COMMITTEE PRINT

Budget Reconciliation Legislative Recommendations Relating to Pensions

Subtitle H—Pensions

SEC. 9700. SHORT TITLE.

This subtitle may be cited as the “Butch Lewis Emergency Pension Plan Relief Act of 2021”.

SEC. 9701. TEMPORARY DELAY OF DESIGNATION OF MULTI-EMPLOYER PLANS AS IN ENDANGERED, CRITICAL, OR CRITICAL AND DECLINING STATUS.

(a) In General.—Notwithstanding the actuarial certification under section 305(b)(3) of the Employee Retirement Income Security Act of 1974 and section 432(b)(3) of the Internal Revenue Code of 1986, if a plan sponsor of a multiemployer plan elects the application of this section, then, for purposes of section 305 of such Act and section 432 of such Code—

(1) the status of the plan for its first plan year beginning during the period beginning on March 1, 2020, and ending on February 28, 2021, or the next succeeding plan year (as designated by the plan sponsor in such election), shall be the same as the status of such plan under such sections for the plan year preceding such designated plan year, and
(2) in the case of a plan which was in endangered or critical status for the plan year preceding the designated plan year described in paragraph (1), the plan shall not be required to update its plan or schedules under section 305(c)(6) of such Act and section 432(c)(6) of such Code, or section 305(e)(3)(B) of such Act and section 432(e)(3)(B) of such Code, whichever is applicable, until the plan year following the designated plan year described in paragraph (1).

(b) Exception for Plans Becoming Critical During Election.—If—

(1) an election was made under subsection (a) with respect to a multiemployer plan, and

(2) such plan has, without regard to such election, been certified by the plan actuary under section 305(b)(3) of the Employee Retirement Income Security Act of 1974 and section 432(b)(3) of the Internal Revenue Code of 1986 to be in critical status for the designated plan year described in subsection (a)(1), then such plan shall be treated as a plan in critical status for such plan year for purposes of applying section 4971(g)(1)(A) of such Code, section 302(b)(3) of such Act (without regard to the second sentence thereof), and section 412(b)(3) of such
Code (without regard to the second sentence thereof).

(c) Election and Notice.—

(1) Election.—An election under subsection (a)—

(a)—

(A) shall be made at such time and in such manner as the Secretary of the Treasury or the Secretary’s delegate may prescribe and, once made, may be revoked only with the consent of the Secretary, and

(B) if made—

(i) before the date the annual certification is submitted to the Secretary or the Secretary’s delegate under section 305(b)(3) of such Act and section 432(b)(3) of such Code, shall be included with such annual certification, and

(ii) after such date, shall be submitted to the Secretary or the Secretary’s delegate not later than 30 days after the date of the election.

(2) Notice to Participants.—

(A) In general.—Notwithstanding section 305(b)(3)(D) of the Employee Retirement Income Security Act of 1974 and section
432(b)(3)(D) of the Internal Revenue Code of 1986, if, by reason of an election made under subsection (a), the plan is in neither endangered nor critical status—

(i) the plan sponsor of a multiemployer plan shall not be required to provide notice under such sections, and

(ii) the plan sponsor shall provide to the participants and beneficiaries, the bargaining parties, the Pension Benefit Guaranty Corporation, and the Secretary of Labor a notice of the election under subsection (a) and such other information as the Secretary of the Treasury (in consultation with the Secretary of Labor) may require—

(I) if the election is made before the date the annual certification is submitted to the Secretary or the Secretary’s delegate under section 305(b)(3) of such Act and section 432(b)(3) of such Code, not later than 30 days after the date of the certification, and
(II) if the election is made after such date, not later than 30 days after the date of the election.

(B) NOTICE OF ENDANGERED STATUS.—Notwithstanding section 305(b)(3)(D) of such Act and section 432(b)(3)(D) of such Code, if the plan is certified to be in critical status for any plan year but is in endangered status by reason of an election made under subsection (a), the notice provided under such sections shall be the notice which would have been provided if the plan had been certified to be in endangered status.

SEC. 9702. TEMPORARY EXTENSION OF THE FUNDING IMPROVEMENT AND REHABILITATION PERIODS FOR MULTIEMPLOYER PENSION PLANS IN CRITICAL AND ENDANGERED STATUS FOR 2020 OR 2021.

(a) IN GENERAL.—If the plan sponsor of a multiemployer plan which is in endangered or critical status for a plan year beginning in 2020 or 2021 (determined after application of section 9701) elects the application of this section, then, for purposes of section 305 of the Employee Retirement Income Security Act of 1974 and section 432 of the Internal Revenue Code of 1986—
except as provided in paragraph (2), the plan’s funding improvement period or rehabilitation period, whichever is applicable, shall be 15 years rather than 10 years, and

(2) in the case of a plan in seriously endangered status, the plan’s funding improvement period shall be 20 years rather than 15 years.

(b) Definitions and Special Rules.—For purposes of this section—

(1) Election.—An election under this section shall be made at such time, and in such manner and form, as (in consultation with the Secretary of Labor) the Secretary of the Treasury or the Secretary’s delegate may prescribe.

