

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	Mar 15, 2018: 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

- **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)