

108TH CONGRESS
1ST SESSION

H. R. 2910

To amend the Employee Retirement Income Security Act of 1974, the Internal Revenue Code of 1986, and the Labor Management Relations Act, 1947 to provide special rules for Teamster plans relating to termination and funding.

IN THE HOUSE OF REPRESENTATIVES

JULY 25, 2003

Mr. TIBERI introduced the following bill; which was referred to the Committee on Education and the Workforce, and in addition to the Committee on Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To amend the Employee Retirement Income Security Act of 1974, the Internal Revenue Code of 1986, and the Labor Management Relations Act, 1947 to provide special rules for Teamster plans relating to termination and funding.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Multiemployer Pension
5 Security Act of 2003”.

1 **SEC. 2. AMENDMENTS TO THE EMPLOYEE RETIREMENT IN-**
2 **COME SECURITY ACT OF 1974 RELATING TO**
3 **TERMINATION INSURANCE PROGRAM.**

4 (a) **TEAMSTER PLAN DEFINED.**—Section 4001(a) of
5 the Employee Retirement Income Security Act of 1974
6 (29 U.S.C. 1301(a)) is amended—

7 (1) in paragraph (21), by striking the period at
8 the end and inserting “; and”; and

9 (2) by adding at the end the following new
10 paragraph:

11 “(22) ‘teamster plan’ means a plan—

12 “(A) to which more than one employer is
13 required to contribute,

14 “(B) which is maintained pursuant to one
15 or more collective bargaining agreements be-
16 tween The International Brotherhood Team-
17 sters, Chauffeurs, Warehousemen and Helpers
18 of America or its locals and more than one em-
19 ployer, and

20 “(C) which satisfies such other require-
21 ments as the Secretary of Labor may prescribe
22 by regulation.”.

23 (b) **MODIFICATION OF LIABILITY PROVISIONS.**—

24 (1) **AMOUNTS PAYABLE BY THE CORPORA-**
25 **TION.**—Section 4061 is amended by striking “sub-
26 title B” and inserting “subtitles B and G” in the

1 first sentence thereof and inserting “or subtitle G”
2 after “4022A” in the third sentence thereof.

3 (2) LIABILITY UNDER DISTRESS TERMINATION
4 OR A TERMINATION BY THE CORPORATION.—Section
5 4062 is amended by inserting “or subtitle G” after
6 “4041(c)” in subsection (a) thereof.

7 (c) MODIFICATION OF ENFORCEMENT PROVI-
8 SIONS.—Section 4070 is amended—

9 (1) by inserting “AND TEAMSTER PLANS”
10 after “SINGLE-EMPLOYER PLANS” in the title
11 thereof;

12 (2) by inserting at the end of subsection (a) the
13 following flush sentence:

14 “A plan fiduciary, contributing sponsor, member of a con-
15 tributing sponsor’s controlled group, participant, or bene-
16 ficiary who is adversely affected by the act or omission
17 of any party (other than the corporation) under subtitle
18 G with respect to a teamster plan, or an employee organi-
19 zation which represents such a plan participant or bene-
20 ficiary for purposes of collective bargaining, may bring an
21 action for appropriate legal or equitable relief, or both.”;

22 (3) by inserting in each of subsections (a) and
23 (b) “or a teamster plan” after “single-employer
24 plan” each time it appears in each such subsection;
25 and

1 “(2) TRANSITION LIABILITIES.—For purposes
2 of this subtitle, ‘transition liabilities’ means the sum
3 of—

4 “(A) the accrued liability for the benefits
5 under the plan (as a whole, as if such plan were
6 treated as a single multiemployer plan rather
7 than a collection of single-employer plans but
8 taking into account the requirements of section
9 308) attributable as of the first day of the first
10 plan year for which this subtitle is effective to
11 participants who, as of such date, are not em-
12 ployed in credited service for any employer
13 under such plan, and

14 “(B) the accrued liability for the benefits
15 under the plan (as a whole, as if such plan were
16 treated as a single multiemployer plan rather
17 than a collection of single-employer plans but
18 taking into account the requirements of section
19 308) attributable, as of the first day of the first
20 plan year for which this subtitle is effective, to
21 the credited service of participants (other than
22 participants described in (A)) with an employer
23 that, as of such date, does not have an obliga-
24 tion to contribute to the teamster plan.

25 “(3) METHOD OF ALLOCATION.—

1 “(A) Transition liabilities shall be allocated
2 under paragraph (1) with respect to each team-
3 ster plan among those employers who have an
4 obligation to make contributions to such plan as
5 of the first day of the first plan year for which
6 this subtitle is effective.

7 “(B) Each employer’s share of the transi-
8 tion liabilities shall equal the product derived by
9 multiplying—

10 “(i) the transition liabilities of the
11 plan (as a whole, as if such plan were
12 treated as a single multiemployer plan
13 rather than a collection of single-employer
14 plans, but taking into account the require-
15 ments of section 308), by

16 “(ii) a percentage determined as of
17 the first day of the first plan year for
18 which this subtitle is effective by divid-
19 ing—

20 “(I) the sum of the contributions
21 required to be made under such plan
22 by the employer for the 5 preceding
23 plan years, by

24 “(II) the sum of the contribu-
25 tions required to be made by all such

1 employers for the 5 preceding plan
2 years.

3 “(4) ANTICIPATION OF BENEFIT INCREASES.—

4 For purposes of this subsection, in determining ac-
5 crued liability, the funding method of a plan shall
6 anticipate benefit increases scheduled to take effect
7 during the term of the collective bargaining agree-
8 ment or agreements applicable to the plan.

9 “(c) PARTITION OF ASSETS.—

10 “(1) IN GENERAL.—As of the first day of the
11 first plan year for which this subtitle is effective, the
12 assets of each teamster plan shall be allocated
13 among those persons who are, as of such date, the
14 contributing employers of the plan, in accordance
15 with this subsection.

16 “(2) METHOD OF ALLOCATION.—The assets of
17 the teamster plan shall be allocated, based on fair
18 market value as of the first day of the first plan
19 year for which this subtitle is effective, among those
20 employers who have, as of such date, an obligation
21 to contribute to the plan. The portion allocated to
22 each such employer shall be equal to the product de-
23 rived by multiplying—

24 “(A) the funded percentage for the team-
25 ster plan, by

1 “(B) the employer’s share of the accrued
2 liability for the plan (as a whole, as if such plan
3 were treated as a single multiemployer plan
4 rather than a collection of single-employer plans
5 but taking into account the requirements of sec-
6 tion 308), as of such date.

7 “(3) FUNDED PERCENTAGE.—For purposes of
8 this subsection, ‘funded percentage’, in connection
9 with a plan, means the percentage obtained by divid-
10 ing—

11 “(A) the fair market value of plan assets
12 (as a whole, as if such plan were treated as a
13 single multiemployer plan rather than a collec-
14 tion of single-employer plans but taking into ac-
15 count the requirements of section 308), includ-
16 ing receivables, as of the first day of the first
17 plan year for which this subtitle is effective, by

18 “(B) the accrued liability for the plan (as
19 a whole, as if such plan were treated as a single
20 multiemployer plan rather than a collection of
21 single-employer plans but taking into account
22 the requirements of section 308), as of such
23 date.

24 “(4) INVESTMENT OF PLAN ASSETS.—The as-
25 sets of a teamster plan shall be invested by the

1 trustees as one master trust and each contributing
2 employer's share of the assets of the plan shall be
3 adjusted annually according to master trust account-
4 ing principles for the employer's plan contributions,
5 benefit payments with respect to its ongoing liability
6 and transition liability (if any), and share of invest-
7 ment returns and administrative expenses.

