"(C) A separate, segregated account of a national committee of a political party (including a national congressional campaign committee of a political party) which is used to defray expenses incurred with respect to the preparation for and the conduct of election recounts and contests and other legal proceedings.".

(b) CONFORMING AMENDMENT RELATING TO DETERMINATION OF COORDINATED EXPENDITURE LIMITATIONS.—Section 315(d) of such Act (52 U.S.C. 30116(d)) is amended by adding at the end the following new paragraph:

"(5) The limitations contained in paragraphs (2), (3), and (4) of this subsection shall not apply to expenditures made from any of the accounts described in subsection (a)(9).".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to funds that are solicited, received, transferred, or spent on or after the date of the enactment of this section.

SEC. 102. MODIFICATION OF TREATMENT OF CERTAIN HEALTH ORGANIZATIONS.

(a) IN GENERAL.—Paragraph (5) of section 833(c) of the Internal Revenue Code of 1986 is amended—

(1) by striking "this section" and inserting "paragraphs (2) and (3) of subsection (a)", and

(2) by inserting "and for activities that improve health care quality" after "clinical services".

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2009.

SEC. 103. BUDGETARY EFFECTS.

(a) STATUTORY PAY-AS-YOU-GO SCORECARDS.—The budgetary effects of division M and sections 101 and 102 of division N shall not be entered on either PAYGO scorecard maintained pursuant to section 4(d) of the Statutory Pay-As-You-Go Act of 2010.

(b) SENATE PAY-AS-YOU-GO SCORECARDS.—The budgetary effects of division M and sections 101 and 102 of division N shall not be entered on any PAYGO scorecard maintained for purposes of section 201 of S. Con. Res. 21 (110th Congress).

(c) CLASSIFICATION OF BUDGETARY EFFECTS.—Notwithstanding Rule 3 of the Budget Scorekeeping Guidelines set forth in the joint explanatory statement of the committee of conference accompanying Conference Report 105–217 and section 250(c)(8) of the Balanced Budget and Emergency Deficit Control Act of 1985, the budgetary effects of division M and sections 101 and 102 of division N shall not be estimated—

(1) for purposes of section 251 of such Act; and

(2) for purposes of paragraph 4(C) of section 3 of the Statutory Pay-As-You-Go Act of 2010 as being included in an appropriation Act.

DIVISION O—MULTIEMPLOYER PENSION REFORM

SEC. 1. SHORT TITLE.

This division may be cited as the "Multiemployer Pension Reform Act of 2014".

SEC. 2. TABLE OF CONTENTS.

The table of contents for this division is as follows:

Sec. 1. Short title.
Sec. 2. Table of Contents.

TITLE I—MODIFICATIONS TO MULTIEMPLOYER PLAN RULES

Subtitle A—Amendments to Pension Protection Act of 2006

Sec. 101. Repeal of sunset of PPA funding rules.
Sec. 102. Election to be in critical status.
Sec. 103. Clarification of rule for emergence from critical status.
Sec. 104. Endangered status not applicable if no additional action is required.
Sec. 105. Correct endangered status funding improvement plan target funded percentage.
Sec. 106. Conforming endangered status and critical status rules during funding improvement and rehabilitation plan adoption periods.
Sec. 107. Corrective plan schedules when parties fail to adopt in bargaining.
Sec. 108. Repeal of reorganization rules for multiemployer plans.
Sec. 109. Disregard of certain contribution increases for withdrawal liability purposes.
Sec. 110. Guarantee for pre-retirement survivor annuities under multiemployer pension plans.
Sec. 111. Required disclosure of multiemployer plan information.

Subtitle B—Multiemployer Plan Mergers and Partitions

Sec. 121. Mergers.
Sec. 122. Partitions of eligible multiemployer plans.

Subtitle C—Strengthening the Pension Benefit Guaranty Corporation

Sec. 131. Premium increases for multiemployer plans.

TITLE II—REMEDIATION MEASURES FOR DEEPLY TROUBLED PLANS

Sec. 201. Conditions, limitations, distribution and notice requirements, and approval process for benefit suspensions under multiemployer plans in critical and declining status.

TITLE I—MODIFICATIONS TO MULTIEMPLOYER PLAN RULES

Subtitle A—Amendments to Pension Protection Act of 2006

SEC. 101. REPEAL OF SUNSET OF PPA FUNDING RULES.

(a) IN GENERAL.—Subtitle C of title II of the Pension Protection Act of 2006 (26 U.S.C. 412 note) is repealed.

(b) CONFORMING AMENDMENTS.—

(1) AMENDMENT TO EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974.—Section 304(d)(1) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1084) is amended by striking subparagraph (C).

(2) AMENDMENT TO INTERNAL REVENUE CODE.—Section 431(d)(1) of the Internal Revenue Code of 1986 is amended by striking subparagraph (C).

SEC. 102. ELECTION TO BE IN CRITICAL STATUS.

(a) AMENDMENTS TO EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974.—

(1) IN GENERAL.—Section 305(b) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1085(b)) is amended by adding at the end the following:

"(4) ELECTION TO BE IN CRITICAL STATUS.—Notwithstanding paragraph (2) and subject to paragraph (3)(B)(iv)—

"(A) the plan sponsor of a multiemployer plan that is not in critical status for a plan year but that is projected by the plan actuary, pursuant to the determination under paragraph (3), to be in critical status in any of the succeeding 5 plan years may, not later than 30 days after the date of the certification under paragraph (3)(A), elect to be in critical status effective for the current plan year,

"(B) the plan year in which the plan sponsor elects to be in critical status under subparagraph (A) shall be treated for purposes of this section as the first year in which the plan is in critical status, regardless of the date on which the plan first satisfies the criteria for critical status under paragraph (2), and

"(C) a plan that is in critical status under this paragraph shall not emerge from critical status except in accordance with subsection (e)(4)(B).".

(2) ANNUAL CERTIFICATION.—

(A) IN GENERAL.—Section 305(b)(3)(A)(i) of such Act (29 U.S.C. 1085(b)(3)(A)(i)) is amended by striking ", and" and inserting "or for any of the succeeding 5 plan years, and".

(B) ACTUARIAL PROJECTIONS.—Section 305(b)(3)(B) of such Act (29 U.S.C. 1085(b)(3)(B)) is amended—

(i) in clause (i), by striking "In making the determinations" and inserting "Except as provided in clause (iv), in making the determinations"; and

(ii) by adding at the end the following:

"(iv) PROJECTIONS RELATING TO CRITICAL STATUS IN SUCCEEDING PLAN YEARS.—Clauses (i) and (ii) (other than the 2nd sentence of clause (i)) may be disregarded by a plan actuary in the case of any certification of whether a plan will be in critical status in a succeeding plan year, except that a plan sponsor may not elect to be in critical status for a plan year under paragraph (4) in any case in which the certification upon which such election would be based is made without regard to such clauses.".

(3) NOTICE.—

(A) OF ELECTION TO BE IN CRITICAL STATUS.—Section 305(b)(3)(D)(i) of such Act (29 U.S.C. 1085(b)(3)(D)(i)) is amended—

(i) by inserting after "for a plan year" the following: "or in which a plan sponsor elects to be in critical status for a plan year under paragraph (4)"; and

(ii) by adding at the end the following: "In any case in which a plan sponsor elects to be in critical status for a plan year under paragraph (4), the plan sponsor shall notify the Secretary of the Treasury of such election not later than 30 days after the date of such certification or such other time as the Secretary of the Treasury may prescribe by regulations or other guidance."

(B) OF PROJECTION TO BE IN CRITICAL STATUS IN A FUTURE PLAN YEAR.—Section 305(b)(3)(D) of such Act (29

U.S.C. 1085(b)(3)(D)) is amended by adding at the end the following:

"(iv) NOTICE OF PROJECTION TO BE IN CRITICAL STATUS IN A FUTURE PLAN YEAR.—In any case in which it is certified under subparagraph (A)(i) that a multiemployer plan will be in critical status for any of 5 succeeding plan years (but not for the current plan year) and the plan sponsor of such plan has not made an election to be in critical status for the plan year under paragraph (4), the plan sponsor shall, not later than 30 days after the date of the certification, provide notification of the projected critical status to the Pension Benefit Guaranty Corporation.".

