

S 1386

Employee Welfare Benefit Equity Act of 2001

Congress: 107 (2001–2003, Ended)

Chamber: Senate

Policy Area: Labor and Employment

Introduced: Aug 3, 2001

Current Status: Read twice and referred to the Committee on Finance. (text of measure as introduced: CR S8959-8961)

Latest Action: Read twice and referred to the Committee on Finance. (text of measure as introduced: CR S8959-8961)
(Aug 3, 2001)

Official Text: <https://www.congress.gov/bill/107th-congress/senate-bill/1386>

Sponsor

Name: Sen. Santorum, Rick [R-PA]

Party: Republican • **State:** PA • **Chamber:** Senate

Cosponsors

No cosponsors are listed for this bill.

Committee Activity

| Committee | Chamber | Activity | Date |
|-------------------|---------|-------------|-------------|
| Finance Committee | Senate | Referred To | Aug 3, 2001 |

Subjects & Policy Tags

Policy Area:

Labor and Employment

Related Bills

No related bills are listed.

Summary (as of Aug 3, 2001)

Employee Welfare Benefit Equity Act of 2001 - Amends the Internal Revenue Code, with respect to the limited deductibility of employer contributions to welfare benefit funds, to revise the exception from such treatment for a single plan with ten or more employers. Adds to current requirements for a ten-or-more employer plan that the plan must: (1) meet specified nondiscrimination requirements with respect to all benefits the plan provides; (2) receive a favorable determination from the Secretary of the Treasury that the plan (or a predecessor plan) is a voluntary employees' beneficiary association meeting certain criteria; and (3) provide no severance pay benefit.

Defines an experience-related plan, to which such exception does not apply (thus qualifying it for limited deductibility of employer contributions), as a plan which determines contributions by individual employers on the basis of actual gain or loss experience. Excludes from experience-related plans (and so excepts from limited deductibility of employer contributions) guaranteed benefit plans funded with insurance contracts or otherwise determinable and payable to a participant without reference to, or limitation by, the amount of contributions to the plan attributable to any contributing employer.

Requires the taxpayer to apply for and receive a determination by the Secretary of the Treasury that a collective bargaining agreement is bona fide and the welfare benefits provided under it were the subject of good faith bargaining before a qualified asset account may be unlimited under an employee pay-all plan.

Declares that a welfare benefit fund meeting all applicable requirements shall not be treated as a tax shelter or corporate tax shelter.

Prescribes an excise tax equal to 100 percent of all contributions to a funded welfare benefit plan that is terminated prematurely, that is, within six years after the first contribution to the fund which benefits any highly compensated employee.

Actions Timeline

- **Aug 3, 2001:** Introduced in Senate
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