8 “(5) ANTICIPATION OF BENEFIT INCREASES.—

9 For purposes of this subsection, in determining ac-
10 crued liability, the funding method of a plan shall
11 anticipate benefit increases scheduled to take effect
12 during the term of the collective bargaining agree-
13 ment(s) applicable to the plan.

14 “(d) SINGLE-EMPLOYER PLAN BENEFITS GUARAN-

15 TEED.—Notwithstanding any limitations otherwise appli-
16 cable under section 4022(b), the corporation shall guar-
17 antee 100 percent of the transition liabilities of each team-
18 ster plan.

19 “(e) PREMIUM RATES.—

20 “(1) IN GENERAL.—For purposes of section
21 4006—

22 “(A) the premium rates charged by the
23 corporation for teamster plans shall be the
24 same as the premium rates charged by the cor-
25 poration for single-employer plans, and

1 “(B) each employer that has an obligation
2 to contribute to a teamster plan shall be re-
3 sponsible for paying the premiums attributable
4 to the single-employer plan the employer is
5 treated as maintaining pursuant to this subtitle.

6 “(2) PHASE-IN OF ADDITIONAL PREMIUM.—The
7 amount of the additional premium determined under
8 section 4006(a)(3)(E) with respect to a teamster
9 plan shall be phased in over 10 plan years, begin-
10 ning with the first plan year for which this subtitle
11 is effective, so that the additional premium shall
12 take effect during the 10-year period in annual in-
13 crements taking effect for each year, each of which
14 is equal to 10 percent of the full increase that would
15 otherwise apply for such plan year, resulting in ap-
16 plication of the full additional premium effective
17 with the final plan year in such period and each plan
18 year thereafter.

19 “(3) CONTRIBUTION OF PREMIUMS TO TEAM-
20 STER PLAN.—The corporation may allow an em-
21 ployer to contribute all or part of the additional pre-
22 mium determined under section 4006(a)(3)(E) di-
23 rectly to the teamster plan, in lieu of payment to the
24 corporation, to the extent that the corporation deter-
25 mines in its discretion that such contribution would

1 be in the best interests of participants and bene-
2 ficiaries.

3 “(f) PLAN TERMINATION.—

4 “(1) IN GENERAL.—An employer that has an
5 obligation to contribute to a teamster plan may ter-
6 minate its participation in such plan in either a
7 standard termination or a distress termination, as
8 provided in this subsection.

9 “(2) STANDARD TERMINATION.—An employer
10 that has an obligation to contribute to a teamster
11 plan may terminate its participation in such plan in
12 a standard termination by following procedures es-
13 tablished by the corporation similar to those that
14 apply to a plan administrator in a standard termi-
15 nation of a single-employer plan under section 4041.
16 For purposes of this paragraph, the employer shall
17 be deemed to have satisfied its obligations to the
18 teamster plan if—

19 “(A) the employer obtains an irrevocable
20 commitment from an insurer satisfactory to the
21 corporation to pay its benefit liabilities under
22 such plan, or

23 “(B) the corporation agrees to assume the
24 employer’s obligation to contribute to the plan
25 and make contributions under the teamster

1 plan pursuant to such terms and conditions as
2 shall be satisfactory to the corporation and the
3 teamster plan.

4 “(3) DISTRESS TERMINATION.—An employer
5 that has an obligation to contribute to a teamster
6 plan may terminate its participation in such plan in
7 a distress termination by following procedures estab-
8 lished by the corporation similar to those that apply
9 to a plan administrator in a distress termination of
10 a single-employer plan under section 4041, including
11 meeting the necessary distress criteria under prin-
12 ciples similar to those described in section
13 4041(e)(2)(B).

14 “(4) APPLICATION OF CERTAIN TERMINATION
15 PROVISIONS.—Upon an employer’s termination of its
16 participation in a teamster plan in either a standard
17 termination or a distress termination, sections 4044,
18 4045, 4046, and 4050 shall apply to the plan ad-
19 ministrator of such plan in a manner consistent with
20 the treatment of such employer as a contributing
21 sponsor of a single-employer plan under this subtitle.
22 The corporation may institute termination pro-
23 ceedings against a teamster plan or an employer’s
24 participation in a teamster plan under section 4042,
25 and the provisions of such section shall be applied

1 to such termination proceedings in a manner con-
2 sistent with the treatment of the teamster plan as
3 a collection of single-employer plans.

4 “(5) CONTRIBUTION OF ASSETS REMAINING
5 AFTER STANDARD TERMINATION TO LIABILITIES OF
6 OTHER CONTRIBUTING EMPLOYERS.—Any assets
7 that remain allocated under a teamster plan to an
8 employer after the termination of the employer’s
9 participation in the plan in a standard termination
10 under paragraph (2) shall be applied on a pro rata
11 basis toward satisfaction of the benefit liabilities of
12 the remaining employers that contribute to the
13 teamster plan based on such liabilities.

14 “(g) OBLIGATION TO FURNISH INFORMATION.—The
15 trustees of a teamster plan shall furnish to each employer
16 that has an obligation to contribute to such plan, within
17 30 days of an employer’s written request, such reports,
18 records, documents, or other information as the employer
19 reasonably determines are necessary to enable the em-
20 ployer to determine the liabilities and assets of the team-
21 ster plan attributable to such employer and to comply with
22 such employer’s funding obligations under section 308.
23 The trustees shall be personally liable to an employer for
24 any failure to furnish such information required to be fur-
25 nished under this subsection and may in the court’s discre-

1 tion be liable to such employer in the amount of up to
 2 \$100 a day from the date of such failure, and the court
 3 may in its discretion order such other relief as it deems
 4 proper. In any action under this subsection, the court in
 5 its discretion may allow a reasonable attorney's fee and
 6 costs of action to either party.”.

7 (2) CLERICAL AMENDMENT.—The table of con-
 8 tents in section 1 of such Act is amended—

9 (A) by amending the item relating to sec-
 10 tion 4070 to read as follows:

“Sec. 4070. Enforcement authority relating to terminations of single-employer
 plans and teamster plans.”;

11 and

12 (B) by adding at the end the following new
 13 items:

“Subtitle G—Special Provisions for Teamster Plans

“Sec. 4501. Treatment of teamster plans.”.

14 (e) EFFECTIVE DATE.—The amendments made by
 15 this section shall apply to plan years beginning after De-
 16 cember 31, 2003.

17 **SEC. 3. AMENDMENTS TO THE EMPLOYEE RETIREMENT IN-**
 18 **COME SECURITY ACT RELATING TO FUNDING**
 19 **REQUIREMENTS.**

20 (a) NOTICE REQUIREMENT RELATING TO FAILURE
 21 TO MEET MINIMUM FUNDING STANDARD.—Section
 22 101(d) of the Employee Retirement Income Security Act

1 of 1974 (29 U.S.C. 1021(d)) is amended by adding at the
2 end the following new paragraph:

3 “(4) TEAMSTER PLANS.—For purposes of this
4 subsection, effective as of the funding effective date
5 (as defined in section 308(b)(11)), a teamster plan
6 (as defined in section 4001(a)(22)) shall not be
7 treated as a multiemployer plan, and each employer
8 that has an obligation to contribute to a teamster
9 plan shall be treated as an employer maintaining a
10 separate single-employer plan, as provided in section
11 308.”.