(2) Definitions.—Any term which is used in this section which is also used in section 305 of the Employee Retirement Income Security Act of 1974 and section 432 of the Internal Revenue Code of 1986 shall have the same meaning as when used in such sections.

(c) Effective Date.—This section shall apply to plan years beginning after December 31, 2019.

SEC. 9703. ADJUSTMENTS TO FUNDING STANDARD ACCOUNT RULES.

(a) Adjustments.—
(1) Amendment to Employee Retirement Income Security Act of 1974.—Section 304(b)(8) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1084(b)) is amended by adding at the end the following new subparagraph:

“(F) Relief for 2020 and 2021.—A multiemployer plan with respect to which the solvency test under subparagraph (C) is met as of February 29, 2020, may elect to apply this paragraph (without regard to whether such plan previously elected the application of this paragraph)—

“(i) by substituting ‘February 29, 2020’ for ‘August 31, 2008’ each place it appears in subparagraphs (A)(i), (B)(i)(I), and (B)(i)(II),

“(ii) by inserting ‘and other losses related to the virus SARS–CoV–2 or coronavirus disease 2019 (COVID–19) (including experience losses related to reductions in contributions, reductions in employment, and deviations from anticipated retirement rates, as determined by the plan sponsor)’ after ‘net investment losses’ in subparagraph (A)(i), and
“(iii) by substituting ‘this subparagraph or subparagraph (A)’ for ‘this subparagraph and subparagraph (A) both’ in subparagraph (B)(iii).

The preceding sentence shall not apply to a plan to which special financial assistance is granted under section 4262. For purposes of the application of this subparagraph, the Secretary of the Treasury shall rely on the plan sponsor’s calculations of plan losses unless such calculations are clearly erroneous.”.

(2) AMENDMENT TO INTERNAL REVENUE CODE OF 1986.—Section 431(b)(8) of the Internal Revenue Code of 1986 is amended by adding at the end the following new subparagraph:

“(F) RELIEF FOR 2020 AND 2021.—A multiemployer plan with respect to which the solvency test under subparagraph (C) is met as of February 29, 2020, may elect to apply this paragraph (without regard to whether such plan previously elected the application of this paragraph)—

“(i) by substituting ‘February 29, 2020’ for ‘August 31, 2008’ each place it
appears in subparagraphs (A)(i), (B)(i)(I), and (B)(i)(II),

“(ii) by inserting ‘and other losses related to the virus SARS–CoV–2 or coronavirus disease 2019 (COVID–19) (including experience losses related to reductions in contributions, reductions in employment, and deviations from anticipated retirement rates, as determined by the plan sponsor)’ after ‘net investment losses’ in subparagraph (A)(i), and

“(iii) by substituting ‘this subparagraph or subparagraph (A)’ for ‘this subparagraph and subparagraph (A) both’ in subparagraph (B)(iii).

The preceding sentence shall not apply to a plan to which special financial assistance is granted under section 4262 of the Employee Retirement Income Security Act of 1974. For purposes of the application of this subparagraph, the Secretary shall rely on the plan sponsor’s calculations of plan losses unless such calculations are clearly erroneous.”.

(b) EFFECTIVE DATES.—
(1) IN GENERAL.—The amendments made by this section shall take effect as of the first day of the first plan year ending on or after February 29, 2020, except that any election a plan makes pursuant to this section that affects the plan’s funding standard account for the first plan year beginning after February 29, 2020, shall be disregarded for purposes of applying the provisions of section 305 of the Employee Retirement Income Security Act of 1974 and section 432 of the Internal Revenue Code of 1986 to such plan year.

(2) RESTRICTIONS ON BENEFIT INCREASES.—Notwithstanding paragraph (1), the restrictions on plan amendments increasing benefits in sections 304(b)(8)(D) of such Act and 431(b)(8)(D) of such Code, as applied by the amendments made by this section, shall take effect on the date of enactment of this Act.

SEC. 9704. SPECIAL FINANCIAL ASSISTANCE PROGRAM FOR FINANCIALLY TROUBLED MULTIEMPLOYER PLANS.

(a) APPROPRIATION.—Section 4005 of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1305) is amended by adding at the end the following:
“(i)(1) An eighth fund shall be established for special financial assistance to multiemployer pension plans, as provided under section 4262, and to pay for necessary administrative and operating expenses of the corporation relating to such assistance.

“(2) There is appropriated from the general fund such amounts as are necessary for the costs of providing financial assistance under section 4262 and necessary administrative and operating expenses of the corporation. The eighth fund established under this subsection shall be credited with amounts from time to time as the Secretary of the Treasury, in conjunction with the Director of the Pension Benefit Guaranty Corporation, determines appropriate, from the general fund of the Treasury, but in no case shall such transfers occur after September 30, 2030.”.

(b) FINANCIAL ASSISTANCE AUTHORITY.—The Employee Retirement Income Security Act of 1974 is amended by inserting after section 4261 of such Act (29 U.S.C. 1431) the following:

“SEC. 4262. SPECIAL FINANCIAL ASSISTANCE BY THE CORPORATION.

