

112TH CONGRESS
1ST SESSION

H. R. 1969

To provide for private-sector solutions to certain pension funding challenges,
and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MAY 24, 2011

Ms. JENKINS (for herself, Mr. CLEAVER, and Mr. YODER) 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 provide for private-sector solutions to certain pension
funding challenges, and for other purposes.

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

1 **SECTION 1. REDUCTIONS IN CONTRIBUTIONS TO MULTIEMPLOYER PLANS TO IMPLEMENT SELF-HELP**
2 **MEASURES ADOPTED BY LABOR AND MAN-**
3 **AGEMENT.**
4

5 (a) AMENDMENTS TO ERISA.—Section 305 of the
6 Employee Retirement Income Security Act of 1974 (29
7 U.S.C. 1085) is amended—

8 (1) by redesignating subsection (i) as subsection
9 (j); and

10 (2) by inserting after subsection (h) the fol-
11 lowing:

12 “(i) DISCRETION TO ACCEPT REDUCED CONTRIBU-
13 TIONS.—

14 “(1) IN GENERAL.—Notwithstanding any other
15 provision of this section, during the funding plan
16 adoption period, funding improvement period, reha-
17 bilitation plan adoption period, and the rehabilita-
18 tion period, the Pension Benefit Guaranty Corpora-
19 tion may permit a plan sponsor to accept from an
20 employer a ratified collective bargaining agreement
21 with respect to the multiemployer plan that provides
22 for a reduction in the level of contributions made by
23 a contributing employer and appropriate reduction
24 in level of future benefit accruals for any partici-
25 pants for a period of not more than 5 years (or such

1 shorter period as determined by such Corporation)
2 provided that such Corporation determines that—

3 “(A) the contributing employer will be un-
4 able to pay its debts when due and will be un-
5 able to continue business without a reduction in
6 its contribution rates;

7 “(B) the aggregate withdrawal liability of
8 the contributing employer with respect to all
9 multiemployer pension plans exceeds
10 \$750,000,000, or such lower amount as deter-
11 mined to be appropriate by such Corporation;

12 “(C) there is substantial doubt as to the
13 collectability of the withdrawal liability if the
14 contributing employer were to withdraw from
15 the plan;

16 “(D) the reduced contributions are not
17 reasonably expected to have an adverse effect
18 on the deficit of such Corporation;

19 “(E) other creditors, stakeholders, and
20 other parties to which the contributing em-
21 ployer is obligated have accepted reductions
22 that are comparable to those of the pension
23 plan; and

1 “(F) such other conditions are satisfied as
2 may be imposed in accordance with regulations
3 prescribed by such Corporation.

4 “(2) IMPACT ON WITHDRAWAL LIABILITY DE-
5 TERMINATIONS.—Any reduction in the level of con-
6 tributions under this subsection shall be disregarded
7 in determining any limitation on annual payments
8 under subparagraphs (B) and (C) of section
9 4219(c)(1) and in determining withdrawal liability
10 under section 4201 with respect to the employer
11 subject to the reduced contribution rate.”.

12 (b) AMENDMENTS TO INTERNAL REVENUE CODE.—
13 Section 432 of the Internal Revenue Code of 1986 is
14 amended—

15 (1) by redesignating subsection (i) as subsection
16 (j); and

17 (2) by inserting after subsection (h) the fol-
18 lowing:

19 “(i) DISCRETION TO ACCEPT REDUCED CONTRIBU-
20 TIONS.—

21 “(1) IN GENERAL.—Notwithstanding any other
22 provision of this section, during the funding plan
23 adoption period, funding improvement period, reha-
24 bilitation plan adoption period, and the rehabilita-
25 tion period, the Pension Benefit Guaranty Corpora-

1 tion may permit a plan sponsor to accept from an
2 employer a ratified collective bargaining agreement
3 with respect to the multiemployer plan that provides
4 for a reduction in the level of contributions made by
5 a contributing employer and appropriate reduction
6 in level of future benefit accruals for any partici-
7 pants for a period of not more than 5 years (or such
8 shorter period as determined by such Corporation)
9 provided that such Corporation determines that—

10 “(A) the contributing employer will be un-
11 able to pay its debts when due and will be un-
12 able to continue business without a reduction in
13 its contribution rates;

14 “(B) the aggregate withdrawal liability of
15 the contributing employer with respect to all
16 multiemployer pension plans exceeds
17 \$750,000,000, or such lower amount as deter-
18 mined by such Corporation;

19 “(C) there is substantial doubt as to the
20 collectability of the withdrawal liability if the
21 contributing employer were to withdraw from
22 the plan;

23 “(D) the reduced contributions are not
24 reasonably expected to have an adverse effect
25 on the deficit of such Corporation;

1 “(E) other creditors, stakeholders, and
2 other parties to which the contributing em-
3 ployer is obligated have accepted reductions
4 that are comparable to those of the pension
5 plan; and

6 “(F) such other conditions are satisfied as
7 may be imposed in accordance with regulations
8 prescribed by such Corporation.

9 “(2) IMPACT ON WITHDRAWAL LIABILITY DE-
10 TERMINATIONS.—Any reduction in the level of con-
11 tributions under this subsection shall be disregarded
12 in determining any limitation on annual payments
13 under subparagraphs (B) and (C) of section
14 4219(e)(1) of the Employee Retirement Income Se-
15 curity Act of 1974 and in determining withdrawal li-
16 ability under section 4201 of such Act with respect
17 to the employer subject to the reduced contribution
18 rate.”.

19 (c) TECHNICAL AND CONFORMING AMENDMENTS.—

20 (1) Section 4971(g)(4)(C)(ii) of the Internal
21 Revenue Code of 1986 is amended by striking
22 “432(i)(9)” and inserting “432(j)(9)”.

23 (2) Sections 101(f)(2)(B) and 103(f)(1)(B) of
24 the Employee Retirement Income Security Act of
25 1974 (29 U.S.C. 1021(f)(2)(B) and 1023(f)(1)(B))

- 1 are each amended by striking “305(i)” each place
- 2 such term appears and inserting “305(j)”.

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