12 (b) RULE RELATING TO PROHIBITION ON BENEFIT
13 INCREASES WHILE SPONSOR IN BANKRUPTCY.—Section
14 204(i) of such Act (29 U.S.C. 1054(i)) is amended—

15 (1) by redesignating paragraph (4) as para-
16 graph (5); and

17 (2) by inserting after paragraph (3) the fol-
18 lowing new paragraph:

19 “(4) SPECIAL RULE FOR TEAMSTER PLANS.—
20 For purposes of this subsection, a teamster plan (as
21 defined in section 4001(a)(22)) shall not be treated
22 as a multiemployer plan. This subsection shall be
23 applied separately with respect to each employer
24 that has an obligation to contribute to a teamster
25 plan, and the funded current liability percentage for

1 purposes of paragraph (3) shall be determined in ac-
2 cordance with section 308.”.

3 (c) SPECIAL FUNDING RULES FOR TEAMSTER
4 PLANS.—

5 (1) IN GENERAL.—Part 3 of subtitle B of title
6 I of such Act is amended—

7 (A) by redesignating section 308 (29
8 U.S.C. 1086) as section 309; and

9 (B) by inserting after section 307 (29
10 U.S.C. 1085b) the following new section:

11 **“SEC. 308. TEAMSTER PLANS.**

12 “(a) IN GENERAL.—For purposes of this part other
13 than section 302(d), a teamster plan within the meaning
14 of section 4001(a)(22) shall not be treated as a multiem-
15 ployer plan, and each employer that has an obligation to
16 contribute to a teamster plan shall be treated as a contrib-
17 uting sponsor maintaining a single-employer plan, subject
18 to the special rules of subsection (b).

19 “(b) SPECIAL RULES.—

20 “(1) FUNDING STANDARD ACCOUNT.—A fund-
21 ing standard account shall be established and main-
22 tained for each employer that has an obligation to
23 contribute to a teamster plan. In determining the
24 funding standard account under section 302(b) for
25 each such employer—

1 “(A) subsections (b)(2)(B)(i) and
2 (b)(2)(B)(ii) of section 302 shall not apply;

3 “(B) in the case of a teamster plan in ef-
4 fect on the first day of the first plan year for
5 which this section is effective, the funding
6 standard account shall be charged with—

7 “(i) the amount necessary to amortize
8 in equal annual installments (until fully
9 amortized) the employer’s unfunded past
10 service liability over a period of 30 plan
11 years, and

12 “(ii) the amount necessary to amor-
13 tize over a period of 10 plan years in equal
14 annual installments (until fully amortized)
15 the credit determined under section
16 308(b)(1)(C)(ii) for the immediately pre-
17 ceding plan year; and

18 “(C) in the case of a teamster plan in ef-
19 fect on the first day of the first plan year for
20 which this section is effective, the funding
21 standard account shall be credited with—

22 “(i) the amount necessary to amortize
23 in equal annual installments (until fully
24 amortized) the excess (if any) of the em-
25 ployer’s initial market value of assets over

1 the employer's teamster plan accrued li-
2 ability determined as of the first day of the
3 first plan year for which this section is ef-
4 fective, over a period of 30 plan years, and

5 “(ii) for an employer who has made
6 its negotiated contribution for a plan year
7 beginning after December 31, 2003, and
8 before the funding effective date, the ex-
9 cess (if any) of—

10 “(I) the minimum funding re-
11 quirement determined under this sec-
12 tion for such plan year, over

13 “(II) the actual contribution
14 made to the plan for any such plan
15 year.

16 “(2) VALUATION OF ASSETS.—For purposes of
17 section 302(c)(2)(A), the actuarial value of assets of
18 a teamster plan as of the first day of the first plan
19 year for which this section is effective shall be the
20 fair market value of such assets as of such date. The
21 value of the assets attributable to each employer
22 shall be adjusted annually according to principles of
23 master trust accounting for the employer's plan con-
24 tributions, investment income (and loss), the employ-
25 er's benefit payments with respect to its ongoing li-

1 ability and transition liability (if any), and the em-
2 ployer's share of administrative expenses. Prospec-
3 tive investment experience may be reflected in ac-
4 cordance with section 302(c)(2) or any applicable
5 regulations issued by the Secretary of the Treasury.

6 “(3) ELECTION WITH RESPECT TO BONDS.—
7 The special election described in section
8 302(c)(2)(B) shall not apply.

9 “(4) CERTAIN RETROACTIVE PLAN AMEND-
10 MENTS.—Notwithstanding any other provision of
11 this section, a teamster plan shall be treated as a
12 multiemployer plan for purposes of section
13 302(c)(8)(A).

14 “(5) BENEFITS MAY NOT BE INCREASED UN-
15 LESS TEAMSTER PLAN IS SUFFICIENTLY FUNDED.—
16 In addition to the requirements of section 304(b)(1),
17 no amendment of a teamster plan which increases
18 the liabilities of the plan with respect to an employer
19 by reason of any increase in benefits, any change in
20 the accrual of benefits, or any change in the rate at
21 which benefits become nonforfeitable under the plan
22 shall be adopted and no increase in benefits attrib-
23 utable to an existing provision of a teamster plan
24 (other than an increase that results solely from an
25 increase in a participant's compensation, age or

1 service or other similar factor), including an increase
2 in benefits attributable to an increase in the nego-
3 tiated contribution, shall take effect unless at the
4 time such increase otherwise would be effective—

5 “(A) the percentage determined by divid-
6 ing—

7 “(i) the lesser of the fair market value
8 of the assets and the actuarial value of the
9 assets attributable to the employer for the
10 plan year in which the increase otherwise
11 would be effective, by

12 “(ii) the employer’s teamster plan cur-
13 rent liability (determined using the highest
14 rate of interest which is allowable for the
15 plan year under section 302(d)(7)(C)) for
16 the plan year in which the increase other-
17 wise would be effective,

18 is at least 90 percent, and

19 “(B) the percentage determined by divid-
20 ing—

21 “(i) the amount described in subpara-
22 graph (A)(i), by

23 “(ii) the sum of—

24 “(I) the amount described in sub-
25 paragraph (A)(ii), and

1 “(II) the increase in the present
2 value of future service benefits (taking
3 into account the amendment or other
4 circumstance resulting in such in-
5 crease), determined using the highest
6 rate of interest which is allowable for
7 the plan year under section
8 302(d)(7)(C) and the mortality as-
9 sumptions required under section
10 302(d)(7)(C), for the plan year in
11 which the increase otherwise would be
12 effective.

13 is at least 75 percent.

14 “(6) ADDITIONAL FUNDING REQUIREMENTS
15 FOR TEAMSTER PLANS.—

16 “(A) For any plan year beginning on or
17 after January 1, 2004, and before January 1,
18 2034, the amount charged to the funding
19 standard account for the plan year shall be in-
20 creased by the amount which, after taking into
21 account charges and credits under section
22 302(b), is necessary to increase the funded cur-
23 rent liability percentage at the end of the plan
24 year (taking into account the expected change
25 in current liability due to benefits and interest

1 accruing during the plan year, expected dis-
2 bursements during the plan year, and the
3 change in the market value of assets due to in-
4 terest and expected disbursements during the
5 plan year) for the plan year to a percentage
6 equal to the sum of—

7 “(i) the funded current liability per-
8 centage at the beginning of the plan year,
9 and

10 “(ii) the lesser of 4 percent or the
11 percentage determined by dividing—

12 “(I) the excess of 90 percent over
13 the funded current liability percentage
14 as of the beginning of the plan year,
15 by

16 “(II) 30 minus the number of
17 plan years completed since the last
18 plan year beginning before January 1,
19 2004.

