

116TH CONGRESS  
1ST SESSION

# H. R. 1916

To amend the Internal Revenue Code of 1986 and the Employee Retirement Income Security Act of 1974 to provide alternative minimum funding rules for certain single-employer plans maintained by a community newspaper.

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## IN THE HOUSE OF REPRESENTATIVES

MARCH 27, 2019

Ms. DELBENE (for herself, Mrs. RODGERS of Washington, Mr. SMITH of Washington, and Mr. NEWHOUSE) introduced the following bill; which was referred to the Committee on Education and Labor, 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

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## A BILL

To amend the Internal Revenue Code of 1986 and the Employee Retirement Income Security Act of 1974 to provide alternative minimum funding rules for certain single-employer plans maintained by a community newspaper.

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 “Save Community  
5 Newspaper Act of 2019”.

1 **SEC. 2. SPECIAL RULES FOR MINIMUM FUNDING STAND-**  
2 **ARDS FOR COMMUNITY NEWSPAPER PLANS.**

3 (a) AMENDMENT TO INTERNAL REVENUE CODE OF  
4 1986.—Section 430 of the Internal Revenue Code of 1986  
5 is amended by adding at the end the following new sub-  
6 section:

7 “(m) SPECIAL RULES FOR COMMUNITY NEWSPAPER  
8 PLANS.—

9 “(1) IN GENERAL.—The plan sponsor of a com-  
10 munity newspaper plan under which no participant  
11 has had the participant’s accrued benefit increased  
12 (whether because of service or compensation) after  
13 December 31, 2017, may elect to have the alter-  
14 native standards described in paragraph (3) apply to  
15 such plan, and any plan sponsored by any member  
16 of the same controlled group, for purposes of this  
17 section for plan years beginning with any plan year  
18 in effect on or beginning after the date of the enact-  
19 ment of this subsection.

20 “(2) ELECTION.—An election under paragraph  
21 (1) shall be made at such time and in such manner  
22 as prescribed by the Secretary. Such election, once  
23 made with respect to a plan year, shall apply to all  
24 subsequent plan years unless revoked with the con-  
25 sent of the Secretary.

1           “(3) ALTERNATIVE MINIMUM FUNDING STAND-  
2           ARDS.—The alternative standards described in this  
3           paragraph are the following:

4                   “(A) INTEREST RATES.—

5                           “(i) IN GENERAL.—Notwithstanding  
6                           subsection (h)(2)(C) and except as pro-  
7                           vided in clause (ii), the first, second, and  
8                           third segment rates in effect for any  
9                           month for purposes of this section shall be  
10                          8 percent.

11                          “(ii) NEW BENEFIT ACCRUALS.—Not-  
12                          withstanding subsection (h)(2), for pur-  
13                          poses of determining the funding target  
14                          and normal cost of a plan for any plan  
15                          year, the present value of any benefits ac-  
16                          crued or earned under the plan for a plan  
17                          year with respect to which an election  
18                          under paragraph (1) is in effect shall be  
19                          determined on the basis of the U.S. Treas-  
20                          ury obligation yield curve for the day that  
21                          is the valuation date of such plan for such  
22                          plan year.

23                          “(iii) U.S. TREASURY OBLIGATION  
24                          YIELD CURVE.—For purposes of this sub-  
25                          section, the term ‘U.S. Treasury obligation

1 yield curve’ means, with respect to any  
2 day, a yield curve which shall be prescribed  
3 by the Secretary for such day on interest-  
4 bearing obligations of the United States.

5 “(B) SHORTFALL AMORTIZATION BASE.—

6 “(i) PREVIOUS SHORTFALL AMORTIZA-  
7 TION BASES.—The shortfall amortization  
8 bases determined under subsection (c)(3)  
9 for all plan years preceding the first plan  
10 year to which the election under paragraph  
11 (1) applies (and all shortfall amortization  
12 installments determined with respect to  
13 such bases) shall be reduced to zero under  
14 rules similar to the rules of subsection  
15 (c)(6).

16 “(ii) NEW SHORTFALL AMORTIZATION  
17 BASE.—Notwithstanding subsection (c)(3),  
18 the shortfall amortization base for the first  
19 plan year to which the election under para-  
20 graph (1) applies shall be the funding  
21 shortfall of such plan for such plan year  
22 (determined using the interest rates as  
23 modified under subparagraph (A)).

