

**AMENDMENT IN THE NATURE OF A SUBSTITUTE
TO H.R. 6377
OFFERED BY MR. BRADY OF TEXAS**

Strike all after the enacting clause and insert the following:

1 SECTION 1. SHORT TITLE.

2 This Act may be cited as the “Save Community
3 Newspaper Act of 2018”.

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

6 (a) AMENDMENT TO INTERNAL REVENUE CODE OF
7 1986.—Section 430 of the Internal Revenue Code of 1986
8 is amended by adding at the end the following new sub-
9 section:

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

12 “(1) IN GENERAL.—The plan sponsor of a com-
13 munity newspaper plan under which no participant
14 has had the participant’s accrued benefit increased
15 (whether because of service or compensation) after
16 December 31, 2017, may elect to have the alter-
17 native standards described in paragraph (3) apply to
18 such plan, and any plan sponsored by any member

1 of the same controlled group, for purposes of this
2 section for plan years beginning with any plan year
3 in effect on or beginning after the date of the enact-
4 ment of this subsection. For purposes of this para-
5 graph, the term ‘controlled group’ means all persons
6 treated as a single employer under subsection (b),
7 (c), (m), or (o) of section 414.

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

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

17 “(A) INTEREST RATES.—

18 “(i) IN GENERAL.—Notwithstanding
19 subsection (h)(2)(C) and except as pro-
20 vided in clause (ii), the first, second, and
21 third segment rates in effect for any
22 month for purposes of this section shall be
23 8 percent.

24 “(ii) NEW BENEFIT ACCRUALS.—Not-
25 withstanding subsection (h)(2), for pur-

1 poses of determining the funding target
2 and normal cost of a plan for any plan
3 year, the present value of any benefits ac-
4 crued or earned under the plan for a plan
5 year with respect to which an election
6 under paragraph (1) is in effect shall be
7 determined on the basis of the U.S. Treas-
8 ury obligation yield curve for the day that
9 is the valuation date of such plan for such
10 plan year.

11 “(iii) U.S. TREASURY OBLIGATION
12 YIELD CURVE.—For purposes of this sub-
13 section, the term ‘U.S. Treasury obligation
14 yield curve’ means, with respect to any
15 day, a yield curve which shall be prescribed
16 by the Secretary for such day on interest-
17 bearing obligations of the United States.

18 “(B) SHORTFALL AMORTIZATION BASE.—

19 “(i) PREVIOUS SHORTFALL AMORTIZA-
20 TION BASES.—The shortfall amortization
21 bases determined under subsection (c)(3)
22 for all plan years preceding the first plan
23 year to which the election under paragraph
24 (1) applies (and all shortfall amortization
25 installments determined with respect to

1 such bases) shall be reduced to zero under
2 rules similar to the rules of subsection
3 (c)(6).

4 “(ii) NEW SHORTFALL AMORTIZATION
5 BASE.—Notwithstanding subsection (c)(3),
6 the shortfall amortization base for the first
7 plan year to which the election under para-
8 graph (1) applies shall be the funding
9 shortfall of such plan for such plan year
10 (determined using the interest rates as
11 modified under subparagraph (A)).

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

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

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

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

1 “(4) COMMUNITY NEWSPAPER PLAN.—For pur-
2 poses of this subsection—

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

7 “(i) publishes and distributes daily, ei-
8 ther electronically or in printed form, 1 or
9 more community newspapers in a single
10 State,

11 “(ii) is not a company the stock of
12 which is publicly traded (on a stock ex-
13 change or in an over-the-counter market),
14 and is not controlled, directly or indirectly,
15 by such a company,

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

18 “(I) by 1 or more persons resid-
19 ing primarily in the State in which
20 the community newspaper is pub-
21 lished,

22 “(II) for not less than 30 years
23 by individuals who are members of the
24 same family,

1 “(III) by a trust created or orga-
2 nized in the State in which the com-
3 munity newspaper is published, the
4 sole trustees of which are persons de-
5 scribed in subclause (I) or (II),

6 “(IV) by an entity which is de-
7 scribed in section 501(c)(3) and ex-
8 empt from taxation under section
9 501(a), which is organized and oper-
10 ated in the State in which the commu-
11 nity newspaper is published, and the
12 primary purpose of which is to benefit
13 communities in such State, or

14 “(V) a combination of persons
15 described in subclause (I), (III), or
16 (IV), and

17 “(iv) does not control, directly or indi-
18 rectly, any newspaper in any other State.