20 “(B) For any plan year beginning on or
21 after January 1, 2034, the amount charged to
22 the funding standard account for the plan year
23 shall be increased by the amount which, after
24 taking into account charges and credits under
25 section 302(b), is necessary to increase the

1 funded current liability percentage at the end of
2 the plan year (taking into account the expected
3 change in current liability due to benefits and
4 interest accruing during the plan year, expected
5 disbursements during the plan year, and the
6 change in the market value of assets due to in-
7 terest and expected disbursements during the
8 plan year) for the plan year to the lesser of—

9 “(i) 90 percent, and

10 “(ii) the sum of the funded current li-
11 ability percentage at the beginning of the
12 plan year and 4 percent.

13 “(C) The term “funded current liability
14 percentage” means, with respect to any em-
15 ployer for any plan year, the percentage
16 which—

17 “(i) the lesser of the fair market value
18 of the assets and the actuarial value of the
19 assets attributable to the employer for the
20 plan year, is of

21 “(ii) the employer’s teamster plan cur-
22 rent liability.

23 “(7) SPECIAL RULES FOR SMALL TEAMSTER
24 PLANS.—

1 “(A) Paragraph (6) shall not apply to any
2 teamster plan for any plan year if on each day
3 during the preceding plan year such plan had
4 no more than 100 participants.

5 “(B) In the case of a teamster plan to
6 which subparagraph (A) does not apply and
7 which on each day during the preceding plan
8 year had no more than 150 participants, the
9 amount of the increase under paragraph (6) for
10 such plan year shall be equal to the product
11 of—

12 “(i) such increase determined without
13 regard to this subparagraph, multiplied by

14 “(ii) 2 percent for the highest number
15 of participants in excess of 100 on any
16 such day.

17 “(C) For purposes of this paragraph, all
18 teamster plans maintained by the same em-
19 ployer (or any member of such employer’s con-
20 trolled group) shall be treated as 1 plan, but
21 only employees of such employer or member
22 shall be taken into account.

23 “(8) BENEFITS MAY NOT BE INCREASED BY
24 REASON OF MINIMUM REQUIRED CONTRIBUTION.—A
25 teamster plan may not provide for any increase in

1 a participant's benefit attributable to an increase in
2 the minimum contributions determined under this
3 section for any plan year to the extent such min-
4 imum contributions exceed the negotiated contribu-
5 tions for such plan year.

6 “(9) DEFINITIONS.—For purposes of this sec-
7 tion—

8 “(A) UNFUNDED PAST SERVICE LIABIL-
9 ITY.—The term ‘unfunded past service liability’
10 means, with respect to each employer who, as
11 of the first day of the first plan year for which
12 this section is effective, has an obligation to
13 contribute to a teamster plan, the excess of the
14 employer's teamster plan accrued liability deter-
15 mined as of such date over the employer's ini-
16 tial market value of assets.

17 “(B) TEAMSTER PLAN ACCRUED LIABIL-
18 ITY.—The term ‘teamster plan accrued liability’
19 means, with respect to each employer who has
20 an obligation to contribute to a teamster plan,
21 the sum of the employer's transition liability (if
22 any) and the employer's ongoing liability.

23 “(C) TRANSITION LIABILITY.—The term
24 ‘transition liability’ means, with respect to each
25 employer who, as of the first day of the first

1 plan year for which this section is effective, has
2 an obligation to contribute to a teamster plan,
3 the product of—

4 “(i) the sum of

5 “(I) the accrued liability for the
6 benefits under the plan (as a whole,
7 as if such plan were treated as a sin-
8 gle multiemployer plan rather than a
9 collection of single-employer plans but
10 taking into account the requirements
11 of this section) attributable as of the
12 first day of the first plan year for
13 which this section is effective to par-
14 ticipants who as of such date are not
15 employed in credited service for any
16 employer, and

17 “(II) the accrued liability for the
18 benefits under the plan (as a whole,
19 as if such plan were treated as a sin-
20 gle multiemployer plan rather than a
21 collection of single-employer plans but
22 taking into account the requirements
23 of this section) attributable as of the
24 first day of the first plan year which
25 this section is effective to the credited

1 service of participants (other than
2 participants described in (I)) with an
3 employer that does not have an obli-
4 gation to contribute to the teamster
5 plan as of such date, and

6 “(ii) the percentage determined as of
7 the first day of the first plan year for
8 which this section is effective by dividing
9 the sum of the contributions required to be
10 made under such plan by the employer for
11 the 5 preceding plan years by the sum of
12 the contributions required to be made by
13 all such employers for the 5 preceding plan
14 years.

15 “(D) ONGOING LIABILITY.—The term ‘on-
16 going liability’ means, with respect to each em-
17 ployer, the accrued liability for benefits under a
18 teamster plan attributable to credited service
19 with the employer for those participants who
20 are employed in credited service with any em-
21 ployer at any time on or after the first day of
22 the first plan year for which this section is ef-
23 fective.

24 “(E) TEAMSTER PLAN CURRENT LIABIL-
25 ITY.—The term ‘teamster plan current liability’

1 means, with respect to each employer who has
2 an obligation to contribute to a teamster plan,
3 the sum of the employer's transition current li-
4 ability (if any) and the employer's ongoing cur-
5 rent liability.

6 “(F) TRANSITION CURRENT LIABILITY.—

7 The term ‘transition current liability’ means,
8 with respect to each employer who, as of the
9 first day of the first plan year for which this
10 section is effective, has an obligation to con-
11 tribute to a teamster plan, the product of—

12 “(i) the sum of—

13 “(I) the current liability (as de-
14 fined under section 302(d)(7)) for the
15 benefits under the plan (as a whole,
16 as if such plan were treated as a sin-
17 gle multiemployer plan rather than a
18 collection of single-employer plans but
19 taking into account the requirements
20 of this section) attributable, as of the
21 first day of the first plan year for
22 which this section is effective, to par-
23 ticipants who as of such date are not
24 employed in credited service for any
25 employer, and

1 “(II) the current liability (as de-
2 fined under section 302(d)(7)) for the
3 benefits under the plan (as a whole,
4 as if such plan were treated as a sin-
5 gle multiemployer plan rather than a
6 collection of single-employer plans but
7 taking into account the requirements
8 of this section) attributable, as of the
9 first day of the first plan year for
10 which this section is effective section,
11 to the credited service of participants
12 (other than participants described in
13 (I))) with an employer that does not
14 have an obligation to contribute to the
15 teamster plan as of such date, and

16 “(ii) the percentage determined as of
17 the first day of the first plan year for
18 which this section is effective by dividing
19 the sum of the contributions required to be
20 made under such plan by the employer for
21 the 5 preceding plan years by the sum of
22 the contributions required to be made by
23 all such employers for the 5 preceding plan
24 years.

1 “(G) ONGOING CURRENT LIABILITY.—The
2 term ‘ongoing current liability’ means, with re-
3 spect to each employer, the current liability (as
4 defined under section 302(d)(7)) for benefits
5 under a teamster plan attributable to credited
6 service with the employer for those participants
7 who are employed in credited service with any
8 employer at any time on or after the first day
9 of the first plan year for which this section is
10 effective date of this section.

11 “(H) EMPLOYER’S INITIAL MARKET VALUE
12 OF ASSETS.—The term ‘employer’s initial mar-
13 ket value of assets’ means, with respect to each
14 employer who (as of the first day of the first
15 plan year for which this section is effective) has
16 an obligation to contribute to a teamster plan,
17 the product, determined as of the first day of
18 the first plan year for which this section is ef-
19 fective, of the funded percentage for the team-
20 ster plan as of such date and the employer’s
21 teamster plan accrued liability as of such date.