(b) AMENDMENTS TO INTERNAL REVENUE CODE.—

(1) IN GENERAL.—Section 432(b) of the Internal Revenue Code of 1986 is amended by adding at the end the following:

"(4) ELECTION TO BE IN CRITICAL STATUS.—Notwithstanding paragraph (2) and subject to paragraph (3)(B)(iv)—

"(A) the plan sponsor of a multiemployer plan that is not in critical status for a plan year but that is projected by the plan actuary, pursuant to the determination under paragraph (3), to be in critical status in any of the succeeding 5 plan years may, not later than 30 days after the date of the certification under paragraph (3)(A), elect to be in critical status effective for the current plan year,

"(B) the plan year in which the plan sponsor elects to be in critical status under subparagraph (A) shall be treated for purposes of this section as the first year in which the plan is in critical status, regardless of the date on which the plan first satisfies the criteria for critical status under paragraph (2), and

"(C) a plan that is in critical status under this paragraph shall not emerge from critical status except in accordance with subsection (e)(4)(B).".

(2) ANNUAL CERTIFICATION.—

(A) IN GENERAL.—Section 432(b)(3)(A)(i) of such Code is amended by striking ", and" and inserting "or for any of the succeeding 5 plan years, and".

(B) ACTUARIAL PROJECTIONS.—Section 432(b)(3)(B) of such Code is amended—

(i) in clause (i), by striking "In making the determinations" and inserting "Except as provided in clause (iv), in making the determinations"; and

(ii) by adding at the end the following:

"(iv) PROJECTIONS RELATING TO CRITICAL STATUS IN SUCCEEDING PLAN YEARS.—Clauses (i) and (ii) (other than the 2nd sentence of clause (i)) may be disregarded by a plan actuary in the case of any certification of whether a plan will be in critical status in a succeeding plan year, except that a plan sponsor may not elect to be in critical status for a plan year under paragraph (4) in any case in which the certification upon which such election would be based is made without regard to such clauses.".

(3) NOTICE.—

(A) OF ELECTION TO BE IN CRITICAL STATUS.—Section 432(b)(3)(D)(i) of such Code is amended—

(i) by inserting after "for a plan year" the following: "or in which a plan sponsor elects to be in critical status for a plan year under paragraph (4)"; and

(ii) by adding at the end the following: "In any case in which a plan sponsor elects to be in critical status for a plan year under paragraph (4), the plan sponsor shall notify the Secretary of such election not later than 30 days after the date of such certification or such other time as the Secretary may prescribe by regulations or other guidance.".

(B) OF PROJECTION TO BE IN CRITICAL STATUS IN A FUTURE PLAN YEAR.—Section 432(b)(3)(D) of such Code is amended by adding at the end the following:

"(iv) NOTICE OF PROJECTION TO BE IN CRITICAL STATUS IN A FUTURE PLAN YEAR.—In any case in which it is certified under subparagraph (A)(i) that a multiemployer plan will be in critical status for any of 5 succeeding plan years (but not for the current plan year) and the plan sponsor of such plan has not made an election to be in critical status for the plan year under paragraph (4), the plan sponsor shall, not later than 30 days after the date of the certification, provide notification of the projected critical status to the Pension Benefit Guaranty Corporation.".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to plan years beginning after December 31, 2014.

SEC. 103. CLARIFICATION OF RULE FOR EMERGENCE FROM CRITICAL STATUS.

(a) AMENDMENT TO EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974.—Section 305(e)(4)(B) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1085(e)(4)(B)) is amended to read as follows:

"(B) EMERGENCE.—

"(i) IN GENERAL.—A plan in critical status shall remain in such status until a plan year for which the plan actuary certifies, in accordance with subsection (b)(3)(A), that—

"(I) the plan is not described in one or more of the subparagraphs in subsection (b)(2) as of the beginning of the plan year;

"(II) the plan is not projected to have an accumulated funding deficiency for the plan year or any of the 9 succeeding plan years, without regard to the use of the shortfall method but taking into account any extension of amortization periods under section 304(d)(2) or section 304 (as in effect prior to the enactment of the Pension Protection Act of 2006); and

"(III) the plan is not projected to become insolvent within the meaning of section 4245 for any of the 30 succeeding plan years.

"(ii) PLANS WITH CERTAIN AMORTIZATION EXTENSIONS.—

"(I) SPECIAL EMERGENCE RULE.—Notwithstanding clause (i), a plan in critical status that

has an automatic extension of amortization periods under section 304(d)(1) shall no longer be in critical status if the plan actuary certifies for a plan year, in accordance with subsection (b)(3)(A), that—

"(aa) the plan is not projected to have an accumulated funding deficiency for the plan year or any of the 9 succeeding plan years, without regard to the use of the shortfall method but taking into account any extension of amortization periods under section 304(d)(1); and

"(bb) the plan is not projected to become insolvent within the meaning of section 4245 for any of the 30 succeeding plan years,

regardless of whether the plan is described in one or more of the subparagraphs in subsection (b)(2) as of the beginning of the plan year.

"(II) REENTRY INTO CRITICAL STATUS.—A plan that emerges from critical status under subclause (I) shall not reenter critical status for any subsequent plan year unless—

"(aa) the plan is projected to have an accumulated funding deficiency for the plan year or any of the 9 succeeding plan years, without regard to the use of the shortfall method but taking into account any extension of amortization periods under section 304(d); or

"(bb) the plan is projected to become insolvent within the meaning of section 4245 for any of the 30 succeeding plan years.".

(b) AMENDMENT TO THE INTERNAL REVENUE CODE.—Section 432(e)(4)(B) of the Internal Revenue Code of 1986 is amended to read as follows:

"(B) EMERGENCE.—

"(i) IN GENERAL.—A plan in critical status shall remain in such status until a plan year for which the plan actuary certifies, in accordance with subsection (b)(3)(A), that—

"(I) the plan is not described in one or more of the subparagraphs in subsection (b)(2) as of the beginning of the plan year,

"(II) the plan is not projected to have an accumulated funding deficiency for the plan year or any of the 9 succeeding plan years, without regard to the use of the shortfall method but taking into account any extension of amortization periods under section 431(d)(2) or section 412(e) (as in effect prior to the enactment of the Pension Protection Act of 2006), and

"(III) the plan is not projected to become insolvent within the meaning of section 418E for any of the 30 succeeding plan years.

"(ii) PLANS WITH CERTAIN AMORTIZATION EXTENSIONS.—

"(I) SPECIAL EMERGENCE RULE.—Notwithstanding clause (i), a plan in critical status that

has an automatic extension of amortization periods under section 431(d)(1) shall no longer be in critical status if the plan actuary certifies for a plan year, in accordance with subsection (b)(3)(A), that—

"(aa) the plan is not projected to have an accumulated funding deficiency for the plan year or any of the 9 succeeding plan years, without regard to the use of the shortfall method but taking into account any extension of amortization periods under section 431(d)(1), and

"(bb) the plan is not projected to become insolvent within the meaning of section 418E for any of the 30 succeeding plan years,

regardless of whether the plan is described in one or more of the subparagraphs in subsection (b)(2) as of the beginning of the plan year.

"(II) REENTRY INTO CRITICAL STATUS.—A plan that emerges from critical status under subclause (I) shall not reenter critical status for any subsequent plan year unless—

"(aa) the plan is projected to have an accumulated funding deficiency for the plan year or any of the 9 succeeding plan years, without regard to the use of the shortfall method but taking into account any extension of amortization periods under section 431(d), or

"(bb) the plan is projected to become insolvent within the meaning of section 418E for any of the 30 succeeding plan years.".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to plan years beginning after December 31, 2014.

SEC. 104. ENDANGERED STATUS NOT APPLICABLE IF NO ADDITIONAL ACTION IS REQUIRED.

(a) AMENDMENTS TO EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974.—

(1) IN GENERAL.—Section 305(b) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1085(b)), as amended by section 102, is further amended—

(A) in paragraph (1), by striking "the plan is not in critical status for the plan year" and inserting "the plan is not in critical status for the plan year and is not described in paragraph (5),"; and

(B) by adding at the end the following:

"(5) SPECIAL RULE.—A plan is described in this paragraph if—

"(A) as part of the actuarial certification of endangered status under paragraph (3)(A) for the plan year, the plan actuary certifies that the plan is projected to no longer be described in either paragraph (1)(A) or paragraph (1)(B) as of the end of the tenth plan year ending after the plan year to which the certification relates, and

"(B) the plan was not in critical or endangered status for the immediately preceding plan year.".

