

S 4089

Protecting Employees and Retirees in Business Bankruptcies Act of 2020

Congress: 116 (2019–2021, Ended)

Chamber: Senate

Policy Area: Finance and Financial Sector

Introduced: Jun 25, 2020

Current Status: Read twice and referred to the Committee on the Judiciary. (text: CR S3314-3319)

Latest Action: Read twice and referred to the Committee on the Judiciary. (text: CR S3314-3319) (Jun 25, 2020)

Official Text: <https://www.congress.gov/bill/116th-congress/senate-bill/4089>

Sponsor

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

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

Cosponsors (9 total)

Cosponsor	Party / State	Role	Date Joined
Sen. Brown, Sherrod [D-OH]	D · OH		Jun 25, 2020
Sen. Harris, Kamala D. [D-CA]	D · CA		Jun 25, 2020
Sen. Klobuchar, Amy [D-MN]	D · MN		Jun 25, 2020
Sen. Merkley, Jeff [D-OR]	D · OR		Jun 25, 2020
Sen. Schatz, Brian [D-HI]	D · HI		Jun 25, 2020
Sen. Whitehouse, Sheldon [D-RI]	D · RI		Jun 25, 2020
Sen. Hirono, Mazie K. [D-HI]	D · HI		Jul 21, 2020
Sen. Duckworth, Tammy [D-IL]	D · IL		Jul 22, 2020
Sen. Reed, Jack [D-RI]	D · RI		Sep 8, 2020

Committee Activity

Committee	Chamber	Activity	Date
Judiciary Committee	Senate	Referred To	Jun 25, 2020

Subjects & Policy Tags

Policy Area:

Finance and Financial Sector

Related Bills

Bill	Relationship	Last Action
116 HR 7370	Related bill	Sep 29, 2020: Ordered to be Reported (Amended) by the Yeas and Nays: 20 - 10.

Protecting Employees and Retirees in Business Bankruptcies Act of 2020

This bill modifies provisions related to Chapter 11 bankruptcy, which typically involves the reorganization of a debtor company's assets and debts. Specifically, the bill (1) expands available claims and priorities for employees and retirees, and (2) places additional restrictions on the compensation of executives and other high level employees.

With respect to employee and retiree recoveries and losses, the bill

- 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 and contributions to an employee benefit plan;
- 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
- allows claims related to pension losses.

With respect to executive compensation, the bill

- 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.

Actions Timeline

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