22 “(I) FUNDED PERCENTAGE.—The term
23 ‘funded percentage’ means, for each teamster
24 plan, the amount determined by dividing the
25 fair market value of the assets of the teamster

1 plan (as a whole, as if such plan were treated
2 as a single multiemployer plan rather than a
3 collection of single-employer plans but taking
4 into account the rules of this section), including
5 receivables, as of the first day of the first plan
6 year for which this section is effective, by the
7 teamster plan accrued liability for the plan (as
8 a whole, as if such plan were treated as a single
9 multiemployer plan rather than a collection of
10 single-employer plans but taking into account
11 the rules of this section) as of such date.

12 “(J) ANTICIPATION OF FUTURE BENEFIT
13 INCREASES.—For purposes of subparagraphs
14 (A), (B), (C), (D), and (I) in determining ac-
15 crued liability, the funding method of a plan
16 shall anticipate benefit increases scheduled to
17 take effect during the term of the collective bar-
18 gaining agreement(s) applicable to the plan.

19 “(10) EMPLOYER.—

20 “(A) For purposes of this section, all em-
21 ployees of all corporations which are members
22 of a controlled group of corporations (within the
23 meaning of section 1563(a) of the Internal Rev-
24 enue Code of 1986, determined without regard
25 to section 1563(a)(4) and (e)(3)(C) of such

1 Code) shall be treated as employed by a single
2 employer.

3 “(B) For purposes of this section, under
4 regulations prescribed by the Secretary of the
5 Treasury, all employees of trades or businesses
6 (whether or not incorporated) which are under
7 common control shall be treated as employed by
8 a single employer. The regulations prescribed
9 under this subparagraph shall be based on prin-
10 ciples similar to the principles which apply in
11 the case of subparagraph (A).

12 “(11) EFFECTIVE DATE.—

13 “(A) IN GENERAL.—This section shall
14 apply to plan years beginning after December
15 31, 2003.

16 “(B) PERIODS BEFORE FUNDING EFFEC-
17 TIVE DATE.—

18 “(i) IN GENERAL.—Notwithstanding
19 any contrary provision, prior to the fund-
20 ing effective date, an employer shall not be
21 required to make the minimum contribu-
22 tions determined under this section and
23 shall not be treated as maintaining a sin-
24 gle-employer plan for purposes of sub-
25 sections (e) and (f) of section 302.

1 “(ii) For purposes of this subpara-
2 graph, the term ‘funding effective date’
3 means, with respect to each employer, the
4 earlier of—

5 “(I) the date on which the last
6 collective bargaining agreement rati-
7 fied before January 1, 2004 termi-
8 nates (determined without regard to
9 any extension thereof after January 1,
10 2004), and

11 “(II) January 1, 2009.

12 “(iii) SPECIAL RULE.—An employer
13 shall not be treated as having an accumu-
14 lated funding deficiency prior to the fund-
15 ing effective date solely by reason of failing
16 to make the minimum contributions deter-
17 mined under this section, provided such
18 employer makes its negotiated contribu-
19 tions.”.

20 (2) CLERICAL AMENDMENT.—The table of con-
21 tents in section 1 of such Act is amended by striking
22 the item relating to sections 308 and inserting the
23 following new items:

“Sec. 308. Teamster plans.

“Sec. 309. Effective dates.”.

1 (d) EFFECTIVE DATE.—Except as otherwise pro-
2 vided herein, the amendments made by this section shall
3 apply to plan years beginning after December 31, 2003.

4 **SEC. 4. CONFORMING AMENDMENTS TO INTERNAL REV-**
5 **ENUE CODE OF 1986.**

6 (a) TEAMSTER PLANS NOT MULTIEMPLOYER PLAN
7 FOR PURPOSES OF SECURITY REQUIREMENT.—Section
8 401(a)(29) of the Internal Revenue Code of 1986 is
9 amended by adding at the end the following new subpara-
10 graph:

11 “(F) TEAMSTER PLANS.—For purposes of
12 this paragraph, effective as of the funding effec-
13 tive date as defined in section 412(o)(10), a
14 teamster plan (as defined in section
15 4001(a)(22) of the Employee Retirement In-
16 come Security Act of 1974) shall not be treated
17 as a multiemployer plan, and each employer
18 that has an obligation to contribute to a team-
19 ster plan shall be treated as a contributing
20 sponsor maintaining a single-employer plan in
21 accordance with section 412(o).”.

22 (b) RULE RELATING TO PROHIBITION ON BENEFIT
23 INCREASES WHILE SPONSOR IN BANKRUPTCY.—Section
24 401(a)(33) of such Code is amended by redesignating sub-

1 paragraph (D) as subparagraph (E) and by inserting after
2 subparagraph (C) the following new subparagraph:

3 “(D) SPECIAL RULE FOR TEAMSTER
4 PLANS.—For purposes of this paragraph, a
5 teamster plan (as defined in section
6 4001(a)(22) of the Employee Retirement In-
7 come Security Act of 1974) shall not be treated
8 as a multiemployer plan. This paragraph shall
9 be applied separately with respect to each em-
10 ployer that has an obligation to contribute to a
11 teamster plan, and the funded current liability
12 percentage for purposes of subparagraph (B)
13 shall be determined in accordance with section
14 412(o).”.

15 (c) RULES RELATING TO DEDUCTIBILITY OF CON-
16 TRIBUTIONS.—

17 (1) IN GENERAL.—Section 404(a)(1) of such
18 Code is amended by adding at the end thereof the
19 following subparagraph:

20 “(F) SPECIAL RULE FOR TEAMSTER
21 PLANS.—Notwithstanding any other provision
22 of this subchapter, in the case of any teamster
23 plan (as defined in section 4001(a)(22) of the
24 Employee Retirement Income Security Act of
25 1974), the maximum amount deductible under

1 the limitations of this paragraph for a plan year
 2 by an employer obligated to make contributions
 3 to such plan for such year shall not be less than
 4 the minimum contribution required by such em-
 5 ployer for such year under section 412(o).”.

6 (2) LIMITATION ON DEDUCTIONS WHERE COM-
 7 BINATION OF DEFINED CONTRIBUTION PLAN AND
 8 DEFINED BENEFIT PLAN.—Section 404(a)(7) is
 9 amended by inserting after subparagraph (D) the
 10 following new subparagraph:

11 “(E) TEAMSTER PLANS.—Subparagraph
 12 (A) shall not apply to that portion of the em-
 13 ployer’s contribution to a teamster plan (as de-
 14 fined in section 4001(a)(22) of the Employee
 15 Retirement Income Security Act of 1974) to the
 16 extent such contribution is required as a result
 17 of charges to the funding standard account de-
 18 scribed in section 412(o)(2)(B) or 412(o)(7).”.

19 (d) SPECIAL RULES FOR TEAMSTER PLANS.—Sec-
 20 tion 412 of such Code is amended by adding at the end
 21 the following new subsection:

22 “(o) TEAMSTER PLANS.—

23 “(1) IN GENERAL.—For purposes of this sec-
 24 tion other than subsection (l), a teamster plan (as
 25 defined in section 4001(a)(22) of the Employee Re-

1 tirement Income Security Act of 1974) shall not be
2 treated as a multiemployer plan, and each employer
3 that has an obligation to contribute to a teamster
4 plan shall be treated as a contributing sponsor main-
5 taining a single-employer plan, subject to the special
6 rules of this subsection.