(2) NOTICE.—Section 305(b)(3)(D) of such Act (29 U.S.C. 1085(b)(3)(D)) is amended—

(A) by redesignating clause (iii) and clause (iv) (as added by section 102(a)(3)(B)) as clauses (iv) and (v), respectively; and

(B) by inserting after clause (ii) the following:

"(iii) In the case of a multiemployer plan that would be in endangered status but for paragraph (5), the plan sponsor shall provide notice to the bargaining parties and the Pension Benefit Guaranty Corporation that the plan would be in endangered status but for such paragraph.".

(C) in clause (iv) (as redesignated by subparagraph (A)), by striking "clause (ii)" and inserting "clauses (ii) and (iii)".

(3) CONFORMING AMENDMENT.—Section 305(b)(3)(A)(i) of such Act (29 U.S.C. 1085(b)(3)(A)(i)) is amended by inserting after "endangered status for a plan year" the following: ", or would be in endangered status for such plan year but for paragraph (5),".

(b) AMENDMENTS TO INTERNAL REVENUE CODE OF 1986.—

(1) IN GENERAL.—Section 432(b) of the Internal Revenue Code of 1986, as amended by section 102, is further amended—

(A) in paragraph (1), by striking "the plan is not in critical status for the plan year" and inserting "the plan is not in critical status for the plan year and is not described in paragraph (5),"; and

(B) by adding at the end the following:

"(5) SPECIAL RULE.—A plan is described in this paragraph if—

"(A) as part of the actuarial certification of endangered status under paragraph (3)(A) for the plan year, the plan actuary certifies that the plan is projected to no longer be described in either paragraph (1)(A) or paragraph (1)(B) as of the end of the tenth plan year ending after the plan year to which the certification relates, and

"(B) the plan was not in critical or endangered status for the immediately preceding plan year.".

(2) NOTICE.—Section 432(b)(3)(D) of such Code is amended—

(A) by redesignating clause (iii) and clause (iv) (as added by section 102(b)(3)(B)) as clauses (iv) and (v), respectively; and

(B) by inserting after clause (ii) the following:

"(iii) In the case of a multiemployer plan that would be in endangered status but for paragraph (5), the plan sponsor shall provide notice to the bargaining parties and the Pension Benefit Guaranty Corporation that the plan would be in endangered status but for such paragraph.".

(C) in clause (iv) (as redesignated by subparagraph (A)), by striking "clause (ii)" and inserting "clauses (ii) and (iii)".

(3) CONFORMING AMENDMENT.—Section 432(b)(3)(A)(i) of such Code is amended by inserting after "endangered status for a plan year" the following: ", or would be in endangered status for such plan year but for paragraph (5),".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to plan years beginning after December 31, 2014.

SEC. 105. CORRECT ENDANGERED STATUS FUNDING IMPROVEMENT PLAN TARGET FUNDED PERCENTAGE.

(a) AMENDMENT TO EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974.—Section 305(c)(3)(A) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1085(c)(3)(A)) is amended—

(1) in clause (i)(I), by striking "of such period" and inserting "of the first plan year for which the plan is certified to be in endangered status pursuant to paragraph (b)(3)"; and

(2) in clause (ii), by striking "any plan year" and inserting "the last plan year".

(b) AMENDMENT TO INTERNAL REVENUE CODE.—Section 432(c)(3)(A) of the Internal Revenue Code of 1986 is amended—

(1) in clause (i)(I), by striking "of such period" and inserting "of the first plan year for which the plan is certified to be in endangered status pursuant to paragraph (b)(3)"; and

(2) in clause (ii), by striking "any plan year" and inserting "the last plan year".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to plan years beginning after December 31, 2014.

SEC. 106. CONFORMING ENDANGERED STATUS AND CRITICAL STATUS RULES DURING FUNDING IMPROVEMENT AND REHABILITATION PLAN ADOPTION PERIODS.

(a) AMENDMENTS TO EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974.—Section 305(d) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1085(d)) is amended to read as follows:

"(d) RULES FOR OPERATION OF PLAN DURING ADOPTION AND IMPROVEMENT PERIODS.—

"(1) COMPLIANCE WITH FUNDING IMPROVEMENT PLAN.—

"(A) IN GENERAL.—A plan may not be amended after the date of the adoption of a funding improvement plan under subsection (c) so as to be inconsistent with the funding improvement plan.

"(B) SPECIAL RULES FOR BENEFIT INCREASES.—A plan may not be amended after the date of the adoption of a funding improvement plan under subsection (c) so as to increase benefits, including future benefit accruals, unless the plan actuary certifies that such increase is paid for out of additional contributions not contemplated by the funding improvement plan, and, after taking into account the benefit increase, the multiemployer plan still is reasonably expected to meet the applicable benchmark on the schedule contemplated in the funding improvement plan.

"(2) SPECIAL RULES FOR PLAN ADOPTION PERIOD.—During the period beginning on the date of the certification under subsection (b)(3)(A) for the initial determination year and ending on the date of the adoption of a funding improvement plan—

"(A) the plan sponsor may not accept a collective bargaining agreement or participation agreement with respect to the multiemployer plan that provides for—

"(i) a reduction in the level of contributions for any participants,

"(ii) a suspension of contributions with respect to any period of service, or

"(iii) any new direct or indirect exclusion of younger or newly hired employees from plan participation, and

"(B) no amendment of the plan which increases the liabilities of the plan by reason of any increase in benefits, any change in the accrual of benefits, or any change in the rate at which benefits become nonforfeitable under the plan may be adopted unless the amendment is required as a condition of qualification under part I of subchapter D of chapter 1 of the Internal Revenue Code of 1986 or to comply with other applicable law.".

(b) AMENDMENTS TO INTERNAL REVENUE CODE.—Section 432(d) of the Internal Revenue Code of 1986 is amended to read as follows:

"(d) RULES FOR OPERATION OF PLAN DURING ADOPTION AND IMPROVEMENT PERIODS.—

"(1) COMPLIANCE WITH FUNDING IMPROVEMENT PLAN.—

"(A) IN GENERAL.—A plan may not be amended after the date of the adoption of a funding improvement plan under subsection (c) so as to be inconsistent with the funding improvement plan.

"(B) SPECIAL RULES FOR BENEFIT INCREASES.—A plan may not be amended after the date of the adoption of a funding improvement plan under subsection (c) so as to increase benefits, including future benefit accruals, unless the plan actuary certifies that such increase is paid for out of additional contributions not contemplated by the funding improvement plan, and, after taking into account the benefit increase, the multiemployer plan still is reasonably expected to meet the applicable benchmark on the schedule contemplated in the funding improvement plan.

"(2) SPECIAL RULES FOR PLAN ADOPTION PERIOD.—During the period beginning on the date of the certification under subsection (b)(3)(A) for the initial determination year and ending on the date of the adoption of a funding improvement plan—

"(A) the plan sponsor may not accept a collective bargaining agreement or participation agreement with respect to the multiemployer plan that provides for—

"(i) a reduction in the level of contributions for any participants,

"(ii) a suspension of contributions with respect to any period of service, or

"(iii) any new direct or indirect exclusion of younger or newly hired employees from plan participation, and

"(B) no amendment of the plan which increases the liabilities of the plan by reason of any increase in benefits, any change in the accrual of benefits, or any change in the rate at which benefits become nonforfeitable under the plan may be adopted unless the amendment is required as a condition of qualification under part I of subchapter D of chapter 1 or to comply with other applicable law.".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to plan years beginning after December 31, 2014.

SEC. 107. CORRECTIVE PLAN SCHEDULES WHEN PARTIES FAIL TO ADOPT IN BARGAINING.

(a) AMENDMENTS TO EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974.—Section 305 of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1085) is amended—

(1) in subsection (c), by amending paragraph (7) to read as follows:

"(7) IMPOSITION OF SCHEDULE WHERE FAILURE TO ADOPT FUNDING IMPROVEMENT PLAN.—

"(A) INITIAL CONTRIBUTION SCHEDULE.—If—

"(i) a collective bargaining agreement providing for contributions under a multiemployer plan that was in effect at the time the plan entered endangered status expires, and

"(ii) after receiving one or more schedules from the plan sponsor under paragraph (1)(B), the bargaining parties with respect to such agreement fail to adopt a contribution schedule with terms consistent with the funding improvement plan and a schedule from the plan sponsor,

the plan sponsor shall implement the schedule described in paragraph (1)(B)(i)(I) beginning on the date specified in subparagraph (C).

