

107TH CONGRESS
2^D SESSION

S. 3028

To provide for a creditors' committee of employee and retiree representatives of a debtor in order to protect pensions of those employees and retirees.

IN THE SENATE OF THE UNITED STATES

OCTOBER 2, 2002

Mr. SESSIONS (for himself, Mr. LEAHY, and Mr. GRASSLEY) introduced the following bill; which was read twice and referred to the Committee on the Judiciary

A BILL

To provide for a creditors' committee of employee and retiree representatives of a debtor in order to protect pensions of those employees and retirees.

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 "Employee Pension
5 Bankruptcy Protection Act of 2002".

6 **SEC. 2. PURPOSE AND INTENT.**

7 The purpose and intent of this Act is to provide em-
8 ployees and retirees with a greater likelihood of having
9 outstanding pension liabilities paid by a corporation that

1 files for bankruptcy by allowing the employees and retirees
2 of that corporation the right to be heard before the bank-
3 ruptcy court.

4 **SEC. 3. RIGHT TO BE HEARD.**

5 Section 1109 of title 11, United States Code, is
6 amended by adding at the end the following:

7 “(c) In a case in which the debtor is the sponsor of
8 an employee pension benefit plan pursuant to section 3(2)
9 of the Employee Retirement Income Security Act of 1974
10 (29 U.S.C. 1002(2)), and such plan is likely to be termi-
11 nated pursuant to title IV of that Act or substantially un-
12 derfunded by the debtor resulting in a hardship to the par-
13 ticipants or beneficiaries, a representative of the partici-
14 pants (as defined in section 3(7) of that Act) and bene-
15 ficiaries (as defined in section 3(8) of that Act) who are
16 entitled to benefits under such plan and who may be ad-
17 versely affected by events in the case, may appear and be
18 heard with respect to a sale of all or substantially all of
19 the assets of the debtor or with respect to a plan of reorga-
20 nization, provided that such participants and beneficiaries
21 may employ counsel and other professionals who shall be
22 compensated from the estate of the debtor.”.

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