

112TH CONGRESS  
1ST SESSION

# H. R. 1969

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

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## 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

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## 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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