"(B) SUBSEQUENT CONTRIBUTION SCHEDULE.—If—

"(i) a collective bargaining agreement providing for contributions under a multiemployer plan in accordance with a schedule provided by the plan sponsor pursuant to a funding improvement plan (or imposed under subparagraph (A)) expires while the plan is still in endangered status, and

"(ii) after receiving one or more updated schedules from the plan sponsor under paragraph (6)(B), the bargaining parties with respect to such agreement fail to adopt a contribution schedule with terms consistent with the updated funding improvement plan and a schedule from the plan sponsor,

then the contribution schedule applicable under the expired collective bargaining agreement, as updated and in effect on the date the collective bargaining agreement expires, shall be implemented by the plan sponsor beginning on the date specified in subparagraph (C).

"(C) DATE OF IMPLEMENTATION.—The date specified in this subparagraph is the date which is 180 days after the date on which the collective bargaining agreement described in subparagraph (A) or (B) expires.

"(D) FAILURE TO MAKE SCHEDULED CONTRIBUTIONS.—Any failure to make a contribution under a schedule of contribution rates provided under this paragraph shall be treated as a delinquent contribution under section 515 and shall be enforceable as such.",

(2) in subsection (e)(3), by amending subparagraph (C) to read as follows:

"(C) IMPOSITION OF SCHEDULE WHERE FAILURE TO ADOPT REHABILITATION PLAN.—

"(i) INITIAL CONTRIBUTION SCHEDULE.—If—

"(I) a collective bargaining agreement providing for contributions under a multiemployer plan that was in effect at the time the plan entered critical status expires, and

"(II) after receiving one or more schedules from the plan sponsor under paragraph (1)(B), the bargaining parties with respect to such agreement fail to adopt a contribution schedule with terms consistent with the rehabilitation plan and a schedule from the plan sponsor under paragraph (1)(B)(i),

the plan sponsor shall implement the schedule described in the last sentence of paragraph (1) beginning on the date specified in clause (iii).

"(ii) SUBSEQUENT CONTRIBUTION SCHEDULE.—If—

"(I) a collective bargaining agreement providing for contributions under a multiemployer plan in accordance with a schedule provided by the plan sponsor pursuant to a rehabilitation plan (or imposed under subparagraph (C)(i)) expires while the plan is still in critical status, and

"(II) after receiving one or more updated schedules from the plan sponsor under subparagraph (B)(ii), the bargaining parties with respect to such agreement fail to adopt a contribution schedule with terms consistent with the updated rehabilitation plan and a schedule from the plan sponsor,

then the contribution schedule applicable under the expired collective bargaining agreement, as updated and in effect on the date the collective bargaining agreement expires, shall be implemented by the plan sponsor beginning on the date specified in clause (iii).

"(iii) DATE OF IMPLEMENTATION.—The date specified in this subparagraph is the date which is 180 days after the date on which the collective bargaining agreement described in clause (i) or (ii) expires.

"(iv) FAILURE TO MAKE SCHEDULED CONTRIBUTIONS.—Any failure to make a contribution under a schedule of contribution rates provided under this subsection shall be treated as a delinquent contribution under section 515 and shall be enforceable as such.".

(b) AMENDMENTS TO THE INTERNAL REVENUE CODE.—Section 432 of the Internal Revenue Code of 1986 is amended—

(1) in subsection (c), by amending paragraph (7) to read as follows:

"(7) IMPOSITION OF SCHEDULE WHERE FAILURE TO ADOPT FUNDING IMPROVEMENT PLAN.—

"(A) INITIAL CONTRIBUTION SCHEDULE.—If—

"(i) a collective bargaining agreement providing for contributions under a multiemployer plan that was in effect at the time the plan entered endangered status expires, and

"(ii) after receiving one or more schedules from the plan sponsor under paragraph (1)(B), the bargaining parties with respect to such agreement fail to adopt a contribution schedule with terms consistent with the funding improvement plan and a schedule from the plan sponsor,

the plan sponsor shall implement the schedule described in paragraph (1)(B)(i)(I) beginning on the date specified in subparagraph (C).

"(B) SUBSEQUENT CONTRIBUTION SCHEDULE.—If—

"(i) a collective bargaining agreement providing for contributions under a multiemployer plan in accordance with a schedule provided by the plan sponsor pursuant to a funding improvement plan (or imposed under subparagraph (A)) expires while the plan is still in endangered status, and

"(ii) after receiving one or more updated schedules from the plan sponsor under paragraph (6)(B), the bargaining parties with respect to such agreement fail to adopt a contribution schedule with terms consistent with the updated funding improvement plan and a schedule from the plan sponsor,

then the contribution schedule applicable under the expired collective bargaining agreement, as updated and in effect on the date the collective bargaining agreement expires, shall be implemented by the plan sponsor beginning on the date specified in subparagraph (C).

"(C) DATE OF IMPLEMENTATION.—The date specified in this subparagraph is the date which is 180 days after the date on which the collective bargaining agreement described in subparagraph (A) or (B) expires.", and

(2) in subsection (e)(3), by amending subparagraph (C) to read as follows:

"(C) IMPOSITION OF SCHEDULE WHERE FAILURE TO ADOPT REHABILITATION PLAN.—

"(i) INITIAL CONTRIBUTION SCHEDULE.—If—

"(I) a collective bargaining agreement providing for contributions under a multiemployer plan that was in effect at the time the plan entered critical status expires, and

"(II) after receiving one or more schedules from the plan sponsor under paragraph (1)(B), the bargaining parties with respect to such agreement fail to adopt a contribution schedule with terms consistent with the rehabilitation plan and a schedule from the plan sponsor under paragraph (1)(B)(i),

the plan sponsor shall implement the schedule described in the last sentence of paragraph (1) beginning on the date specified in clause (iii).

"(ii) SUBSEQUENT CONTRIBUTION SCHEDULE.—If—

"(I) a collective bargaining agreement providing for contributions under a multiemployer plan in accordance with a schedule provided by the plan sponsor pursuant to a rehabilitation plan (or imposed under subparagraph (C)(i)) expires while the plan is still in critical status, and

"(II) after receiving one or more updated schedules from the plan sponsor under subparagraph (B)(ii), the bargaining parties with respect to such agreement fail to adopt a contribution schedule with terms consistent with the updated rehabilitation plan and a schedule from the plan sponsor,

then the contribution schedule applicable under the expired collective bargaining agreement, as updated and in effect on the date the collective bargaining agreement expires, shall be implemented by the plan sponsor beginning on the date specified in clause (iii).

"(iii) DATE OF IMPLEMENTATION.—The date specified in this subparagraph is the date which is 180 days after the date on which the collective bargaining agreement described in clause (ii) or (iii) expires.".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to plan years beginning after December 31, 2014.

SEC. 108. REPEAL OF REORGANIZATION RULES FOR MULTIEMPLOYER PLANS.

(a) AMENDMENTS TO EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974.—

(1) IN GENERAL.—Sections 4241, 4242, 4243, 4244, and 4244A of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1421; 1422; 1423; 1424; 1425) are repealed.

(2) MODIFICATION OF INSOLVENCY RULES.—Section 4245 of such Act (29 U.S.C. 1426) is amended—

(A) by striking "reorganization" each place it appears and inserting "critical status, as described in subsection 305(b)(2),";

(B) in subsection (c)(2)—

(i) by striking "The suspension" and inserting "(A) The suspension";

(ii) by striking "(within the meaning of section 4241(b)(6))"; and

(iii) by adding at the end the following:

"(B) For purposes of this paragraph—

"(i) the term 'person in pay status' means—

"(I) a participant or beneficiary on the last day of the base plan year who, at any time during such year, was paid an early, late, normal, or disability retirement benefit (or a death benefit related to a retirement benefit), and

"(II) to the extent provided in regulations prescribed by the Secretary of the Treasury, any other person who is entitled to such a benefit under the plan.

"(ii) the base plan year for any plan year is—

"(I) if there is a relevant collective bargaining agreement, the last plan year ending at least 6 months before the relevant effective date, or

"(II) if there is no relevant collective bargaining agreement, the last plan year ending at least 12 months before the beginning of the plan year.

"(iii) a relevant collective bargaining agreement is a collective bargaining agreement—

"(I) which is in effect for at least 6 months during the plan year, and

"(II) which has not been in effect for more than 36 months as of the end of the plan year.

