

HR 2101

Pension Fairness Act of 2003

Congress: 108 (2003–2005, Ended)

Chamber: House

Policy Area: Labor and Employment

Introduced: May 14, 2003

Current Status: Referred to the Subcommittee on Commercial and Administrative Law.

Latest Action: Referred to the Subcommittee on Commercial and Administrative Law. (Jun 25, 2003)

Official Text: <https://www.congress.gov/bill/108th-congress/house-bill/2101>

Sponsor

Name: Rep. Miller, George [D-CA-7]

Party: Democratic • **State:** CA • **Chamber:** House

Cosponsors (39 total)

Cosponsor	Party / State	Role	Date Joined
Del. Norton, Eleanor Holmes [D-DC-At Large]	D · DC		May 14, 2003
Rep. Baldwin, Tammy [D-WI-2]	D · WI		May 14, 2003
Rep. Bell, Chris [D-TX-25]	D · TX		May 14, 2003
Rep. Bishop, Timothy H. [D-NY-1]	D · NY		May 14, 2003
Rep. Blumenauer, Earl [D-OR-3]	D · OR		May 14, 2003
Rep. Brown, Sherrod [D-OH-13]	D · OH		May 14, 2003
Rep. Case, Ed [D-HI-2]	D · HI		May 14, 2003
Rep. Davis, Danny K. [D-IL-7]	D · IL		May 14, 2003
Rep. DeLauro, Rosa L. [D-CT-3]	D · CT		May 14, 2003
Rep. Farr, Sam [D-CA-17]	D · CA		May 14, 2003
Rep. Grijalva, Raúl M. [D-AZ-7]	D · AZ		May 14, 2003
Rep. Kildee, Dale E. [D-MI-5]	D · MI		May 14, 2003
Rep. Kucinich, Dennis J. [D-OH-10]	D · OH		May 14, 2003
Rep. Lee, Barbara [D-CA-9]	D · CA		May 14, 2003
Rep. Lynch, Stephen F. [D-MA-9]	D · MA		May 14, 2003
Rep. Maloney, Carolyn B. [D-NY-14]	D · NY		May 14, 2003
Rep. McCollum, Betty [D-MN-4]	D · MN		May 14, 2003
Rep. Meehan, Martin T. [D-MA-5]	D · MA		May 14, 2003
Rep. Miller, Brad [D-NC-13]	D · NC		May 14, 2003
Rep. Owens, Major R. [D-NY-11]	D · NY		May 14, 2003
Rep. Payne, Donald M. [D-NJ-10]	D · NJ		May 14, 2003
Rep. Roybal-Allard, Lucille [D-CA-34]	D · CA		May 14, 2003
Rep. Ryan, Timothy J. [D-OH-17]	D · OH		May 14, 2003
Rep. Schakowsky, Janice D. [D-IL-9]	D · IL		May 14, 2003
Rep. Scott, David [D-GA-13]	D · GA		May 14, 2003
Rep. Solis, Hilda L. [D-CA-32]	D · CA		May 14, 2003
Rep. Stark, Fortney Pete [D-CA-13]	D · CA		May 14, 2003
Rep. Tierney, John F. [D-MA-6]	D · MA		May 14, 2003
Rep. Van Hollen, Chris [D-MD-8]	D · MD		May 14, 2003
Rep. Woolsey, Lynn C. [D-CA-6]	D · CA		May 14, 2003
Rep. Andrews, Robert E. [D-NJ-1]	D · NJ		May 19, 2003
Rep. Cardin, Benjamin L. [D-MD-3]	D · MD		May 19, 2003
Rep. Conyers, John, Jr. [D-MI-14]	D · MI		May 19, 2003
Rep. Matsui, Robert T. [D-CA-5]	D · CA		May 19, 2003
Rep. Pomeroy, Earl [D-ND-At Large]	D · ND		May 19, 2003
Rep. Rangel, Charles B. [D-NY-15]	D · NY		May 19, 2003
Rep. Sánchez, Linda T. [D-CA-39]	D · CA		May 20, 2004
Rep. Hoeffel, Joseph M. [D-PA-13]	D · PA		Sep 21, 2004
Rep. McCarthy, Carolyn [D-NY-4]	D · NY		Oct 8, 2004

Committee Activity

Committee	Chamber	Activity	Date
Education and Workforce Committee	House	Referred to	Jun 20, 2003
Financial Services Committee	House	Referred to	May 23, 2003
Judiciary Committee	House	Referred to	Jun 25, 2003
Ways and Means Committee	House	Referred To	May 14, 2003

Subjects & Policy Tags

Policy Area:

Labor and Employment

Related Bills

No related bills are listed.

