could retire with full pension and benefits. Those who did not choose to stay on as independent contractors became part of a pending class action suit against Allstate for ageism. The Employee Benefits Eligibility Act would inhibit other companies from taking these same actions regarding employee pensions and benefits in the future.

“Although as this point the former Allstate employees who lost their pensions can only be helped through legal action, this legislation would prevent future Allstates from occurring,” commented McCarthy.

The legislation specifically defines who an employee is regardless of who pays the employee or what account the payroll originates from within the company, and provides objective criteria for classification of eligible employees for a pension plan.

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