

HR 3108

Pension Funding Equity Act of 2004

**Congress:** 108 (2003–2005, Ended)

**Chamber:** House

**Policy Area:** Labor and Employment

**Introduced:** Sep 17, 2003

**Current Status:** Became Public Law No: 108-218.

**Latest Action:** Became Public Law No: 108-218. (Apr 10, 2004)

**Law:** 108-218 (Enacted Apr 10, 2004)

**Official Text:** <https://www.congress.gov/bill/108th-congress/house-bill/3108>

Sponsor

**Name:** Rep. Boehner, John A. [R-OH-8]

**Party:** Republican • **State:** OH • **Chamber:** House

Cosponsors (10 total)

| Cosponsor                               | Party / State | Role | Date Joined  |
|-----------------------------------------|---------------|------|--------------|
| Rep. Johnson, Sam [R-TX-3]              | R · TX        |      | Sep 17, 2003 |
| Rep. Miller, George [D-CA-7]            | D · CA        |      | Sep 17, 2003 |
| Rep. Portman, Rob [R-OH-2]              | R · OH        |      | Sep 17, 2003 |
| Rep. Rangel, Charles B. [D-NY-15]       | D · NY        |      | Sep 17, 2003 |
| Rep. Thomas, William M. [R-CA-22]       | R · CA        |      | Sep 17, 2003 |
| Rep. Ballenger, Cass [R-NC-10]          | R · NC        |      | Oct 1, 2003  |
| Rep. Blackburn, Marsha [R-TN-7]         | R · TN        |      | Oct 1, 2003  |
| Rep. Cole, Tom [R-OK-4]                 | R · OK        |      | Oct 1, 2003  |
| Rep. McKeon, Howard P. "Buck" [R-CA-25] | R · CA        |      | Oct 1, 2003  |
| Rep. Wilson, Joe [R-SC-2]               | R · SC        |      | Oct 1, 2003  |

Committee Activity

| Committee                         | Chamber | Activity        | Date         |
|-----------------------------------|---------|-----------------|--------------|
| Education and Workforce Committee | House   | Referred To     | Sep 17, 2003 |
| Finance Committee                 | Senate  | Discharged From | Jan 22, 2004 |
| Ways and Means Committee          | House   | Referred To     | Sep 17, 2003 |

Subjects & Policy Tags

**Policy Area:**

Labor and Employment

Related Bills

No related bills are listed.

**(This measure has not been amended since the Conference Report was filed in the House on April 1, 2004. The summary of that version is repeated here.)**

Pension Funding Equity Act of 2004 - **Title I: Pension Funding** - (Sec. 101) Amends the Employee Retirement Income Security Act of 1974 (ERISA) and the Internal Revenue Code (Code) to temporarily replace (for plan years 2004 and 2005) the 30-year Treasury rate with a rate based on long-term corporate bonds for certain pension plan funding requirements.

Directs the Secretary of the Treasury to: (1) determine the permissible range of such rate on the basis of two or more indices that are selected periodically from the the top three quality levels available; and (2) make such range public, as well as indices and methodology used to determine such weighted average rate.

(Sec. 102) Allows applicable employers to elect to make alternative deficit reduction contributions under ERISA and the Code. Defines applicable employers as: (1) commercial passenger airlines; (2) those primarily engaged in production or manufacture of steel mill products or the processing of iron ore pellets; or (3) a specified type of organization that established its plan on June 30, 1955. Allows such an employer, if the defined benefit plan met certain requirements in 2000, to elect an alternative type of increase for up to two plan years that begin after December 27, 2003, and before December 28, 2005. Restricts benefit increases during such applicable plan year unless specified conditions are met. Requires employers who elect such an alternative deficit reduction contribution to notify participants, beneficiaries, and the Pension Benefit Guaranty Corporation (PBGC).

(Sec. 103) Establishes ERISA requirements for multiemployer defined benefit plan funding notices. Requires plan administrators to send such notices to participants, beneficiaries, labor organizations, and employers for each plan year, within a specified time, form, and manner. Requires such notices to include information on: (1) the plan's funded current liability percentage; (2) the value of the plan's assets, the amount of benefit payments, and the ratio of the assets to the payments for the plan year; (3) rules governing insolvent multiemployer plans, including limitations on benefit payments, potential benefit reductions and suspensions, and potential effects on the plan; and (4) plan benefits eligible to be guaranteed by the PBGC, and circumstances limiting such guarantee. Directs the Secretary of Labor to issue regulations, including a model notice.

