

## S 2518

### Protecting Employees and Retirees in Business Bankruptcies Act of 2018

**Congress:** 115 (2017–2019, Ended)

**Chamber:** Senate

**Policy Area:** Finance and Financial Sector

**Introduced:** Mar 7, 2018

**Current Status:** Read twice and referred to the Committee on the Judiciary. (text of measure as introduced: CR S1456-

**Latest Action:** Read twice and referred to the Committee on the Judiciary. (text of measure as introduced: CR S1456-1460) (Mar 7, 2018)

**Official Text:** <https://www.congress.gov/bill/115th-congress/senate-bill/2518>

### Sponsor

**Name:** Sen. Durbin, Richard J. [D-IL]

**Party:** Democratic • **State:** IL • **Chamber:** Senate

### Cosponsors (2 total)

Cosponsor	Party / State	Role	Date Joined
Sen. Brown, Sherrod [D-OH]	D · OH		Mar 7, 2018
Sen. Whitehouse, Sheldon [D-RI]	D · RI		Mar 7, 2018

### Committee Activity

Committee	Chamber	Activity	Date
Judiciary Committee	Senate	Referred To	Mar 7, 2018

### Subjects & Policy Tags

#### Policy Area:

Finance and Financial Sector

### Related Bills

Bill	Relationship	Last Action
115 HR 138	Related bill	<b>Mar 15, 2018:</b> ASSUMING FIRST SPONSORSHIP - Mr. Norcross asked unanimous consent that he may hereafter be considered as the first sponsor of H.R. 138, a bill originally introduced by former Representative Conyers, for purposes of adding cosponsors and requesting reprintings pursuant to clause 7 of rule XII. Agreed to without objection.

## Protecting Employees and Retirees in Business Bankruptcies Act of 2018

This bill amends federal bankruptcy law to modify provisions related to Chapter 11 bankruptcy, which typically involves the reorganization of a debtor company's assets and debts. Specifically, the bill modifies provisions governing:

(1) employee and retiree recoveries and losses, and (2) executive compensation programs.

With respect to employee and retiree recoveries and losses, the bill does the following:

- increases the maximum value and age of specified wage and benefit claims entitled to priority payment;
- allows certain claims for losses related to defined contribution plans, if the employer or plan sponsor has committed fraud or otherwise breached its fiduciary duty;
- allows, as an administrative expense of the estate, severance pay owed to employees;
- establishes certain restrictions regarding the rejection or amendment of a collective bargaining agreement;
- revises specified procedures related to the reduction or denial of retiree benefits;
- requires a court, in approving a sale of business assets, to consider the extent to which a bidder has offered to maintain existing jobs and assume benefit obligations; and
- modifies other provisions.

With respect to executive compensation, the bill does the following:

- establishes specified limitations related to executive compensation enhancements,
- prohibits executives from receiving certain retiree benefits if such benefits were reduced or eliminated for other employees or retirees, and
- revises other requirements related to court approval of such compensation.

In addition, the bill grants creditor status to labor organizations for purposes of filing a proof of claim.

### Actions Timeline

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- **Mar 7, 2018:** Introduced in Senate
- **Mar 7, 2018:** Read twice and referred to the Committee on the Judiciary. (text of measure as introduced: CR S1456-1460)