24 “(C) DETERMINATION OF SHORTFALL AM-  
25 ORTIZATION INSTALLMENTS.—

1           “(i) 30-YEAR PERIOD.—Subpara-  
2           graphs (A) and (B) of subsection (c)(2)  
3           shall be applied by substituting ‘30-plan-  
4           year’ for ‘7-plan-year’ each place it ap-  
5           pears.

6           “(ii) NO SPECIAL ELECTION.—The  
7           election under subparagraph (D) of sub-  
8           section (c)(2) shall not apply to any plan  
9           year to which the election under paragraph  
10          (1) applies.

11          “(D) EXEMPTION FROM AT-RISK TREAT-  
12          MENT.—Subsection (i) shall not apply.

13          “(4) COMMUNITY NEWSPAPER PLAN.—For pur-  
14          poses of this subsection:

15               “(A) IN GENERAL.—The term ‘community  
16               newspaper plan’ means a plan to which this sec-  
17               tion applies maintained by an employer which,  
18               as of December 31, 2017—

19                       “(i) publishes and distributes, either  
20                       electronically or in printed form, 1 or more  
21                       newspapers,

22                       “(ii) is not a company the stock of  
23                       which is publicly traded (on a stock ex-  
24                       change or in an over-the-counter market),

1 and is not controlled, directly or indirectly,  
2 by such a company, and

3 “(iii) is controlled, directly or indi-  
4 rectly—

5 “(I) by 1 or more persons resid-  
6 ing primarily in a State in which the  
7 newspaper is published or distributed,

8 “(II) by a trust or trusts, 1 or  
9 more of which was created or orga-  
10 nized in a State in which the news-  
11 paper is published or distributed, or

12 “(III) by a combination of per-  
13 sons described in subclauses (I) and  
14 (II).

15 “(B) CONTROL.—A person shall be treated  
16 as controlled by another person if such other  
17 person possesses, directly or indirectly, the  
18 power to direct or cause the direction and man-  
19 agement of such person (including the power to  
20 elect a majority of the members of the board of  
21 directors of such person) through the ownership  
22 of voting securities.

23 “(5) CONTROLLED GROUP.—For purposes of  
24 this subsection, the term ‘controlled group’ means all  
25 persons treated as a single employer under sub-

1 section (b), (c), (m), or (o) of section 414 as of the  
2 date of the enactment of this subsection.”.

3 (b) AMENDMENT TO EMPLOYEE RETIREMENT IN-  
4 COME SECURITY ACT OF 1974.—Section 303 of the Em-  
5 ployee Retirement Income Security Act of 1974 (29  
6 U.S.C. 1083) is amended by adding at the end the fol-  
7 lowing new subsection:

8 “(m) SPECIAL RULES FOR COMMUNITY NEWSPAPER  
9 PLANS.—

10 “(1) IN GENERAL.—The plan sponsor of a com-  
11 munity newspaper plan under which no participant  
12 has had the participant’s accrued benefit increased  
13 (whether because of service or compensation) after  
14 December 31, 2017, may elect to have the alter-  
15 native standards described in paragraph (3) apply to  
16 such plan, and any plan sponsored by any member  
17 of the same controlled group, for purposes of this  
18 section for plan years beginning with any plan year  
19 in effect on or beginning after the date of the enact-  
20 ment of this subsection.

21 “(2) ELECTION.—An election under paragraph  
22 (1) shall be made at such time and in such manner  
23 as prescribed by the Secretary of the Treasury. Such  
24 election, once made with respect to a plan year, shall

1 apply to all subsequent plan years unless revoked  
2 with the consent of the Secretary of the Treasury.

3 “(3) ALTERNATIVE MINIMUM FUNDING STAND-  
4 ARDS.—The alternative standards described in this  
5 paragraph are the following:

6 “(A) INTEREST RATES.—

7 “(i) IN GENERAL.—Notwithstanding  
8 subsection (h)(2)(C) and except as pro-  
9 vided in clause (ii), the first, second, and  
10 third segment rates in effect for any  
11 month for purposes of this section shall be  
12 8 percent.

13 “(ii) NEW BENEFIT ACCRUALS.—Not-  
14 withstanding subsection (h)(2), for pur-  
15 poses of determining the funding target  
16 and normal cost of a plan for any plan  
17 year, the present value of any benefits ac-  
18 crued or earned under the plan for a plan  
19 year with respect to which an election  
20 under paragraph (1) is in effect shall be  
21 determined on the basis of the U.S. Treas-  
22 ury obligation yield curve for the day that  
23 is the valuation date of such plan for such  
24 plan year.