(Sec. 104) Permits, under ERISA and the Code, certain eligible multiemployer plan sponsors to elect to defer a charge for a portion of a net experience loss. Allows, with respect to such loss for the first plan year beginning after December 31, 2001, such deferral of up to 80 percent of the amount otherwise required to be charged for any plan year beginning after June 30, 2003, and before July 1, 2005, to any plan year selected by the plan from either of the two immediately succeeding plan years. Prohibits any plan amendments which increase plan liabilities by increasing benefits from taking effect during such deferral period, unless specified conditions are met.

Makes a multiemployer plan eligible to elect such deferral if: (1) it had a net investment loss (determined on the basis of actual loss) for the first plan year beginning after December 31, 2001, of at least ten percent of the average fair market value of its assets during the plan year; and (2) its enrolled actuary certifies, on the basis of the actuarial assumptions used for the last plan year ending before the enactment date of this Act, that it is projected to have an accumulated funding deficiency for any plan year beginning between June 30, 2003, and July 1, 2006. Makes a plan ineligible if: (1) any of its required employer contributors failed to timely pay an excise tax imposed on the plan, for any taxable year beginning during the preceding ten-year period; (2) the average contribution required to be made by all employers to it

does not exceed ten cents per hour, or no employer is required to make contributions to it, for any plan year beginning after June 30, 1993; or (3) it was granted a specified waiver or an amortization period extension, for any plan year beginning after June 30, 1993.

**Title II: Other Provisions** - (Sec. 201) Provides for a special two-year extension, for plan years beginning in 2004 and 2005, of a transition rule, under the Retirement Protection Act of 1994, as amended by the Taxpayer Relief Act of 1997, with respect to certain pension funding requirements under ERISA and the Code. Allows a certain defined benefit plan, in 2004 and 2005, to use a special mortality table in calculating funding liability and to be exempt from a deficit reduction contribution and variable premiums to the PBGC.

(Sec. 202) Sets forth a special ERISA procedure for certain disputes between a multiemployer plan sponsor and an employer involving pension plan withdrawal liability. Shifts, from the employer to the plan sponsor, the burden of proof that the employer created a subsidiary to avoid the employer's liability for plan termination, if: (1) the transaction occurred before January 1, 1999, and at least five years before the date of complete or partial withdrawal; and (2) the employer receives a certain notification under ERISA after October 31, 2003.

(Sec. 203) Expresses the sense of Congress that it must ensure the financial health of the defined benefit pension system by working to implement promptly: (1) a permanent replacement for the pension discount rate used for defined benefit pension plan calculations; and (2) comprehensive funding reforms, for all defined benefit pension plans, aimed at achieving accurate and sound pension funding

(Sec. 204) Extends, until December 31, 2013, Code and ERISA provisions permitting the transfer of excess pension assets to retiree health accounts.

(Sec. 205) Repeals a Code provision requiring reduction of the policyholder dividend deductions of mutual life insurance companies.

(Sec. 206) Revises the definition of small property and casualty insurance companies (insurance companies other than life insurance companies) exempt from income taxes to specify: (1) a company whose gross receipts for the taxable year do not exceed \$600,000, and over half such gross receipts consist of premiums (currently, whose net written premiums (or, if greater, direct written premiums) for the taxable year do not exceed \$350,000); or (2) a mutual insurance company (with certain exceptions) whose gross receipts of which for the taxable year do not exceed \$150,000, and more than 35 percent of such gross receipts consist of premiums.

(Sec. 207) Declares that graduate medical resident matching programs do not violate Federal or State antitrust laws.