7 “(2) FUNDING STANDARD ACCOUNT.—A fund-
8 ing standard account shall be established and main-
9 tained for each employer that has an obligation to
10 contribute to a teamster plan. In determining the
11 funding standard account under subsection (b) for
12 each such employer—

13 “(A) subsections (b)(2)(B)(i) and
14 (b)(2)(B)(ii) shall not apply;

15 “(B) in the case of a teamster plan in ef-
16 fect on the first day of the first plan year for
17 which this subsection is effective, the funding
18 standard account shall be charged with—

19 “(i) the amount necessary to amortize
20 in equal annual installments (until fully
21 amortized) the employer’s unfunded past
22 service liability, over a period of 30 plan
23 years, and

24 “(ii) the amount necessary to amor-
25 tize over a period of 10 plan years in equal

1 annual installments (until fully amortized)
2 the credit determined under section
3 412(o)(2)(C)(ii) for the immediately pre-
4 ceding plan year; and

5 “(C) in the case of a teamster plan in ef-
6 fect on the first day of the first plan year for
7 which this subsection is effective, the funding
8 standard account shall be credited with—

9 “(i) the amount necessary to amortize
10 in equal annual installments (until fully
11 amortized) the excess (if any) of the em-
12 ployer’s initial market value of assets over
13 the employer’s teamster plan accrued li-
14 ability determined as of the first day of the
15 first plan year for which this subsection is
16 effective, over a period of 30 plan years;
17 and

18 “(ii) for an employer who has made
19 its negotiated contribution for a plan year
20 beginning after December 31, 2003 and
21 before the funding effective date, the ex-
22 cess (if any) of—

23 “(I) the minimum funding re-
24 quirement determined under this sec-
25 tion for such plan year, over

1 “(II) the actual contribution
2 made to the plan for any such plan
3 year.

4 “(3) VALUATION OF ASSETS.—For purposes of
5 subsection (c)(2)(A), the actuarial value of assets of
6 a teamster plan as of the first day of the first plan
7 year for which this subsection is effective shall be
8 the fair market value of such assets as of such date.
9 The value of the assets attributable to each employer
10 shall be adjusted annually according to principles of
11 master trust accounting for the employer’s plan con-
12 tributions, investment income (and loss), the employ-
13 er’s benefit payments with respect to its ongoing li-
14 ability and transition liability (if any), and the em-
15 ployer’s share of administrative expenses. Prospec-
16 tive investment experience may be reflected in ac-
17 cordance with subsection (c)(2) or any applicable
18 regulations issued by the Secretary.

19 “(4) ELECTION WITH RESPECT TO BONDS.—
20 The special election described in subsection
21 (c)(2)(B) shall not apply.

22 “(5) CERTAIN RETROACTIVE PLAN AMEND-
23 MENTS.—Notwithstanding any other provision of
24 this subsection, a teamster plan shall be treated as

1 a multiemployer plan for purposes of subsection
2 (c)(8)(A).

3 “(6) BENEFITS MAY NOT BE INCREASED UN-
4 LESS TEAMSTER PLAN IS SUFFICIENTLY FUNDED.—
5 In addition to the requirements of subsection (f)(1),
6 no amendment of a teamster plan which increases
7 the liabilities of the plan with respect to an employer
8 by reason of any increase in benefits, any change in
9 the accrual of benefits, or any change in the rate at
10 which benefits become nonforfeitable under the plan
11 shall be adopted and no increase in benefits attrib-
12 utable to an existing provision of a teamster plan
13 (other than an increase that results solely from an
14 increase in a participant’s compensation, age or
15 service or other similar factor), including an increase
16 in benefits attributable to an increase in the nego-
17 tiated contribution, shall take effect unless at the
18 time such increase otherwise would be effective—

19 “(A) the percentage determined by divid-
20 ing—

21 “(i) the lesser of the fair market value
22 of the assets and the actuarial value of the
23 assets attributable to the employer for the
24 plan year in which the increase otherwise
25 would be effective, by

1 “(ii) the employer’s teamster plan cur-
2 rent liability (determined using the highest
3 rate of interest which is allowable for the
4 plan year under subsection (l)(7)(C)) for
5 the plan year in which the increase other-
6 wise would be effective,

7 is at least 90 percent, and

8 “(B) the percentage determined by divid-
9 ing—

10 “(i) the amount described in subpara-
11 graph (A)(i), by

12 “(ii) the sum of—

13 “(I) the amount described in sub-
14 paragraph (A)(ii), and

15 “(II) the increase in the present
16 value of future service benefits (taking
17 into account the amendment or other
18 circumstance resulting in such in-
19 crease), determined using the highest
20 rate of interest which is allowable for
21 the plan year under subsection
22 (l)(7)C) and the mortality assump-
23 tions required under subsection
24 (l)(7)(C), for the plan year in which

1 the increase otherwise would be effec-
2 tive.

3 is at least 75 percent.

4 “(7) ADDITIONAL FUNDING REQUIREMENTS
5 FOR TEAMSTER PLANS.—

6 “(A) For any plan year beginning on or
7 after January 1, 2004, and before January 1,
8 2034, the amount charged to the funding
9 standard account for the plan year shall be in-
10 creased by the amount which, after taking into
11 account charges and credits under subsection
12 (b), is necessary to increase the funded current
13 liability percentage at the end of the plan year
14 (taking into account the expected change in
15 current liability due to benefits and interest ac-
16 cruing during the plan year, expected disburse-
17 ments during the plan year, and the change in
18 the market value of assets due to interest and
19 expected disbursements during the plan year)
20 for the plan year to a percentage equal to the
21 sum of—

22 “(i) the funded current liability per-
23 centage at the beginning of the plan year,
24 and

1 “(ii) the lesser of 4 percent or the
2 percentage determined by dividing—

3 “(I) the excess of 90 percent over
4 the funded current liability percentage
5 as of the beginning of the plan year,
6 by

7 “(II) 30 minus the number of
8 plan years completed since the last
9 plan year beginning before January 1,
10 2004.

11 “(B) For any plan year beginning on or
12 after January 1, 2034, the amount charged to
13 the funding standard account for the plan year
14 shall be increased by the amount which, after
15 taking into account charges and credits under
16 subsection (b), is necessary to increase the
17 funded current liability percentage at the end of
18 the plan year (taking into account the expected
19 change in current liability due to benefits and
20 interest accruing during the plan year, expected
21 disbursements during the plan year, and the
22 change in the market value of assets due to in-
23 terest and expected disbursements during the
24 plan year) for the plan year to the lesser of—

25 “(i) 90 percent, and

1 “(ii) the sum of the funded current li-
2 ability percentage at the beginning of the
3 plan year and 4 percent.

4 “(C) For purposes of this paragraph, the
5 term ‘funded current liability percentage’
6 means, with respect to any plan year, the per-
7 centage which—

8 “(i) the lesser of the fair market value
9 of the assets and the actuarial value of the
10 assets attributable to the employer for the
11 plan year, is of

12 “(ii) the employer’s teamster plan cur-
13 rent liability.

14 “(8) SPECIAL RULES FOR SMALL TEAMSTER
15 PLANS.—

16 “(A) Paragraph (7) shall not apply to any
17 teamster plan for any plan year if on each day
18 during the preceding plan year such plan had
19 no more than 100 participants.

20 “(B) In the case of a teamster plan to
21 which subparagraph (A) does not apply and
22 which on each day during the preceding plan
23 year had no more than 150 participants, the
24 amount of the increase under paragraph (7) for

1 such plan year shall be equal to the product
2 of—

3 “(i) such increase determined without
4 regard to this subparagraph, multiplied by

5 “(ii) 2 percent for the highest number
6 of participants in excess of 100 on any
7 such day.

8 “(C) For purposes of this paragraph, all
9 teamster plans maintained by the same em-
10 ployer (or any member of such employer’s con-
11 trolled group) shall be treated as 1 plan, but
12 only employees of such employer or member
13 shall be taken into account.