19 “(B) COMMUNITY NEWSPAPER.—The term
20 ‘community newspaper’ means a newspaper
21 which primarily serves a metropolitan statistical
22 area, as determined by the Office of Manage-
23 ment and Budget, with a population of not less
24 than 100,000.

1 “(C) CONTROL.—A person shall be treated
2 as controlled by another person if such other
3 person possesses, directly or indirectly, the
4 power to direct or cause the direction and man-
5 agement of such person (including the power to
6 elect a majority of the members of the board of
7 directors of such person) through the ownership
8 of voting securities.”.

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

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

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

1 in effect on or beginning after the date of the enact-
2 ment of this subsection.

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

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

12 “(A) INTEREST RATES.—

13 “(i) IN GENERAL.—Notwithstanding
14 subsection (h)(2)(C) and except as pro-
15 vided in clause (ii), the first, second, and
16 third segment rates in effect for any
17 month for purposes of this section shall be
18 8 percent.

19 “(ii) NEW BENEFIT ACCRUALS.—Not-
20 withstanding subsection (h)(2), for pur-
21 poses of determining the funding target
22 and normal cost of a plan for any plan
23 year, the present value of any benefits ac-
24 crued or earned under the plan for a plan
25 year with respect to which an election

1 under paragraph (1) is in effect shall be
2 determined on the basis of the U.S. Treas-
3 ury obligation yield curve for the day that
4 is the valuation date of such plan for such
5 plan year.

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

13 “(B) SHORTFALL AMORTIZATION BASE.—

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

24 “(ii) NEW SHORTFALL AMORTIZATION
25 BASE.—Notwithstanding subsection (c)(3),

1 the shortfall amortization base for the first
2 plan year to which the election under para-
3 graph (1) applies shall be the funding
4 shortfall of such plan for such plan year
5 (determined using the interest rates as
6 modified under subparagraph (A)).

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

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

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

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

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22 poses of this subsection—

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24 newspaper plan’ means a plan to which this sec-

1 tion applies maintained by an employer which,
2 as of December 31, 2017—

3 “(i) publishes and distributes daily, ei-
4 ther electronically or in printed form—

5 “(I) a community newspaper, or

6 “(II) 1 or more community news-
7 papers in the same State,

8 “(ii) is not a company the stock of
9 which is publicly traded (on a stock ex-
10 change or in an over-the-counter market),
11 and is not controlled, directly or indirectly,
12 by such a company,

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

15 “(I) by 1 or more persons resid-
16 ing primarily in the State in which
17 the community newspaper is pub-
18 lished,

19 “(II) for not less than 30 years
20 by individuals who are members of the
21 same family,

22 “(III) by a trust created or orga-
23 nized in the State in which the com-
24 munity newspaper is published, the

1 sole trustees of which are persons de-
2 scribed in subclause (I) or (II),

3 “(IV) by an entity which is de-
4 scribed in section 501(c)(3) of the In-
5 ternal Revenue Code of 1986 and ex-
6 empt from taxation under section
7 501(a) of such Code, which is orga-
8 nized and operated in the State in
9 which the community newspaper is
10 published, and the primary purpose of
11 which is to benefit communities in
12 such State, or

13 “(V) a combination of persons
14 described in subclause (I), (III), or
15 (IV), and

16 “(iv) does not control, directly or indi-
17 rectly, any newspaper in any other State.

18 “(B) COMMUNITY NEWSPAPER.—The term
19 ‘community newspaper’ means a newspaper
20 which primarily serves a metropolitan statistical
21 area, as determined by the Office of Manage-
22 ment and Budget, with a population of not less
23 than 100,000.

24 “(C) CONTROL.—A person shall be treated
25 as controlled by another person if such other

1 person possesses, directly or indirectly, the
2 power to direct or cause the direction and man-
3 agement of such person (including the power to
4 elect a majority of the members of the board of
5 directors of such person) through the ownership
6 of voting securities.

7 “(5) 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 community
11 newspaper plan which elects the application of the
12 alternative standards described in paragraph (3), the
13 additional premium under section 4006(a)(3)(E)
14 shall be determined as if such election had not been
15 made.”.

16 (c) EFFECTIVE DATE.—The amendments made by
17 this section shall apply to plan years in effect on or begin-
18 ning after the date of the enactment of this Act.