## Actions Timeline

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- **Apr 10, 2004:** Signed by President.
- **Apr 10, 2004:** Became Public Law No: 108-218.
- **Apr 9, 2004:** Presented to President.
- **Apr 8, 2004:** Conference report considered in Senate. (consideration: CR S3968-3974, S3975-3977, S3979-3989, S3991, S3995-3996)
- **Apr 8, 2004:** Conference report agreed to in Senate: Senate agreed to conference report by Yea-Nay Vote. 78 - 19. Record Vote Number: 68.
- **Apr 8, 2004:** Senate agreed to conference report by Yea-Nay Vote. 78 - 19. Record Vote Number: 68.
- **Apr 8, 2004:** Message on Senate action sent to the House.
- **Apr 5, 2004:** Conference papers: Senate report and manager's statement and message on House action held at the desk in Senate.
- **Apr 2, 2004:** Mr. Boehner brought up conference report H. Rept. 108-457 by previously agreed to special order. (consideration: CR H2123-2132)
- **Apr 2, 2004:** DEBATE - Pursuant to the order of the House of Thursday, April 1, 2004, the House proceeded with one hour of debate on the conference report to accompany H.R. 3108.
- **Apr 2, 2004:** The previous question was ordered without objection.
- **Apr 2, 2004:** Mr. Andrews moved to recommit with instructions to the conference committee. (consideration: CR H2131-2132; text: CR H2131)
- **Apr 2, 2004:** The previous question on the motion to recommit with instructions to conference committee was ordered without objection.
- **Apr 2, 2004:** On motion to recommit with instructions to conference committee Failed by the Yeas and Nays: 195 - 217 (Roll no. 116).
- **Apr 2, 2004:** Conference report agreed to in House: On agreeing to the conference report Agreed to by recorded vote: 336 - 69 (Roll no. 117).
- **Apr 2, 2004:** Motions to reconsider laid on the table Agreed to without objection.
- **Apr 2, 2004:** On agreeing to the conference report Agreed to by recorded vote: 336 - 69 (Roll no. 117).
- **Apr 1, 2004:** Conference committee actions: Conferees agreed to file conference report.
- **Apr 1, 2004:** Conferees agreed to file conference report.
- **Apr 1, 2004:** Conference report filed: Conference report H. Rept. 108-457 filed.(text of conference report: CR H1997-2014)
- **Apr 1, 2004:** Conference report H. Rept. 108-457 filed. (text of conference report: CR H1997-2014)
- **Mar 9, 2004:** Conference committee actions: Conference held.
- **Mar 9, 2004:** Conference held.
- **Mar 4, 2004:** Mr. Boehner asked unanimous consent that the House disagree to the Senate amendment, and agree to a conference. (consideration: CR H835)
- **Mar 4, 2004:** On motion that the House disagree to the Senate amendment, and agree to a conference Agreed to without objection.
- **Mar 4, 2004:** Motion to reconsider laid on the table Agreed to without objection.
- **Mar 4, 2004:** The Speaker appointed conferees - from the Committee on Education and the Workforce for consideration of the House bill and the Senate amendment, and modifications committed to conference: Boehner, McKeon, Johnson, Sam, Tiberi, Miller, George, and Andrews.
- **Mar 4, 2004:** The Speaker appointed conferees - from the Committee on Ways and Means for consideration of the House bill and the Senate amendment, and modifications committed to conference: Thomas, Portman, and Rangel.
- **Feb 24, 2004:** Message on Senate action sent to the House.
- **Feb 12, 2004:** Senate insists on its amendment, asks for a conference, appoints conferees Grassley; Gregg; McConnell; Baucus; Kennedy. (consideration: CR S1401)
- **Jan 28, 2004:** Considered by Senate. (consideration: CR S294-304)
- **Jan 28, 2004:** Passed/agreed to in Senate: Passed Senate with an amendment by Yea-Nay Vote. 86 - 9. Record Vote Number: 5.(text: CR S299-303)
- **Jan 28, 2004:** Passed Senate with an amendment by Yea-Nay Vote. 86 - 9. Record Vote Number: 5. (text: CR S299-303)

- **Jan 27, 2004:** Considered by Senate. (consideration: CR S266-278)
- **Jan 26, 2004:** Considered by Senate. (consideration: CR S226-241)
- **Jan 22, 2004:** Senate Committee on Finance discharged. pursuant to the order of 12-9-2003.
- **Jan 22, 2004:** Measure laid before Senate by unanimous consent. (consideration: CR S157-168)
- **Dec 9, 2003:** Read twice and referred to the Committee on Finance.
- **Oct 14, 2003:** Received in the Senate.
- **Oct 8, 2003:** Consideration initiated pursuant to a previous order. (consideration: CR H9293-9302; text of measure as introduced: CR H9293-9294)
- **Oct 8, 2003:** Considered pursuant to a previous order.
- **Oct 8, 2003:** DEBATE - The House proceeded with one hour of debate on H.R. 3108, as amended.
- **Oct 8, 2003:** The previous question was ordered pursuant to a previous order of the House.
- **Oct 8, 2003:** POSTPONED PROCEEDINGS - At the conclusion of debate, the Chair put the question on adoption of the bill and by voice vote, announced that the ayes had prevailed. Mr. Boehner demanded the Yeas and Nays and the Chair postponed further proceedings on the question of final passage until later in the legislative day.
- **Oct 8, 2003:** Considered as unfinished business. (consideration: CR H9332)
- **Oct 8, 2003:** Passed/agreed to in House: On passage Passed by the Yeas and Nays: 397 - 2 (Roll no. 535).
- **Oct 8, 2003:** On passage Passed by the Yeas and Nays: 397 - 2 (Roll no. 535).
- **Oct 8, 2003:** Motion to reconsider laid on the table Agreed to without objection.
- **Sep 17, 2003:** Introduced in House
- **Sep 17, 2003:** 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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