"(iv) the relevant effective date is the earliest of the effective dates for the relevant collective bargaining agreements.";

(C) in subsection (d)—

(i) in paragraph (1), by striking "(determined in accordance with section 4243(3)(B)(ii))"; and

(ii) by adding at the end the following:

"(4) For purposes of this subsection, the value of plan assets shall be the value of the available plan assets determined under regulations prescribed by the Secretary of the Treasury.";

(D) in subsection (e)(1)—

(i) in subparagraph (A), by striking "the corporation, the parties described in section 4242(a)(2), and the plan participants and beneficiaries" and inserting "the parties described in section 101(f)(1)"; and

(ii) in subparagraph (B), by striking "section 4242(a)(2) and the plan participants and beneficiaries" and inserting "section 101(f)(1)"; and

(E) by adding at the end the following:

"(g) Subsections (a) and (c) shall not apply to a plan that, for the plan year, is operating under section 305(e)(9), regarding benefit suspensions by certain multiemployer plans in critical and declining status.".

(3) CONFORMING AMENDMENTS.—

(A) DEFINITION OF REORGANIZATION INDEX.—Section 4001(a) of such Act (29 U.S.C. 1301(a)) is amended by striking paragraph (9).

(B) MINIMUM FUNDING STANDARDS.—Section 304(a) of such Act (29 U.S.C. 1084(a)) is amended to read as follows:

"(a) IN GENERAL.—For purposes of section 302, the accumulated funding deficiency of a multiemployer plan for any plan year is the amount, determined as of the end of the plan year, equal to the excess (if any) of the total charges to the funding standard account of the plan for all plan years (beginning with the first plan year for which this part applies to the plan) over the total credits to such account for such years.".

(C) MODIFICATION OF PART HEADING.—Part 3 of subtitle D of title IV of such Act (29 U.S.C. 1421 et seq.) is amended by striking the heading and inserting "**INSOLVENT PLANS**".

(D) CONFORMING AMENDMENT TO TABLE OF CONTENTS.—The table of contents in section 1 of such Act (29 U.S.C. 1001 note) is amended by striking the items relating to sections 4241 through 4244A.

(b) AMENDMENTS TO THE INTERNAL REVENUE CODE.—

(1) IN GENERAL.—Sections 418, 418A, 418B, 418C, and 418D of the Internal Revenue Code of 1986 are repealed.

(2) MODIFICATION OF INSOLVENCY RULES.—Section 418E of such Code is amended—

(A) by striking "reorganization" each place it appears and inserting "critical status, as described in subsection 432(b)(2),";

(B) in subsection (c)(2)—

(i) by striking "The suspension" and inserting "(A) The suspension";

(ii) by striking "(within the meaning of section 418(b)(6))"; and

(iii) by adding at the end the following:

"(B) For purposes of this paragraph—

"(i) the term 'person in pay status' means—

"(I) a participant or beneficiary on the last day of the base plan year who, at any time during such year, was paid an early, late, normal, or disability retirement benefit (or a death benefit related to a retirement benefit), and

"(II) to the extent provided in regulations prescribed by the Secretary of the Treasury, any other person who is entitled to such a benefit under the plan.

"(ii) the base plan year for any plan year is—

"(I) if there is a relevant collective bargaining agreement, the last plan year ending at least 6 months before the relevant effective date, or

"(II) if there is no relevant collective bargaining agreement, the last plan year ending at least 12 months before the beginning of the plan year.

"(iii) a relevant collective bargaining agreement is a collective bargaining agreement—

"(I) which is in effect for at least 6 months during the plan year, and

"(II) which has not been in effect for more than 36 months as of the end of the plan year.

"(iv) the relevant effective date is the earliest of the effective dates for the relevant collective bargaining agreements.";

(C) in subsection (d)—

(i) in paragraph (1), by striking "(determined in accordance with section 418B(3)(B)(ii))";

(ii) by adding at the end the following:

"(4) For purposes of this subsection, the value of plan assets shall be the value of the available plan assets determined under regulations prescribed by the Secretary of the Treasury.";

(D) in subsection (e)(1)—

(i) in subparagraph (A), by striking "the corporation, the parties described in section 418A(a)(2), and the plan participants and beneficiaries" and inserting "the parties described in section 101(f)(1) of the Employee Retirement Income Security Act of 1974"; and

(ii) in subparagraph (B), by striking "section 418A(a)(2) and the plan participants and beneficiaries" and inserting "section 101(f)(1) of the Employee Retirement Income Security Act of 1974"; and

(E) by adding at the end the following:

"(h) Subsections (a) and (c) shall not apply to a plan that, for the plan year, is operating under section 432(e)(9), regarding benefit suspensions by certain multiemployer plans in critical and declining status.".

(3) CONFORMING AMENDMENTS.—

(A) MINIMUM FUNDING STANDARDS.—Section 431(a) of the Internal Revenue Code of 1986 is amended to read as follows:

"(a) IN GENERAL.—For purposes of section 412, the accumulated funding deficiency of a multiemployer plan for any plan year is the amount, determined as of the end of the plan year, equal to the excess (if any) of the total charges to the funding standard account of the plan for all plan years (beginning with the first plan year for which this part applies to the plan) over the total credits to such account for such years.".

(B) MODIFICATION OF SUBPART HEADING.—Subpart C of part I of subchapter D of chapter 1 of such Code is amended by striking the heading and inserting "**INSOLVENT PLANS**".

(C) CONFORMING AMENDMENT TO TABLE OF CONTENTS.—The table of contents for such subpart C is amended by striking the items relating to sections 418 through 418D.

(D) CONFORMING AMENDMENT TO TABLE OF SUBPARTS.—The table of subparts for part I of subchapter D of chapter 1 of such Code is amended by striking the heading and inserting "**INSOLVENT PLANS**".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to plan years beginning after December 31, 2014.

SEC. 109. DISREGARD OF CERTAIN CONTRIBUTION INCREASES FOR WITHDRAWAL LIABILITY PURPOSES.

(a) AMENDMENT TO EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974.—Section 305 of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1085) is amended—

(1) in subsection (e), by striking paragraph (9);

(2) in subsection (f)—

(A) by striking paragraph (3) and redesignating paragraph (4) as paragraph (3); and

(B) in paragraph (3) (as redesignated by subparagraph (A)), by striking "During the rehabilitation plan adoption period—" and inserting "During the period beginning on the date of the certification under subsection (b)(3)(A) for the initial critical year and ending on the date of the adoption of a rehabilitation plan—";

(3) by redesignating subsections (g), (h), and (i) as subsections (h), (i), and (j), respectively; and

(4) by inserting after subsection (f) the following:

"(g) ADJUSTMENTS DISREGARDED IN WITHDRAWAL LIABILITY DETERMINATION.—

"(1) BENEFIT REDUCTION.—Any benefit reductions under subsection (e)(8) or (f) shall be disregarded in determining a plan's unfunded vested benefits for purposes of determining an employer's withdrawal liability under section 4201.

"(2) SURCHARGES.—Any surcharges under subsection (e)(7) shall be disregarded in determining the allocation of unfunded vested benefits to an employer under section 4211 and in determining the highest contribution rate under section 4219(c), except for purposes of determining the unfunded vested benefits attributable to an employer under section 4211(c)(4) or a comparable method approved under section 4211(c)(5).

"(3) CONTRIBUTION INCREASES REQUIRED BY FUNDING IMPROVEMENT OR REHABILITATION PLAN.—

"(A) IN GENERAL.—Any increase in the contribution rate (or other increase in contribution requirements unless due to increased levels of work, employment, or periods for which compensation is provided) that is required or made in order to enable the plan to meet the requirement of the funding improvement plan or rehabilitation plan shall be disregarded in determining the allocation of unfunded vested benefits to an employer under section 4211 and in determining the highest contribution rate under section 4219(c), except for purposes of determining the unfunded vested benefits attributable to an employer under section 4211(c)(4) or a comparable method approved under section 4211(c)(5).

"(B) SPECIAL RULES.—For purposes of this paragraph, any increase in the contribution rate (or other increase in contribution requirements) shall be deemed to be required or made in order to enable the plan to meet the requirement of the funding improvement plan or rehabilitation plan except for increases in contribution requirements due to increased levels of work, employment, or periods for which compensation is provided or additional contributions are used to provide an increase in benefits, including an increase in future benefit accruals, permitted by subsection (d)(1)(B) or (f)(1)(B).