“(a) SPECIAL FINANCIAL ASSISTANCE.—

“(1) IN GENERAL.—The corporation shall provide special financial assistance to an eligible multi-
employer plan under this section, upon the application of a plan sponsor of such a plan for such assistance.

“(2) Inapplicability of Certain Repayment Obligation.—A plan receiving financial assistance pursuant to this section shall not be subject to repayment obligations.

“(b) Eligible Multiemployer Plans.—

“(1) In general.—For purposes of this section, a multiemployer plan is an eligible multiemployer plan if—

“(A) the plan is in critical and declining status (within the meaning of section 305(b)(6)) in any plan year beginning in 2020 through 2022;

“(B) a suspension of benefits has been approved with respect to the plan under section 305(e)(9) as of the date of the enactment of this section;

“(C) in any plan year beginning in 2020 through 2022, the plan is certified by the plan actuary to be in critical status (within the meaning of section 305(b)(2)), has a modified funded percentage of less than 40 percent, and
has a ratio of active to inactive participants which is less than 2 to 3; or

“(D) the plan became insolvent for purposes of section 418E of the Internal Revenue Code of 1986 after December 16, 2014, and has remained so insolvent and has not been terminated as of the date of enactment of this section.

“(2) MODIFIED FUNDED PERCENTAGE.—For purposes of paragraph (1)(C), the term ‘modified funded percentage’ means the percentage equal to a fraction the numerator of which is current value of plan assets (as defined in section 3(26) of such Act) and the denominator of which is current liabilities (as defined in section 431(c)(6)(D) of such Code and section 304(c)(6)(D) of such Act).

“(c) APPLICATIONS FOR SPECIAL FINANCIAL ASSISTANCE.—Within 120 days of the date of enactment of this section, the corporation shall issue regulations or guidance setting forth requirements for special financial assistance applications under this section. In such regulations or guidance, the corporation shall—

“(1) limit the materials required for a special financial assistance application to the minimum necessary to make a determination on the application;
“(2) specify effective dates for transfers of special financial assistance following approval of an application, based on the effective date of the supporting actuarial analysis and the date on which the application is submitted; and

“(3) provide for an alternate application for special financial assistance under this section, which may be used by a plan that has been approved for a partition under section 4233 before the date of enactment of this section.

“(d) Temporary Priority Consideration of Applications.—

“(1) In general.—The corporation may specify in regulations or guidance under subsection (c) that, during a period no longer than the first 2 years following the date of enactment of this section, applications may not be filed by an eligible multiemployer plan unless—

“(A) the eligible multiemployer plan is insolvent or is likely to become insolvent within 5 years of the date of enactment of this section;

“(B) the corporation projects the eligible multiemployer plan to have a present value of financial assistance payments under section
4261 that exceeds $1,000,000,000 if the special financial assistance is not ordered;

“(C) the eligible multiemployer plan has implemented benefit suspensions under section 305(e)(9) as of the date of the enactment of this section; or

“(D) the corporation determines it appropriate based on other similar circumstances.

“(e) ACTUARIAL ASSUMPTIONS.—

“(1) ELIGIBILITY.—For purposes of determining eligibility for special financial assistance, the corporation shall accept assumptions incorporated in a multiemployer plan’s determination that it is in critical status or critical and declining status (within the meaning of section 305(b)) for certifications of plan status completed before January 1, 2021, unless such assumptions are clearly erroneous. For certifications of plan status completed after December 31, 2020, a plan shall determine whether it is in critical or critical and declining status for purposes of eligibility for special financial assistance by using the assumptions that the plan used in its most recently completed certification of plan status before January 1, 2021, unless such assumptions (excluding the plan’s interest rate) are unreasonable.
“(2) AMOUNT OF FINANCIAL ASSISTANCE.—In determining the amount of special financial assistance in its application, an eligible multiemployer plan shall—

“(A) use the interest rate used by the plan in its most recently completed certification of plan status before January 1, 2021, provided that such interest rate may not exceed the interest rate limit; and

“(B) for other assumptions, use the assumptions that the plan used in its most recently completed certification of plan status before January 1, 2021, unless such assumptions are unreasonable.

“(3) INTEREST RATE.—The interest rate limit for this purposes of this subsection is the rate specified in section 303(h)(2)(C)(iii) (disregarding modifications made under clause (iv) of such section) for the month in which the application for special financial assistance is filed by the eligible multiemployer plan or the 3 preceding months, with such specified rate increased by 200 basis points.

“(4) CHANGES IN ASSUMPTIONS.—If a plan determines that use of one or more prior assumptions is unreasonable, the plan may propose in its applica-
tion to change such assumptions, provided that the plan discloses such changes in its application and describes why such assumptions are no longer reasonable. The corporation shall accept such changed assumptions unless it determines the changes are unreasonable, individually or in the aggregate. The plan may not propose a change to the interest rate otherwise required under this subsection for eligibility or financial assistance amount.

“(f) Application Deadline.—Any application by a plan for special financial assistance under this section shall be submitted no later than December 31, 2025, and any revised application for special financial assistance shall be submitted no later than December 31, 2026.