1           “(iii) U.S. TREASURY OBLIGATION  
2 YIELD CURVE.—For purposes of this sub-  
3 section, the term ‘U.S. Treasury obligation  
4 yield curve’ means, with respect to any  
5 day, a yield curve which shall be prescribed  
6 by the Secretary of the Treasury for such  
7 day on interest-bearing obligations of the  
8 United States.

9           “(B) SHORTFALL AMORTIZATION BASE.—

10           “(i) PREVIOUS SHORTFALL AMORTIZA-  
11 TION BASES.—The shortfall amortization  
12 bases determined under subsection (c)(3)  
13 for all plan years preceding the first plan  
14 year to which the election under paragraph  
15 (1) applies (and all shortfall amortization  
16 installments determined with respect to  
17 such bases) shall be reduced to zero under  
18 rules similar to the rules of subsection  
19 (c)(6).

20           “(ii) NEW SHORTFALL AMORTIZATION  
21 BASE.—Notwithstanding subsection (c)(3),  
22 the shortfall amortization base for the first  
23 plan year to which the election under para-  
24 graph (1) applies shall be the funding  
25 shortfall of such plan for such plan year

1 (determined using the interest rates as  
2 modified under subparagraph (A)).

3 “(C) DETERMINATION OF SHORTFALL AM-  
4 ORTIZATION INSTALLMENTS.—

5 “(i) 30-YEAR PERIOD.—Subpara-  
6 graphs (A) and (B) of subsection (c)(2)  
7 shall be applied by substituting ‘30-plan-  
8 year’ for ‘7-plan-year’ each place it ap-  
9 pears.

10 “(ii) NO SPECIAL ELECTION.—The  
11 election under subparagraph (D) of sub-  
12 section (c)(2) shall not apply to any plan  
13 year to which the election under paragraph  
14 (1) applies.

15 “(D) EXEMPTION FROM AT-RISK TREAT-  
16 MENT.—Subsection (i) shall not apply.

17 “(4) COMMUNITY NEWSPAPER PLAN.—For pur-  
18 poses of this subsection:

19 “(A) IN GENERAL.—The term ‘community  
20 newspaper plan’ means a plan to which this sec-  
21 tion applies maintained by an employer which,  
22 as of December 31, 2017—

23 “(i) publishes and distributes, either  
24 electronically or in printed form, 1 or more  
25 newspapers,

1           “(ii) is not a company the stock of  
2           which is publicly traded (on a stock ex-  
3           change or in an over-the-counter market),  
4           and is not controlled, directly or indirectly,  
5           by such a company, and

6           “(iii) is controlled, directly or indi-  
7           rectly—

8                   “(I) by 1 or more persons resid-  
9                   ing primarily in a State in which the  
10                   newspaper is published or distributed,

11                   “(II) by a trust or trusts, 1 or  
12                   more of which was created or orga-  
13                   nized in a State in which the news-  
14                   paper is published or distributed, or

15                   “(III) by a combination of per-  
16                   sons described in subclauses (I) and  
17                   (II).

18           “(B) CONTROL.—A person shall be treated  
19           as controlled by another person if such other  
20           person possesses, directly or indirectly, the  
21           power to direct or cause the direction and man-  
22           agement of such person (including the power to  
23           elect a majority of the members of the board of  
24           directors of such person) through the ownership  
25           of voting securities.

1           “(5) CONTROLLED GROUP.—For purposes of  
2 this subsection, the term ‘controlled group’ means all  
3 persons treated as a single employer under sub-  
4 section (b), (c), (m), or (o) of section 414 of the In-  
5 ternal Revenue Code of 1986 as of the date of the  
6 enactment of this subsection.

7           “(6) EFFECT ON PREMIUM RATE CALCULA-  
8 TION.—Notwithstanding any other provision of law  
9 or any regulation issued by the Pension Benefit  
10 Guaranty Corporation, in the case of a plan with re-  
11 spect to which the election under paragraph (1) has  
12 been made, the additional premium under section  
13 4006(a)(3)(E) shall be determined as if such elec-  
14 tion had not been made.”.

15       (c) EFFECTIVE DATE.—The amendments made by  
16 this section shall apply to plan years ending after Decem-  
17 ber 31, 2017.

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