"(4) EMERGENCE FROM ENDANGERED OR CRITICAL STATUS.—In the case of increases in the contribution rate (or other increases in contribution requirements unless due to increased levels of work, employment, or periods for which compensation is provided) disregarded pursuant to paragraph (3), this subsection shall cease to apply as of the expiration date of the collective bargaining agreement in effect when the plan emerges from endangered or critical status. Notwithstanding the preceding sentence, once the plan emerges from critical or endangered status, increases in the contribution rate disregarded pursuant to paragraph (3) shall continue to be disregarded in determining the highest contribution rate under section 4219(c) for plan years during which the plan was in endangered or critical status.

"(5) SIMPLIFIED CALCULATIONS.—The Pension Benefit Guaranty Corporation shall prescribe simplified methods for the application of this subsection in determining withdrawal liability and payment amounts under section 4219(c).".

(b) AMENDMENTS TO INTERNAL REVENUE CODE.—Section 432 of the Internal Revenue Code of 1986 is amended—

(1) in subsection (e), by striking paragraph (9),

(2) in subsection (f)—

(A) by striking paragraph (3) and redesignating paragraph (4) as paragraph (3); and

(B) in paragraph (4) (as redesignated by subparagraph (A)), striking "During the rehabilitation plan adoption period—" and inserting "During the period beginning on the date of the certification under subsection (b)(3)(A) for the initial critical year and ending on the date of the adoption of a rehabilitation plan—";

(3) by redesignating subsections (g), (h), and (i) as subsections (h), (i), and (j), respectively; and

(4) by inserting after subsection (f) the following:

"(g) ADJUSTMENTS DISREGARDED IN WITHDRAWAL LIABILITY DETERMINATION.—

"(1) BENEFIT REDUCTION.—Any benefit reductions under subsection (e)(8) or (f) shall be disregarded in determining a plan's unfunded vested benefits for purposes of determining an employer's withdrawal liability under section 4201 of the Employee Retirement Income Security Act of 1974.

"(2) SURCHARGES.—Any surcharges under subsection (e)(7) shall be disregarded in determining the allocation of unfunded vested benefits to an employer under section 4211 of the Employee Retirement Income Security Act of 1974 and in determining the highest contribution rate under section 4219(c) of such Act, except for purposes of determining the unfunded vested benefits attributable to an employer under section 4211(c)(4) of such Act or a comparable method approved under section 4211(c)(5) of such Act.

"(3) CONTRIBUTION INCREASES REQUIRED BY FUNDING IMPROVEMENT OR REHABILITATION PLAN.—

"(A) IN GENERAL.—Any increase in the contribution rate (or other increase in contribution requirements unless due to increased levels of work, employment, or periods for which compensation is provided) that is required or made in order to enable the plan to meet the requirement of the funding improvement plan or rehabilitation plan shall be disregarded in determining the allocation of unfunded vested benefits to an employer under section 4211 of such Act and in determining the highest contribution rate under section 4219(c) of such Act, except for purposes of determining the unfunded vested benefits attributable to an employer under section 4211(c)(4) of such Act or a comparable method approved under section 4211(c)(5) of such Act.

"(B) SPECIAL RULES.—For purposes of this paragraph, any increase in the contribution rate (or other increase in contribution requirements) shall be deemed to be required or made in order to enable the plan to meet the requirement of the funding improvement plan or rehabilitation plan except for increases in contribution requirements due to increased levels of work, employment, or periods for which compensation is provided or additional contributions are used to provide an increase in benefits, including an increase in future benefit accruals, permitted by subsection (d)(1)(B) or (f)(1)(B).

"(4) EMERGENCE FROM ENDANGERED OR CRITICAL STATUS.—In the case of increases in the contribution rate (or other increases in contribution requirements unless due to increased levels of work, employment, or periods for which compensation is provided) disregarded pursuant to paragraph (3), this subsection shall cease to apply as of the expiration date of the collective bargaining agreement in effect when the plan emerges from endangered or critical status. Notwithstanding the preceding sentence, once the plan emerges from critical or endangered status, increases in the contribution rate disregarded pursuant to paragraph (3) shall continue to be disregarded

in determining the highest contribution rate under section 4219(c) of such Act for plan years during which the plan was in endangered or critical status.

"(5) SIMPLIFIED CALCULATIONS.—The Pension Benefit Guaranty Corporation shall prescribe simplified methods for the application of this subsection in determining withdrawal liability and payment amounts under section 4219(c) of such Act.".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to benefit reductions and increases in the contribution rate or other required contribution increases that go into effect during plan years beginning after December 31, 2014 and to surcharges the obligation for which accrue on or after December 31, 2014.

SEC. 110. GUARANTEE FOR PRE-RETIREMENT SURVIVOR ANNUITIES UNDER MULTIEMPLOYER PENSION PLANS.

(a) IN GENERAL.—Section 4022A(c) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1322a(c)) is amended by adding at the end the following:

"(4) For purposes of subsection (a), in the case of a qualified preretirement survivor annuity (as defined in section 205(e)(1)) payable to the surviving spouse of a participant under a multiemployer plan which becomes insolvent under section 4245(b) or 4281(d)(2) or is terminated, such annuity shall not be treated as forfeitable solely because the participant has not died as of the date on which the plan became so insolvent or the termination date.".

(b) RETROACTIVE APPLICATION.—The amendment made by this section shall apply with respect to multiemployer plan benefit payments becoming payable on or after January 1, 1985, except that the amendment shall not apply in any case where the surviving spouse has died before the date of the enactment of this Act.

SEC. 111. REQUIRED DISCLOSURE OF MULTIEMPLOYER PLAN INFORMATION.

(a) IN GENERAL.—Section 101(k)(1) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1021(k)(1)) is amended to read as follows:

"(1) IN GENERAL.—Each administrator of a defined benefit plan that is a multiemployer plan shall, upon written request, furnish to any plan participant or beneficiary, employee representative, or any employer that has an obligation to contribute to the plan a copy of—

"(A) the current plan document (including any amendments thereto),

"(B) the latest summary plan description of the plan,

"(C) the current trust agreement (including any amendments thereto), or any other instrument or agreement under which the plan is established or operated,

"(D) in the case of a request by an employer, any participation agreement with respect to the plan for such employer that relates to the employer's plan participation during the current or any of the 5 immediately preceding plan years,

"(E) the annual report filed under section 104 for any plan year,

"(F) the plan funding notice provided under subsection (f) for any plan year,

"(G) any periodic actuarial report (including any sensitivity testing) received by the plan for any plan year which has been in the plan's possession for at least 30 days,

"(H) any quarterly, semi-annual, or annual financial report prepared for the plan by any plan investment manager or advisor or other fiduciary which has been in the plan's possession for at least 30 days,

"(I) audited financial statements of the plan for any plan year,

"(J) any application filed with the Secretary of the Treasury requesting an extension under section 304(d) of this Act or section 431(d) of the Internal Revenue Code of 1986 and the determination of such Secretary pursuant to such application, and

"(K) in the case of a plan which was in critical or endangered status under section 305 for a plan year, the latest funding improvement or rehabilitation plan, and the contribution schedules applicable with respect to such funding improvement or rehabilitation plan (other than a contribution schedule applicable to a specific employer).".

(b) LIMITATIONS ON DISCLOSURE.—Section 101(k)(3) of such Act (29 U.S.C. 1021(k)(3)) is amended by striking the 1st sentence and inserting the following: "In no case shall a participant, beneficiary, employee representative, or employer be entitled under this subsection to receive more than one copy of any document described in paragraph (1) during any one 12-month period, or, in the case of any document described in subparagraph (E), (F), (G), (H) or (I) of paragraph (1), a copy of any such document that as of the date on which the request is received by the administrator, has been in the administrator's possession for 6 years or more. If the administrator provides a copy of a document described in paragraph (1) to any person upon request, the administrator shall be considered as having met any obligation the administrator may have under any other provision of this title to furnish a copy of the same document to such person upon request.".

(c) RETENTION OF RECORDS.—Section 107 of such Act (29 U.S.C. 1027) is amended—

(1) by inserting "(including the documents described in subparagraphs (E) through (I) of section 101(k))" after "file any report"; and

(2) by inserting "a copy of such report and" after "shall maintain".