“(g) Determinations on Applications.—A plan’s application for special financial assistance under this section that is timely filed in accordance with the regulations or guidance issued under subsection (c) shall be deemed approved unless the corporation notifies the plan within 120 days of the filing of the application that the application is incomplete, any proposed change or assumption is unreasonable, or the plan is not eligible under this section. Such notice shall specify the reasons the plan is ineligible for special financial assistance, any proposed change or assumption is unreasonable, or information is needed to
complete the application. If a plan is denied assistance under this subsection, the plan may submit a revised application under this section. Any revised application for special financial assistance submitted by a plan shall be deemed approved unless the corporation notifies the plan within 120 days of the filing of the revised application that the application is incomplete, any proposed change or assumption is unreasonable, or the plan is not eligible under this section. Special financial assistance issued by the corporation shall be effective on a date determined by the corporation, but no later than 1 year after a plan’s special financial assistance application is approved by the corporation or deemed approved. The corporation shall not pay any special financial assistance after September 30, 2030.

“(h) MANNER OF PAYMENT.—The payment made by the corporation to an eligible multiemployer plan under this section shall be made as a single, lump sum payment.

“(i) AMOUNT AND MANNER OF SPECIAL FINANCIAL ASSISTANCE.—

“(1) IN GENERAL.—Special financial assistance under this section shall be a transfer of funds in the amount necessary as demonstrated by the plan sponsor on the application for such special financial assistance, in accordance with the requirements de-
scribed in subsection (j). Special financial assistance shall be paid to such plan as soon as practicable upon approval of the application by the corporation.

“(2) No cap.—Special financial assistance granted by the corporation under this section shall not be capped by the guarantee under 4022A.

“(j) Determination of Amount of Special Financial Assistance.—

“(1) In general.—The amount of financial assistance provided to a multiemployer plan eligible for financial assistance under this section shall be such amount required for the plan to pay all benefits due during the period beginning on the date of payment of the special financial assistance payment under this section and ending on the last day of the plan year ending in 2051, with no reduction in a participant’s or beneficiary’s accrued benefit as of such date of enactment, except to the extent of a reduction in accordance with section 305(e)(8) adopted prior to the plan’s application for special financial assistance under this section, and taking into account the reinstatement of benefits required under subsection (k).
“(2) PROJECTIONS.—The funding projections for purposes of this section shall be performed on a deterministic basis.

“(k) REINSTATEMENT OF BENEFIT SUSPENSIONS.—An eligible multiemployer plan that receives special financial assistance under this section shall—

“(1) reinstate any benefits that were suspended under section 305(e)(9) or section 4245(a), effective as of the first month in which the effective date for the special financial assistance occurs, for participants and beneficiaries as of such month; and

“(2) provide payments equal to the amount of benefits previously suspended under section 305(e)(9) or 4245(a) to any participants or beneficiaries in pay status as of the effective date of the special financial assistance, payable, as determined by the eligible multiemployer plan—

“(A) as a lump sum within 3 months of such effective date; or

“(B) in equal monthly installments over a period of 5 years, commencing within 3 months of such effective date, with no adjustment for interest.

“(l) WITHDRAWAL LIABILITY.—An employer’s withdrawal liability for purposes of this title shall be calculated
without taking into account special financial assistance received under this section until the plan year beginning 15 calendar years after the effective date of the special financial assistance.

“(m) REQUIRED DISCLOSURE.—An eligible plan that receives special financial assistance under this section shall provide each employer that has an obligation to contribute to such plan, and each labor organization representing participants employed by such employer, with an estimate of the employer’s share of the plan’s unfunded vested benefits as of the end of each plan year ending after the date of enactment of this section, as determined after taking into account any special financial assistance received under this section. Such disclosure shall include a statement that, due to the special financial assistance provided under this section, the plan will have sufficient resources to pay 100 percent of the plan’s benefit obligations until the last day of the plan year ending 2051.

“(n) RESTRICTIONS ON THE USE OF SPECIAL FINANCIAL ASSISTANCE.—Special financial assistance received under this section may be used by an eligible multi-employer plan to make benefit payments and pay plan expenses. Special financial assistance and any earnings on such assistance shall be segregated from other plan assets. Special financial assistance shall be invested by plans in
investment-grade bonds or other investments as permitted by the corporation.

“(o) CONDITIONS ON PLANS RECEIVING SPECIAL FINANCIAL ASSISTANCE.—

“(1) IN GENERAL.—The corporation may impose, by regulation, reasonable conditions on an eligible multiemployer plan that receives special financial assistance relating to increases in future accrual rates and any retroactive benefit improvements, allocation of plan assets, reductions in employer contribution rates, diversion of contributions to, and allocation of expenses to, other benefit plans, and withdrawal liability.

“(2) LIMITATION.—The corporation shall not impose conditions on an eligible multiemployer plan as a condition of, or following receipt of, special financial assistance under this section relating to—

“(A) any prospective reduction in plan benefits (including benefits that may be adjusted pursuant to section 305(c)(8));

“(B) plan governance, including selection of, removal of, and terms of contracts with, trustees, actuaries, investment managers, and other service providers; or
“(C) any funding rules relating to the plan receiving special financial assistance under this section.