Pension Fairness Act of 2003 - Amends the Employee Retirement Income Security Act of 1974 (ERISA) and the Internal Revenue Code (Code) to revise and add protections for participants and beneficiaries under employee pension plans (plans).

Revises information disclosure provisions to require both defined benefit plans and defined contribution (401(k) and related) plans to give participants periodic statements on earned benefits. Requires notice of excessive stock holdings (more than ten percent in employer stock) and the risks of such excess. Requires a corporate insider or plan fiduciary who sells a specified minimum amount of employer stock holdings to report such sale to participants. Revises enforcement requirements. Requires the accounting standard for an issuer of a single-employer defined benefit plan to be modified to prevent the plan's investment gains from being treated as income to such issuer (and prohibits the Security and Exchange Commission from recognizing such standard before such modification).

Requires that participants and their beneficiaries be allowed to diversify their plan investments (by divesting employer stock and reinvesting elsewhere) after three years of the participant's service as an employee. Directs the Secretaries of Labor and of the Treasury to report to specified congressional committees their recommendations relating to treatment of non-publicly traded stock for purposes of such participants control over assets in their plan accounts.

Requires that employees and employers have equal representation and voting rights in the joint trusteeship of individual account plans under which some or all of the assets are derived from employee contributions.

Sets forth increased accountability requirements, including bonding or insurance adequate to protect interest of participants and beneficiaries, liability for breach of fiduciary duty, and preservation of rights or claims.

Establishes an Office of Pension Participant Advocacy, with a Pension Participation Advocate, in the Department of Labor.

Directs the Pension Benefit Guaranty Corporation to contract to study and report on the insurance system for individual account plans.

Establishes an excise tax on failure of pension plans to provide notice of transaction restriction periods.

Requires plan investment advisors to meet certain standards of independence or provide access to independent advice for employees. Provides that employers are not liable for such advice if they prudently select and monitor such advisors. Provides for expanded tax-deferred treatment of qualified retirement planning services for employees.

Sets forth requirements for parity in employee benefits. Requires inclusion in gross income of the funded executive deferred compensation (protected in bankruptcy) if a corporation funds its defined contribution plan with employer stock (not protected in bankruptcy). Makes inapplicable, in the case of pension surpluses and assets, the executive performance-based compensation exception to the limitation on deductible compensation.

Provides protection for long-service employees during conversions to hybrid defined benefit plans. Requires that employees with ten years of service be allowed to choose whether to receive benefits promised under a traditional plan or under a new cash balance plan.

Provides for treatment of corporate insiders, including special rules for executive perks and retirement benefits. Applies the golden parachute excise tax to deferred compensation which is paid by a corporation after a major decline in stock

value or when the corporation declares bankruptcy. Requires adequate disclosure regarding executive compensation packages to employees and to unions during collective bargaining.

Revises Federal bankruptcy law to provide additional protections for employees of bankrupt employers. Provides for avoidance of certain transfers, and for alternate prosecution of action. Limits retention bonuses, severance pay, and certain other payments. Revises priorities for payment of claims to raise from \$4,000 to \$10,000 the maximum individual limit on allowed unsecured claims for wages, salaries, or commissions, including leave pay, or certain sales commissions, earned within 90 days before petition filing or business cessation.

Subjects to deductible limits the corporate tax deduction for reinvested dividends of employee stock ownership plans (ESOPs).

Makes permanent the Saver's Tax Credit, which is a tax credit for elective deferrals and individual retirement account (IRA) contributions by certain individuals.

Actions Timeline

- **Jun 25, 2003:** Referred to the Subcommittee on Commercial and Administrative Law.
- **Jun 20, 2003:** Referred to the Subcommittee on Employer-Employee Relations.
- **May 23, 2003:** Referred to the Subcommittee on Capital Markets, Insurance and Government Sponsored Enterprises.
- **May 14, 2003:** Introduced in House
- **May 14, 2003:** Introduced in House
- **May 14, 2003:** Referred to the Committee on Education and the Workforce, and in addition to the Committees on Ways and Means, the Judiciary, and Financial Services, 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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