14 “(9) BENEFITS MAY NOT BE INCREASED BY
15 REASON OF MINIMUM REQUIRED CONTRIBUTION.—A
16 teamster plan may not provide for any increase in
17 a participant’s benefit attributable to an increase in
18 the minimum contributions determined under this
19 subsection for any plan year to the extent such min-
20 imum contributions exceed the negotiated contribu-
21 tions for such plan year.

22 “(10) DEFINITIONS.—For purposes of this sub-
23 section—

24 “(A) UNFUNDED PAST SERVICE LIABIL-
25 ITY.—The term ‘unfunded past service liability’

1 means, with respect to each employer who (as
2 of the first day of the first plan year for which
3 this subsection is effective) has an obligation to
4 contribute to a teamster plan, the excess of the
5 employer’s teamster plan accrued liability as of
6 such date over the employer’s initial market
7 value of assets.

8 “(B) TEAMSTER PLAN ACCRUED LIABIL-
9 ITY.—The term ‘teamster plan accrued liability’
10 means, with respect to each employer who has
11 an obligation to contribute to a teamster plan,
12 the sum of the employer’s transition liability (if
13 any) and the employer’s ongoing liability.

14 “(C) TRANSITION LIABILITY.—The term
15 ‘transition liability’ means, with respect to each
16 employer who, as of the first day of the first
17 plan year for which this subsection is effective,
18 has an obligation to contribute to a teamster
19 plan, the product of—

20 “(i) the sum of—

21 “(I) the accrued liability for the
22 benefits under the plan (as a whole,
23 as if such plan were treated as a sin-
24 gle multiemployer plan rather than a
25 collection of single-employer plans but

1 taking into account the requirements
2 of this subsection) attributable, as of
3 the first day of the first plan year for
4 which this subsection is effective, to
5 participants who as of such effective
6 date are not employed in credited
7 service for any employer, and

8 “(II) the accrued liability for the
9 benefits under the plan (as a whole,
10 as if such plan were treated as a sin-
11 gle multiemployer plan rather than a
12 collection of single-employer plans but
13 taking into account the requirements
14 of this subsection) attributable as of
15 the first day of the first plan year for
16 which, this subsection is effective, to
17 the credited service of participants
18 (other than participants described in
19 subclause (I)) with an employer that
20 does not have an obligation to con-
21 tribute to the teamster plan as of
22 such date, and

23 “(ii) the percentage determined as of
24 the first day of the first plan year for
25 which this subsection is effective by divid-

1 ing the sum of the contributions required
2 to be made under such plan by the em-
3 ployer for the 5 preceding plan years by
4 the sum of the contributions required to be
5 made by all such employers for the 5 pre-
6 ceding plan years.

7 “(D) ONGOING LIABILITY.—The term ‘on-
8 going liability’ means, with respect to each em-
9 ployer, the accrued liability for benefits under a
10 teamster plan attributable to credited service
11 with the employer for those participants who
12 are employed in credited service with any em-
13 ployer at any time on or after the first day of
14 the first plan year for which this section is ef-
15 fective.

16 “(E) TEAMSTER PLAN CURRENT LIABIL-
17 ITY.—The term ‘teamster plan current liability’
18 means, with respect to each employer who has
19 an obligation to contribute to a teamster plan,
20 the sum of the employer’s transition current li-
21 ability (if any) and the employer’s ongoing cur-
22 rent liability.

23 “(F) TRANSITION CURRENT LIABILITY.—
24 The term ‘transition current liability’ means,
25 with respect to each employer who, as of the

1 first day of the first plan year for which this
2 subsection is effective, has an obligation to con-
3 tribute to a teamster plan the product of—

4 “(i) the sum of—

5 “(I) the current liability (as de-
6 fined under subsection (l)(7)) for the
7 benefits under the plan (as a whole,
8 as if such plan were treated as a sin-
9 gle multiemployer plan rather than a
10 collection of single-employer plans but
11 taking into account the requirements
12 of this subsection) attributable as of
13 the first day of the first plan year for
14 which this subsection is effective to
15 participants who as of such effective
16 date are not employed in credited
17 service for any employer, and

18 “(II) the current liability (as de-
19 fined under subsection (l)(7)) for the
20 benefits under the plan (as a whole,
21 as if such plan were treated as a sin-
22 gle multiemployer plan rather than a
23 collection of single-employer plans but
24 taking into account the requirements
25 of this subsection) attributable as of

1 the first day of the first plan year for
2 which this subsection is effective to
3 the credited service of participants
4 (other than participants described in
5 subclause (I)) with an employer that
6 does not have an obligation to con-
7 tribute to the teamster plan as of
8 such date, and

9 “(ii) the percentage determined as of
10 the first day of the first plan year for
11 which this subsection is effective by divid-
12 ing the sum of the contributions required
13 to be made under such plan by the em-
14 ployer for the 5 preceding plan years by
15 the sum of the contributions required to be
16 made by all such employers for the 5 pre-
17 ceding plan years.

18 “(G) ONGOING CURRENT LIABILITY.—The
19 term ‘ongoing current liability’ means, with re-
20 spect to each employer, the current liability (as
21 defined under subsection (l)(7)) for benefits
22 under a teamster plan attributable to credited
23 service with the employer for those participants
24 who are employed in credited service with any
25 employer at any time on or after the first day

1 of the first plan year for which this subsection
2 is effective.

3 “(H) EMPLOYER’S INITIAL MARKET VALUE
4 OF ASSETS.—The term ‘employer’s initial mar-
5 ket value of assets’ means with respect to each
6 employer who, as of the first day of the first
7 plan year for which this subsection is effective,
8 has an obligation to contribute to a teamster
9 plan, the product determined as of the first day
10 of the first plan year for which this subsection
11 is effective of the funded percentage for the
12 teamster plan as of such date and the employ-
13 er’s teamster plan accrued liability as of such
14 date.

15 “(I) FUNDED PERCENTAGE.—The term
16 ‘funded percentage’ means, for each teamster
17 plan, the amount determined by dividing—

18 “(i) the fair market value of the as-
19 sets of the teamster plan (as a whole, as
20 if such plan were treated as a single multi-
21 employer plan rather than a collection of
22 single-employer plans but taking into ac-
23 count the requirements of this subsection)
24 including receivables, as of the first day of

1 the first plan year for which this sub-
2 section is effective, by

3 “(ii) the teamster plan accrued liabil-
4 ity for the plan (as a whole, as if such plan
5 were treated as a single multiemployer
6 plan rather than a collection of single-em-
7 ployer plans but taking into account the
8 requirements of this subsection), as of such
9 date.

10 “(J) ANTICIPATION OF FUTURE BENEFIT
11 INCREASES.—For purposes of subparagraphs
12 (A), (B), (C), (D), and (I) in determining ac-
13 crued liability, the funding method of a plan
14 shall anticipate benefit increases scheduled to
15 take effect during the term of the collective bar-
16 gaining agreement(s) applicable to the plan.

17 “(11) EFFECTIVE DATE.—

18 “(A) IN GENERAL.—This subsection shall
19 apply to plan years beginning after December
20 31, 2003.

21 “(B) PERIODS BEFORE FUNDING EFFEC-
22 TIVE DATE.—

23 “(i) IN GENERAL.—Notwithstanding
24 any contrary provision, prior to the fund-
25 ing effective date, an employer shall not be

1 required to make the minimum contribu-
2 tions determined under this subsection and
3 shall not be treated as maintaining a sin-
4 gle-employer plan for purposes of sub-
5 sections (m) and (n).