“(3) Payment of Premiums.—An eligible multiemployer plan receiving special financial assistance under this section shall continue to pay all premiums due under section 4007 for participants and beneficiaries in the plan.

“(4) Assistance Not Considered for Certain Purposes.—An eligible multiemployer plan that receives special financial assistance shall be deemed to be in critical status within the meaning of section 305(b)(2) until the last plan year ending in 2051.

“(5) Insolvent Plans.—An eligible multiemployer plan receiving special financial assistance under this section that subsequently becomes insolvent will be subject to the current rules and guarantee for insolvent plans.

“(6) Ineligibility for Other Assistance.—An eligible multiemployer plan that receives special financial assistance under this section is not eligible to apply for a new suspension of benefits under section 305(e)(9)(G).”.
(c) PREMIUM RATE INCREASE.—Section 4006(a)(3) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1306(a)(3)) is amended—

(1) in subparagraph (A)—

(A) in clause (vi)—

(i) by inserting ‘‘, and before January 1, 2031’’ after ‘‘December 31, 2014,’’; and

(ii) by striking ‘‘or’’ at the end;

(B) in clause (vii)—

(i) by moving the margin 2 ems to the left; and

(ii) in subclause (II), by striking the period and inserting ‘‘, or’’; and

(C) by adding at the end the following:

‘‘(viii) in the case of a multiemployer plan, for plan years beginning after December 31, 2030, $52 for each individual who is a participant in such plan during the applicable plan year.’’; and

(2) by adding at the end the following:

‘‘(N) For each plan year beginning in a calendar year after 2031, there shall be substituted for the dollar amount specified in clause (viii) of subparagraph (A) an amount equal to the greater of—

(i) the product derived by multiplying such dollar amount by the ratio of—
“(I) the national average wage index (as defined in section 209(k)(1) of the Social Security Act) for the first of the 2 calendar years preceding the calendar year in which such plan year begins, to

“(II) the national average wage index (as so defined) for 2029; and

“(ii) such dollar amount for plan years beginning in the preceding calendar year.

If the amount determined under this subparagraph is not a multiple of $1, such product shall be rounded to the nearest multiple of $1.”.

SEC. 9705. EXTENDED AMORTIZATION FOR SINGLE EMPLOYER PLANS.

(a) 15-YEAR AMORTIZATION UNDER THE INTERNAL REVENUE CODE OF 1986.—Section 430(c) of the Internal Revenue Code of 1986 is amended by adding at the end the following new paragraph:

“(8) 15-YEAR AMORTIZATION.—With respect to plan years beginning after December 31, 2019 (or, at the election of the plan sponsor, after December 31, 2018)—

“(A) the shortfall amortization bases for all plan years preceding the first plan year beginning after December 31, 2019 (or after De-
cember 31, 2018, whichever is elected), and all shortfall amortization installments determined with respect to such bases, shall be reduced to zero, and

“(B) subparagraphs (A) and (B) of paragraph (2) shall each be applied by substituting ‘15-plan-year period’ for ‘7-plan-year period’."

(b) 15-YEAR AMORTIZATION UNDER THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974.—Section 303(c) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1083(c)) is amended by adding at the end the following new paragraph:

“(8) 15-YEAR AMORTIZATION.—With respect to plan years beginning after December 31, 2019 (or, at the election of the plan sponsor, after December 31, 2018)—

“(A) the shortfall amortization bases for all plan years preceding the first plan year beginning after December 31, 2019 (or after December 31, 2018, whichever is elected), and all shortfall amortization installments determined with respect to such bases, shall be reduced to zero, and
“(B) subparagraphs (A) and (B) of paragraph (2) shall each be applied by substituting ‘15-plan-year period’ for ‘7-plan-year period’.”.

(c) Effective Date.—The amendments made by this section shall apply to plan years beginning after December 31, 2018.

SEC. 9706. EXTENSION OF PENSION FUNDING STABILIZATION PERCENTAGES FOR SINGLE EMPLOYER PLANS.

(a) Amendment to Internal Revenue Code of 1986.—

(1) In General.—The table contained in subclause (II) of section 430(h)(2)(C)(iv) of the Internal Revenue Code of 1986 is amended to read as follows:

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<th>If the calendar year is:</th>
<th>The applicable minimum percentage is:</th>
<th>The applicable maximum percentage is:</th>
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<tr>
<td>Any year in the period starting in 2012 and ending in 2019</td>
<td>90%</td>
<td>110%</td>
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<tr>
<td>Any year in the period starting in 2020 and ending in 2025</td>
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<td>105%</td>
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<tr>
<td>2026</td>
<td>90%</td>
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<tr>
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<td>130%</td>
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</tbody>
</table>
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(2) Floor on 25-year Averages.—Subclause (I) of section 430(h)(2)(C)(iv) of such Code is amended by adding at the end the following: “Not-
withstanding anything in this subclause, if the average of the first, second, or third segment rate for any 25-year period is less than 5 percent, such average shall be deemed to be 5 percent.”.