(d) CIVIL ENFORCEMENT.—Section 502(a) of such Act (29 U.S.C. 1132(a)) is amended—

(1) in paragraph (9), by striking "or" at the end;

(2) in paragraph (10), by striking the period at the end and inserting "; or"; and

(3) by adding at the end the following:

"(11) in the case of a multiemployer plan, by an employee representative, or any employer that has an obligation to contribute to the plan, (A) to enjoin any act or practice which violates subsection (k) of section 101 (or, in the case of an employer, subsection (l) of such section), or (B) to obtain appropriate equitable relief (i) to redress such violation or (ii) to enforce such subsection.".

(e) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to plan years beginning after December 31, 2014.

Subtitle B—Multiemployer Plan Mergers and Partitions

SEC. 121. MERGERS.

(a) PBGC ASSISTANCE FOR MULTIEMPLOYER PLAN MERGERS.—Section 4231 of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1411) is amended by adding at the end the following:

"(e) FACILITATED MERGERS.—

"(1) IN GENERAL.—When requested to do so by the plan sponsors, the corporation may take such actions as it deems appropriate to promote and facilitate the merger of two or more multiemployer plans if it determines, after consultation with the Participant and Plan Sponsor Advocate selected under section 4004, that the transaction is in the interests of the participants and beneficiaries of at least one of the plans and is not reasonably expected to be adverse to the overall interests of the participants and beneficiaries of any of the plans. Such facilitation may include training, technical assistance, mediation, communication with stakeholders, and support with related requests to other government agencies.

"(2) FINANCIAL ASSISTANCE.—In order to facilitate a merger which it determines is necessary to enable one or more of the plans involved to avoid or postpone insolvency, the corporation may provide financial assistance (within the meaning of section 4261) to the merged plan if—

"(A) one or more of the multiemployer plans participating in the merger is in critical and declining status (as defined in section 305(b)(4));

"(B) the corporation reasonably expects that—

"(i) such financial assistance will reduce the corporation's expected long-term loss with respect to the plans involved; and

"(ii) such financial assistance is necessary for the merged plan to become or remain solvent;

"(C) the corporation certifies that its ability to meet existing financial assistance obligations to other plans will not be impaired by such financial assistance; and

"(D) such financial assistance is paid exclusively from the fund for basic benefits guaranteed for multiemployer plans.

Not later than 14 days after the provision of such financial assistance, the corporation shall provide notice of such financial assistance to the Committee on Education and the Workforce of the House of Representatives, the Committee on Ways and Means of the House of Representatives, the Committee on Finance of the Senate, and the Committee on Health, Education, Labor, and Pensions of the Senate.".

(b) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to plan years beginning after December 31, 2014.

SEC. 122. PARTITIONS OF ELIGIBLE MULTIEMPLOYER PLANS.

(a) IN GENERAL.—

(1) IN GENERAL.—Section 4233 of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1413) is amended to read as follows:

"SEC. 4233. PARTITIONS OF ELIGIBLE MULTIEMPLOYER PLANS.

"(a)(1) Upon the application by the plan sponsor of an eligible multiemployer plan for a partition of the plan, the corporation may order a partition of the plan in accordance with this section. The corporation shall make a determination regarding the application not later than 270 days after the date such application was filed (or, if later, the date such application was completed) in accordance with regulations promulgated by the corporation.

"(2) Not later than 30 days after submitting an application for partition of a plan under paragraph (1), the plan sponsor of the plan shall notify the participants and beneficiaries of such application, in the form and manner prescribed by regulations issued by the corporation.

"(b) For purposes of this section, a multiemployer plan is an eligible multiemployer plan if—

"(1) the plan is in critical and declining status (as defined in section 305(b)(4));

"(2) the corporation determines, after consultation with the Participant and Plan Sponsor Advocate selected under section 4004, that the plan sponsor has taken (or is taking concurrently with an application for partition) all reasonable measures to avoid insolvency, including the maximum benefit suspensions under section 305(e)(9), if applicable;

"(3) the corporation reasonably expects that—

"(A) a partition of the plan will reduce the corporation's expected long-term loss with respect to the plan; and

"(B) a partition of the plan is necessary for the plan to remain solvent;

"(4) the corporation certifies to Congress that its ability to meet existing financial assistance obligations to other plans (including any liabilities associated with multiemployer plans that are insolvent or that are projected to become insolvent within 10 years) will not be impaired by such partition; and

"(5) the cost to the corporation arising from such partition is paid exclusively from the fund for basic benefits guaranteed for multiemployer plans.

"(c) The corporation's partition order shall provide for a transfer to the plan referenced in subsection (d)(1) of the minimum amount of the plan's liabilities necessary for the plan to remain solvent.

"(d)(1) The plan created by the partition order is a successor plan to which section 4022A applies.

"(2) The plan sponsor of an eligible multiemployer plan prior to the partition and the administrator of such plan shall be the plan sponsor and the administrator, respectively, of the plan created by the partition order.

"(3) In the event an employer withdraws from the plan that was partitioned within ten years following the date of the partition order, withdrawal liability shall be computed under section 4201 with respect to both the plan that was partitioned and the plan created by the partition order. If the withdrawal occurs more than ten years after the date of the partition order, withdrawal liability

shall be computed under section 4201 only with respect to the plan that was partitioned (and not with respect to the plan created by the partition order).

"(e)(1) For each participant or beneficiary of the plan whose benefit was transferred to the plan created by the partition order pursuant to a partition, the plan that was partitioned shall pay a monthly benefit to such participant or beneficiary for each month in which such benefit is in pay status following the effective date of such partition in an amount equal to the excess of—

"(A) the monthly benefit that would be paid to such participant or beneficiary for such month under the terms of the plan (taking into account benefit suspensions under section 305(e)(9) and any plan amendments following the effective date of such partition) if the partition had not occurred, over

"(B) the monthly benefit for such participant or beneficiary which is guaranteed under section 4022A.

"(2) In any case in which a plan provides a benefit improvement (as defined in section 305(e)(9)(E)(vi)) that takes effect after the effective date of the partition, the plan shall pay to the corporation for each year during the 10-year period following the partition effective date, an annual amount equal to the lesser of—

"(A) the total value of the increase in benefit payments for such year that is attributable to the benefit improvement, or

"(B) the total benefit payments from the plan created by the partition for such year.

Such payment shall be made at the time of, and in addition to, any other premium imposed by the corporation under this title.

"(3) The plan that was partitioned shall pay the premiums imposed by the corporation under this title with respect to participants whose benefits were transferred to the plan created by the partition order for each year during the 10-year period following the partition effective date.

"(f) Not later than 14 days after the partition order, the corporation shall provide notice of such order to the Committee on Education and the Workforce of the House of Representatives, the Committee on Ways and Means of the House of Representatives, the Committee on Finance of the Senate, the Committee on Health, Education, Labor, and Pensions of the Senate, and any affected participants or beneficiaries.".

(b) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to plan years beginning after December 31, 2014.

Subtitle C—Strengthening the Pension Benefit Guaranty Corporation

SEC. 131. PREMIUM INCREASES FOR MULTIEMPLOYER PLANS.

(a) INCREASE IN PREMIUM RATE FOR MULTIEMPLOYER PLANS.—Section 4006(a)(3) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1306(a)(3)) is amended—

(1) in subparagraph (A)—

(A) in clause (iv), by striking "or" at the end;

(B) in clause (v)—

(i) by inserting "and before January 1, 2015," after "December 31, 2012,"; and

(ii) by striking the period at the end and inserting ", or"; and

(C) by adding at the end the following:

"(vi) in the case of a multiemployer plan, for plan years beginning after December 31, 2014, $26 for each individual who is a participant in such plan during the applicable plan year."; and

(2) by adding at the end the following:

"(M) For each plan year beginning in a calendar year after 2015, there shall be substituted for the dollar amount specified in clause (vi) of subparagraph (A) an amount equal to the greater of—

"(i) the product derived by multiplying such dollar amount by the ratio of—

"(I) the national average wage index (as defined in section 209(k)(1) of the Social Security Act) for the first of the 2 calendar years preceding the calendar year in which such plan year begins, to

"(II) the national average wage index (as so defined) for 2013; and

"(ii) such dollar amount for plan years beginning in the preceding calendar year.

If the amount determined under this subparagraph is not a multiple of $1, such product shall be rounded to the nearest multiple of $1.".