6 “(ii) FUNDING EFFECTIVE DATE.—
7 For purposes of this subparagraph, the
8 term ‘funding effective date’ means, with
9 respect to each employer, the earlier of—

10 “(I) the date on which the last
11 collective bargaining agreement rati-
12 fied before January 1, 2004, termi-
13 nates (determined without regard to
14 any extension thereof after January 1,
15 2004), or

16 “(II) January 1, 2009.

17 “(iii) SPECIAL RULE.—An employer
18 shall not be treated as having an accumu-
19 lated funding deficiency prior to the fund-
20 ing effective date solely by reason of failing
21 to make the minimum contributions deter-
22 mined under this subsection, provided such
23 employer makes its negotiated contribu-
24 tions.”.

1 (e) CERTAIN RULES APPLICABLE TO COLLECTIVELY
2 BARGAINED PLANS NOT TO APPLY TO TEAMSTER
3 PLANS.—Subsection (b) of section 413 of such Code is
4 amended by adding at the end the following new para-
5 graph:

6 “(10) TEAMSTER PLANS.—Notwithstanding
7 subsection (a), in the case of a teamster plan within
8 the meaning of section 4001(a)(22) of the Employee
9 Retirement Income Security Act of 1974, para-
10 graphs (5), (6), and (7) shall not apply, and—

11 “(A) the minimum funding standard pro-
12 vided by section 412 shall be determined in ac-
13 cordance with subsection (o) of such section,

14 “(B) liability for taxes under section 4971
15 shall be determined under section 4971(h), and

16 “(C) each employer that has an obligation
17 to contribute to a teamster plan shall be treated
18 as maintaining a single-employer plan in ac-
19 cordance with section 412(o) for purposes of
20 determining the applicable limitation provided
21 by section 404(a).”.

22 (f) MODIFICATION OF CONTROLLED GROUP
23 RULES.—Subsections (b) and (c) of section 414 of such
24 Code are each amended by inserting ‘412(o),’ after ‘411,’.

1 (g) MODIFICATION OF RULES ON MERGER AND CON-
 2 SOLIDATION OF PLANS, ETC.—Section 414(l) of such
 3 Code is amended by adding at the end the following new
 4 paragraph:

5 “(3) ASSETS OF TEAMSTER PLANS.—The assets
 6 allocated to an employer that has an obligation to
 7 contribute to a teamster plan (as defined in section
 8 4001(a)(22) of the Employee Retirement Income Se-
 9 curity Act of 1974) shall not be used to pay benefits
 10 for service of participants with other employers that
 11 have an obligation to contribute to such plan.”.

12 (h) TEAMSTER PLAN NOT TREATED AS MULTITEM-
 13 PLOYER PLAN UNDER SPECIAL RULES FOR MULTITEM-
 14 PLOYER PLANS.—

15 (1) IN GENERAL.—Subpart C of part I of sub-
 16 chapter D of chapter 1 of such Code is amended by
 17 adding at the end the following new section:

18 **“SEC. 418F. TEAMSTER PLANS.**

19 “For purposes of this subpart, a teamster plan (as
 20 defined in section 4001(a)(22) of the Employee Retire-
 21 ment Income Security Act of 1974) shall not be treated
 22 as a multiemployer plan.”.

23 (2) The table of sections for such subpart C is
 24 amended by adding at the end the following new
 25 item:

“Sec. 418F. Teamster plans.”.

1 (i) TEAMSTER PLAN NOT TREATED AS MULTIEM-
2 PLOYER PLAN UNDER TAX ON FAILURE TO MEET MIN-
3 IMUM FUNDING STANDARDS.—Section 4971 of such Code
4 is amended by redesignating subsection (g) as subsection
5 (h) and by inserting after subsection (f) the following new
6 subsection:

7 “(g) TEAMSTER PLANS.—For purposes of this sec-
8 tion, effective as of the funding effective date as defined
9 in section 412(o)(10), a teamster plan (as defined in sec-
10 tion 4001(a)(22) of the Employee Retirement Income Se-
11 curity Act of 1974) shall not be treated as a multiemployer
12 plan, and each employer that has an obligation to con-
13 tribute to a teamster plan shall be treated as maintaining
14 a single-employer plan in accordance with section
15 412(o).”.

16 (j) EFFECTIVE DATE.—Except as otherwise provided
17 herein the amendments made by this section shall apply
18 to plan years beginning after December 31, 2003.

19 **SEC. 5. AMENDMENTS TO THE LABOR MANAGEMENT RELA-**
20 **TIONS ACT, 1947.**

21 (a) REQUIREMENTS RELATING TO LABOR ORGANIZA-
22 TIONS.—Section 8(a)(2) of the National Labor Relations
23 Act (29 U.S.C. 158(a)(2)) is amended by striking “pay;”
24 and inserting “pay: *Provided further*, That an employer
25 shall not be prohibited, in the case of a trust fund that

1 is part of a plan to which section 308 of the Employee
2 Retirement Income Security Act of 1974 or section 412(o)
3 of the Internal Revenue Code of 1986 applies, from mak-
4 ing contributions to the plan, otherwise required under
5 part 3 of subtitle B of title I of such Act or under section
6 412 of such Code, at the minimum levels required under
7 the applicable provisions of such sections 308 and 412(o),
8 or from making future contributions to such plan, other-
9 wise required under such part 3 or such section 412, at
10 negotiated levels, with respect to each such future con-
11 tribution for any period, reduced by the amount by which
12 the minimum contribution contributed for any prior con-
13 tribution period exceeded the negotiated contribution for
14 such period.”.

15 (b) REQUIREMENT TO BARGAIN COLLECTIVELY.—
16 Section 8(a)(5) of such Act (29 U.S.C. 158(a)(5)) is
17 amended by striking “section 9(a).” and inserting “section
18 9(a): *Provided*, That an employer shall not be prohibited,
19 in the case of a trust fund that is part of a plan to which
20 section 308 of the Employee Retirement Income Security
21 Act of 1974 or section 412(o) of the Internal Revenue
22 Code of 1986 applies, from making contributions to the
23 plan, otherwise required under part 3 of subtitle B of title
24 I of such Act or under section 412 of such Code, at the
25 minimum levels required under the applicable provisions

1 of such sections 308 and 412(o), or from making future
2 contributions to such plan, otherwise required under such
3 part 3 or such section 412, at negotiated levels, with re-
4 spect to each such future contribution for any period, re-
5 duced by the amount by which the minimum contribution
6 contributed for any prior contribution period exceeded the
7 negotiated contribution for such period.”.

8 (c) PROTECTIONS FOR AMOUNTS HELD IN TRUST.—
9 Section 302(c)(5) of the Labor Management Relations
10 Act, 1947 (29 U.S.C. 186(c)(5)) is amended by striking
11 “annuities;” and inserting “annuities: “*Provided further,*
12 That an employer shall not be prohibited, in the case of
13 a trust fund that is part of a plan to which section 308
14 of the Employee Retirement Income Security Act of 1974
15 or section 412(o) of the Internal Revenue Code of 1986
16 applies, from making contributions to the plan, otherwise
17 required under part 3 of subtitle B of title I of such Act
18 or under section 412 of such Code, at the minimum levels
19 required under the applicable provisions of such sections
20 308 and 412(o), or from making future contributions to
21 such plan, otherwise required under such part 3 or such
22 section 412, at negotiated levels, with respect to each such
23 future contribution for any period, reduced by the amount
24 by which the minimum contribution contributed for any

1 prior contribution period exceeded the negotiated contribu-
2 tion for such period;”.

3 (d) EFFECTIVE DATE.—The amendments made by
4 this section shall take effect January 1, 2004.

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