(b) **Amendments to Employee Retirement Income Security Act of 1974.**—

(1) **In general.**—The table contained in subclause (II) of section 303(h)(2)(C)(iv) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1083(h)(2)(C)(iv)(II)) is amended to read as follows:

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<table>
<thead>
<tr>
<th>“If the calendar year is:”</th>
<th>The applicable minimum percentage is: The applicable maximum percentage is:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Any year in the period starting in 2012 and ending in 2019 .........................................................</td>
<td>90%</td>
</tr>
<tr>
<td>Any year in the period starting in 2020 and ending in 2025 .........................................................</td>
<td>95%</td>
</tr>
<tr>
<td>2026 ..............................................................</td>
<td>90%</td>
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<td>2027 ..............................................................</td>
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<td>2028 ..............................................................</td>
<td>80%</td>
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<td>2029 ..............................................................</td>
<td>75%</td>
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<tr>
<td>After 2029 ...........................................................</td>
<td>70%</td>
</tr>
</tbody>
</table>
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(2) **Floor on 25-year averages.**—Subclause (I) of section 303(h)(2)(C)(iv) of such Act (29 U.S.C. 1083(h)(2)(C)(iv)(I)) is amended by adding at the end the following: “Notwithstanding anything in this subclause, if the average of the first, second, or third segment rate for any 25-year period is less
than 5 percent, such average shall be deemed to be
5 percent.’’.

(3) CONFORMING AMENDMENTS.—

(A) IN GENERAL.—Section 101(f)(2)(D) of
such Act (29 U.S.C. 1021(f)(2)(D)) is amend-
ed—

(i) in clause (i) by striking “and the
Bipartisan Budget Act of 2015” both
places it appears and inserting “, the Bi-
partisan Budget Act of 2015, and the
Butch Lewis Emergency Pension Plan Re-
lief Act of 2021”, and

(ii) in clause (ii) by striking “2023”
and inserting “2029”.

(B) STATEMENTS.—The Secretary of
Labor shall modify the statements required
under subclauses (I) and (II) of section
101(f)(2)(D)(i) of such Act to conform to the
amendments made by this section.

(c) EFFECTIVE DATE.—The amendments made by
this section shall apply with respect to plan years begin-
ing after December 31, 2019.
SEC. 9707. MODIFICATION OF SPECIAL RULES FOR MINIMUM FUNDING STANDARDS FOR COMMUNITY NEWSPAPER PLANS.

(a) Amendment to Internal Revenue Code of 1986.—Subsection (m) of section 430 of the Internal Revenue Code of 1986 is amended to read as follows:

“(m) Special Rules for Community Newspaper Plans.—

“(1) In general.—An eligible newspaper plan sponsor of a plan under which no participant has had the participant’s accrued benefit increased (whether because of service or compensation) after April 2, 2019, may elect to have the alternative standards described in paragraph (4) apply to such plan.

“(2) Eligible Newspaper Plan Sponsor.—
The term ‘eligible newspaper plan sponsor’ means the plan sponsor of—

“(A) any community newspaper plan, or

“(B) any other plan sponsored, as of April 2, 2019, by a member of the same controlled group of a plan sponsor of a community newspaper plan if such member is in the trade or business of publishing 1 or more newspapers.

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

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

“(A) INTEREST RATES.—

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

“(ii) NEW BENEFIT ACCRUALS.—Not-
withstanding subsection (h)(2), for pur-
poses of determining the funding target
and normal cost of a plan for any plan
year, the present value of any benefits ac-
crued or earned under the plan for a plan
year with respect to which an election
under paragraph (1) is in effect shall be
determined on the basis of the United
States Treasury obligation yield curve for
the day that is the valuation date of such
plan for such plan year.

“(iii) United States Treasury ob-
ligation yield curve.—For purposes of
this subsection, the term ‘United States
Treasury obligation yield curve’ means,
with respect to any day, a yield curve
which shall be prescribed by the Secretary
for such day on interest-bearing obligations
of the United States.

“(B) Shortfall amortization base.—

“(i) Previous shortfall amortiza-
tion bases.—The shortfall amortization
bases determined under subsection (c)(3)
for all plan years preceding the first plan
year to which the election under paragraph
(1) applies (and all shortfall amortization
installments determined with respect to
such bases) shall be reduced to zero under
rules similar to the rules of subsection
(c)(6).

“(ii) New shortfall amortization
base.—Notwithstanding subsection (c)(3),
the shortfall amortization base for the first
plan year to which the election under para-
graph (1) applies shall be the funding
shortfall of such plan for such plan year
(determined using the interest rates as
modified under subparagraph (A)).

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

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

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

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

“(5) COMMUNITY NEWSPAPER PLAN.—For pur-
poses of this subsection—

“(A) IN GENERAL.—The term ‘community
newspaper plan’ means any plan to which this
section applies maintained as of December 31,
2018, by an employer which—
“(i) maintains the plan on behalf of participants and beneficiaries with respect to employment in the trade or business of publishing 1 or more newspapers which were published by the employer at any time during the 11-year period ending on the date of the enactment of this subsection,

“(ii)(I) is not a company the stock of which is publicly traded (on a stock exchange or in an over-the-counter market), and is not controlled, directly or indirectly, by such a company, or

“(II) is controlled, directly or indirectly, during the entire 30-year period ending on the date of the enactment of this subsection by individuals who are members of the same family, and does not publish or distribute a daily newspaper that is carrier-distributed in printed form in more than 5 States, and

“(iii) is controlled, directly or indirectly—

“(I) by 1 or more persons residing primarily in a State in which the
community newspaper has been published on newsprint or carrier-distributed,

“(II) during the entire 30-year period ending on the date of the enactment of this subsection by individuals who are members of the same family,

“(III) by 1 or more trusts, the sole trustees of which are persons described in subclause (I) or (II), or

“(IV) by a combination of persons described in subclause (I), (II), or (III).

“(B) NEWSPAPER.—The term ‘newspaper’ does not include any newspaper (determined without regard to this subparagraph) to which any of the following apply:

“(i) Is not in general circulation.

“(ii) Is published (on newsprint or electronically) less frequently than 3 times per week.

“(iii) Has not ever been regularly published on newsprint.
“(iv) Does not have a bona fide list of paid subscribers.

“(C) CONTROL.—A person shall be treated as controlled by another person if such other person possesses, directly or indirectly, the power to direct or cause the direction and management of such person (including the power to elect a majority of the members of the board of directors of such person) through the ownership of voting securities.

“(6) CONTROLLED GROUP.—For purposes of this subsection, the term ‘controlled group’ means all persons treated as a single employer under subsection (b), (c), (m), or (o) of section 414 as of the date of the enactment of this subsection.”.

(b) AMENDMENT TO EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974.—Subsection (m) of section 303 of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1083(m)) is amended to read as follows:

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

“(1) IN GENERAL.—An eligible newspaper plan sponsor of a plan under which no participant has had the participant’s accrued benefit increased (whether because of service or compensation) after
April 2, 2019, may elect to have the alternative
standards described in paragraph (4) apply to such
plan.

“(2) ELIGIBLE NEWSPAPER PLAN SPONSOR.—
The term ‘eligible newspaper plan sponsor’ means
the plan sponsor of—

“(A) any community newspaper plan, or
“(B) any other plan sponsored, as of April
2, 2019, by a member of the same controlled
group of a plan sponsor of a community news-
paper plan if such member is in the trade or
business of publishing 1 or more newspapers.

“(3) ELECTION.—An election under paragraph
(1) shall be made at such time and in such manner
as prescribed by the Secretary of the Treasury. Such
election, once made with respect to a plan year, shall
apply to all subsequent plan years unless revoked
with the consent of the Secretary of the Treasury.

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

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

“(ii) **NEW BENEFIT ACCRUALS.**—Not-
withstanding subsection (h)(2), for pur-
poses of determining the funding target
and normal cost of a plan for any plan
year, the present value of any benefits ac-
crued or earned under the plan for a plan
year with respect to which an election
under paragraph (1) is in effect shall be
determined on the basis of the United
States Treasury obligation yield curve for
the day that is the valuation date of such
plan for such plan year.

“(iii) **UNITED STATES TREASURY OB-
LIGATION YIELD CURVE.**—For purposes of
this subsection, the term ‘United States
Treasury obligation yield curve’ means,
with respect to any day, a yield curve
which shall be prescribed by the Secretary
of the Treasury for such day on interest-
bearing obligations of the United States.

“(B) **SHORTFALL AMORTIZATION BASE.**—
“(i) **PREVIOUS SHORTFALL AMORTIZATION BASES.**—The shortfall amortization bases determined under subsection (c)(3) for all plan years preceding the first plan year to which the election under paragraph (1) applies (and all shortfall amortization installments determined with respect to such bases) shall be reduced to zero under rules similar to the rules of subsection (c)(6).

“(ii) **NEW SHORTFALL AMORTIZATION BASE.**—Notwithstanding subsection (c)(3), the shortfall amortization base for the first plan year to which the election under paragraph (1) applies shall be the funding shortfall of such plan for such plan year (determined using the interest rates as modified under subparagraph (A)).

“(C) **DETERMINATION OF SHORTFALL AMORTIZATION INSTALLMENTS.**—

““(i) **30-YEAR PERIOD.**—Subparagraphs (A) and (B) of subsection (c)(2) shall be applied by substituting ‘30-plan-year’ for ‘7-plan-year’ each place it appears.
“(ii) NO SPECIAL ELECTION.—The election under subparagraph (D) of subsection (c)(2) shall not apply to any plan year to which the election under paragraph (1) applies.

“(D) EXEMPTION FROM AT-RISK TREATMENT.—Subsection (i) shall not apply.

“(5) COMMUNITY NEWSPAPER PLAN.—For purposes of this subsection—

“(A) IN GENERAL.—The term ‘community newspaper plan’ means a plan to which this section applies maintained as of December 31, 2018, by an employer which—

“(i) maintains the plan on behalf of participants and beneficiaries with respect to employment in the trade or business of publishing 1 or more newspapers which were published by the employer at any time during the 11-year period ending on the date of the enactment of this subsection,

“(ii)(I) is not a company the stock of which is publicly traded (on a stock exchange or in an over-the-counter market),
and is not controlled, directly or indirectly,
by such a company, or

“(II) is controlled, directly, or indi-
directly, during the entire 30-year period
ending on the date of the enactment of this
subsection by individuals who are members
of the same family, and does not publish or
distribute a daily newspaper that is car-
rier-distributed in printed form in more
than 5 States, and

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

“(I) by 1 or more persons resid-
ing primarily in a State in which the
community newspaper has been pub-
lished on newsprint or carrier-distrib-
uted,

“(II) during the entire 30-year
period ending on the date of the en-
actment of this subsection by individ-
uals who are members of the same
family,

“(III) by 1 or more trusts, the
sole trustees of which are persons de-
scribed in subclause (I) or (II), or
“(IV) by a combination of persons described in subclause (I), (II), or (III).

“(B) NEWSPAPER.—The term ‘newspaper’ does not include any newspaper (determined without regard to this subparagraph) to which any of the following apply:

“(i) Is not in general circulation.

“(ii) Is published (on newsprint or electronically) less frequently than 3 times per week.

“(iii) Has not ever been regularly published on newsprint.

“(iv) Does not have a bona fide list of paid subscribers.

“(C) CONTROL.—A person shall be treated as controlled by another person if such other person possesses, directly or indirectly, the power to direct or cause the direction and management of such person (including the power to elect a majority of the members of the board of directors of such person) through the ownership of voting securities.

“(6) CONTROLLED GROUP.—For purposes of this subsection, the term ‘controlled group’ means all
persons treated as a single employer under subsection (b), (e), (m), or (o) of section 414 of the Internal Revenue Code of 1986 as of the date of the enactment of this subsection.

“(7) Effect on premium rate calculation.—Notwithstanding any other provision of law or any regulation issued by the Pension Benefit Guaranty Corporation, in the case of a plan for which an election is made to apply the alternative standards described in paragraph (3), the additional premium under section 4006(a)(3)(E) shall be determined as if such election had not been made.”.

(c) Effective Date.—The amendments made by this subsection shall apply to plan years ending after December 31, 2017.

SEC. 9708. COST OF LIVING ADJUSTMENT FREEZE.

(a) In General.—Subsection (d) of section 415 of the Internal Revenue Code of 1986 is amended by adding at the end the following new paragraph:

“(5) Freeze on cost of living adjustments.—

“(A) In General.—Except as provided in subparagraph (B), in the case of calendar years beginning after December 31, 2030—
“(i) no adjustment shall be made under paragraph (1), and

“(ii) the dollar amounts as adjusted under such paragraph for calendar year 2030 shall apply.

“(B) Exception.—Subparagraph (A) shall not apply in the case of a plan maintained pursuant to 1 or more collective bargaining agreements.”.

(b) Compensation Limit.—Paragraph (17) of section 401(a) of the Internal Revenue Code of 1986 is amended by adding at the end the following new subgraph:

“(C) Freeze on Cost of Living Adjustments.—

“(i) In general.—Except as provided in clause (ii), in the case of calendar years beginning after December 31, 2030—

“(I) no adjustment shall be made under subparagraph (B), and

“(II) the dollar amount as adjusted under such subparagraph for calendar year 2030 shall apply.
“(ii) EXCEPTION.—Clause (i) shall not apply in the case of a plan maintained pursuant to 1 or more collective bargaining agreements.”.

(c) CONFORMING AMENDMENTS.—

(1) Section 45A(c)(3) of the Internal Revenue Code of 1986 is amended by striking “415(d)” and inserting “415(d) (without regard to paragraph (5) thereof)”.

(2) Section 402(g)(4) of such Code is amended by striking “415(d)” and inserting “415(d) (without regard to paragraph (5) thereof)”.

(3) Section 404(l) of such Code is amended by striking “401(a)(17)(B)” and inserting “401(a)(17)(B) (without regard to section 401(a)(17)(C))”.

(4) Section 408(k)(8) of such Code is amended—

(A) by striking “415(d)” and inserting “415(d) (without regard to paragraph (5) thereof)”, and

(B) by striking “401(a)(17)(B)” and inserting “401(a)(17)(B) (without regard to section 401(a)(17)(C))”.

(5) Section 408(p)(2)(E)(ii) of such Code is amended by striking “415(d)” and inserting “415(d) (without regard to paragraph (5) thereof”).

(6) Section 409(o)(2) of such Code is amended by striking “415(d)” and inserting “415(d) (without regard to paragraph (5) thereof”).

(7) Section 416(i)(1)(A) of such Code is amended by striking “415(d)” and inserting “415(d) (without regard to paragraph (5) thereof”).

(8) Section 457(e)(11)(B)(iii) of such Code is amended by striking “415(d)” and inserting “415(d) (without regard to paragraph (5) thereof”).

(9) Section 457(e)(15)(B) of such Code is amended by striking “415(d)” and inserting “415(d) (without regard to paragraph (5) thereof”).

(10) Section 505(b)(7) of such Code is amended by striking “401(a)(17)(B)” and inserting “401(a)(17)(B) (without regard to section 401(a)(17)(C))”.

(11) Section 664(g)(7)(B) of such Code is amended by striking “415(d)” and inserting “415(d) (without regard to paragraph (5) thereof)”.

□