(b) TREATMENT OF CERTAIN FUNDS.—Section 4005(b)(3) of such Act (29 U.S.C. 1305(b)(3)) is amended—

(1) by striking "Whenever" and inserting "(A) Whenever"; and

(2) by adding at the end the following:

"(B) Notwithstanding subparagraph (A)—

"(i) the amounts of premiums received under section 4006 with respect to the fund to be used for basic benefits under section 4022A in a fiscal year in the period beginning with fiscal year 2016 and ending with fiscal year 2020 shall be placed in a noninterest-bearing account within such fund in the following amounts:

"(I) for fiscal year 2016, $108,000,000;

"(II) for fiscal year 2017, $111,000,000;

"(III) for fiscal year 2018, $113,000,000;

"(IV) for fiscal year 2019, $149,000,000; and

"(V) for fiscal year 2020, $296,000,000;

"(ii) premiums received in fiscal years specified in subclauses (I) through (V) of clause (i) shall be allocated in order first to the noninterest-bearing account in the amount specified and second to any other accounts within such fund; and

"(iii) financial assistance, as provided under section 4261, shall be withdrawn proportionately from the noninterest-bearing and other accounts within the fund.".

(c) REPORT.—In addition to any other report required by section 4022A(f), not later than June 1, 2016, the Pension Benefit Guaranty Corporation shall submit to Congress a report that includes—

(1) an analysis of whether the premium levels enacted under the amendment made by subsection (a) are sufficient for the Pension Benefit Guaranty Corporation to meet its projected mean stochastic basic benefit guarantee obligations for the ten- and twenty-year periods beginning with 2015, including

an explanation of the assumptions underlying this analysis; and

(2) if the analysis under paragraph (1) concludes that the premium levels are insufficient to meet such obligations (or are in excess of the levels sufficient to meet such obligations), a proposed schedule of revised premiums sufficient to meet (but not exceed) such obligations.

(d) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply with respect to plan years beginning after December 31, 2014.

TITLE II—REMEDIATION MEASURES FOR DEEPLY TROUBLED PLANS

SEC. 201. CONDITIONS, LIMITATIONS, DISTRIBUTION AND NOTICE REQUIREMENTS, AND APPROVAL PROCESS FOR BENEFIT SUSPENSIONS UNDER MULTIEMPLOYER PLANS IN CRITICAL AND DECLINING STATUS.

(a) AMENDMENTS TO EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974.—

(1) GENERAL RULE FOR PLAN IN CRITICAL AND DECLINING STATUS.—Section 305(a) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1085(a)) is amended—

(A) in paragraph (1)(B), by striking "and" at the end;

(B) in paragraph (2)(B), by striking the period at the end and inserting ", and"; and

(C) by adding at the end the following:

"(3) if the plan is in critical and declining status—

"(A) the requirements of paragraph (2) shall apply to the plan; and

"(B) the plan sponsor may, by plan amendment, suspend benefits in accordance with the requirements of subsection (e)(9).".

(2) CRITICAL AND DECLINING STATUS DEFINED.—Section 305(b) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1085(b)), as amended by sections 102 and 104, is further amended by adding at the end the following:

"(6) CRITICAL AND DECLINING STATUS.—For purposes of this section, a plan in critical status shall be treated as in critical and declining status if the plan is described in one or more of subparagraphs (A), (B), (C), and (D) of paragraph (2) and the plan is projected to become insolvent within the meaning of section 4245 during the current plan year or any of the 14 succeeding plan years (19 succeeding plan years if the plan has a ratio of inactive participants to active participants that exceeds 2 to 1 or if the funded percentage of the plan is less than 80 percent).".

(3) ANNUAL CERTIFICATION.—Section 305(b)(3)(A)(i) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1085(b)(3)(A)(i)) is amended—

(A) by striking "and whether" and inserting ", whether", and

(B) by inserting ", and whether or not the plan is or will be in critical and declining status for such plan year" before ", and" at the end.

(4) ANNUAL FUNDING NOTICES.—Section 101(f)(2)(B) of such Act (29 U.S.C. 1021(f)(2)(B)) is amended—

(A) by redesignating clauses (vi) through (x) as clauses (vii) through (xi), respectively; and

(B) by inserting after clause (v) the following:

"(vi) in the case of a multiemployer plan, whether the plan was in critical and declining status under section 305 for such plan year and, if so—

"(I) the projected date of insolvency;

"(II) a clear statement that such insolvency may result in benefit reductions; and

"(III) a statement describing whether the plan sponsor has taken legally permitted actions to prevent insolvency.".

(5) PROJECTIONS OF ASSETS AND LIABILITIES.—Section 305(b)(3)(B) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1085(b)(3)(B)) is amended by adding at the end the following:

"(iv) PROJECTIONS OF CRITICAL AND DECLINING STATUS.—In determining whether a plan is in critical and declining status as described in subsection (e)(9), clauses (i), (ii), and (iii) shall apply, except that—

"(I) if reasonable, the plan actuary shall assume that each contributing employer in compliance continues to comply through the end of the rehabilitation period or such later time as provided in subsection (e)(3)(A)(ii) with the terms of the rehabilitation plan that correspond to the schedule adopted or imposed under subsection (e), and

"(II) the plan actuary shall take into account any suspensions of benefits described in subsection (e)(9) adopted in a prior plan year that are still in effect.".

(6) BENEFIT SUSPENSIONS FOR MULTIEMPLOYER PLANS IN CRITICAL AND DECLINING STATUS.—Section 305(e) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1085(e)) (as amended by section 109) is amended by inserting after paragraph (8) the following:

"(9) BENEFIT SUSPENSIONS FOR MULTIEMPLOYER PLANS IN CRITICAL AND DECLINING STATUS.—

"(A) IN GENERAL.—Notwithstanding section 204(g) and subject to subparagraphs (B) through (I), the plan sponsor of a plan in critical and declining status may, by plan amendment, suspend benefits which the sponsor deems appropriate.

"(B) SUSPENSION OF BENEFITS.—

"(i) SUSPENSION OF BENEFITS DEFINED.—For purposes of this subsection, the term 'suspension of benefits' means the temporary or permanent reduction of any current or future payment obligation of the plan to any participant or beneficiary under the plan, whether or not in pay status at the time of the suspension of benefits.

"(ii) LENGTH OF SUSPENSIONS.—Any suspension of benefits made under subparagraph (A) shall remain in effect until the earlier of when the plan sponsor provides benefit improvements in accordance with

subparagraph (E) or the suspension of benefits expires by its own terms.

"(iii) NO LIABILITY.—The plan shall not be liable for any benefit payments not made as a result of a suspension of benefits under this paragraph.

"(iv) APPLICABILITY.—For purposes of this paragraph, all references to suspensions of benefits, increases in benefits, or resumptions of suspended benefits with respect to participants shall also apply with respect to benefits of beneficiaries or alternative payees of participants.

"(v) RETIREE REPRESENTATIVE.—

"(I) IN GENERAL.—In the case of a plan with 10,000 or more participants, not later than 60 days prior to the plan sponsor submitting an application to suspend benefits, the plan sponsor shall select a participant of the plan in pay status to act as a retiree representative. The retiree representative shall advocate for the interests of the retired and deferred vested participants and beneficiaries of the plan throughout the suspension approval process.

"(II) REASONABLE EXPENSES FROM PLAN.—The plan shall provide for reasonable expenses by the retiree representative, including reasonable legal and actuarial support, commensurate with the plan's size and funded status.

"(III) SPECIAL RULE RELATING TO FIDUCIARY STATUS.—Duties performed pursuant to subclause (I) shall not be subject to section 404(a). The preceding sentence shall not apply to those duties associated with an application to suspend benefits pursuant to subparagraph (G) that are performed by the retiree representative who is also a plan trustee.

"(C) CONDITIONS FOR SUSPENSIONS.—The plan sponsor of a plan in critical and declining status for a plan year may suspend benefits only if the following conditions are met:

"(i) Taking into account the proposed suspensions of benefits (and, if applicable, a proposed partition of the plan under section 4233), the plan actuary certifies that the plan is projected to avoid insolvency within the meaning of section 4245, assuming the suspensions of benefits continue until the suspensions of benefits expire by their own terms or if no such expiration date is set, indefinitely.

"(ii) The plan sponsor determines, in a written record to be maintained throughout the period of the benefit suspension, that the plan is still projected to become insolvent unless benefits are suspended under this paragraph, although all reasonable measures to avoid insolvency have been taken (and continue to be taken during the period of the benefit suspension). In its determination, the plan sponsor may take into account factors including the following:

"(I) Current and past contribution levels.

"(II) Levels of benefit accruals (including any prior reductions in the rate of benefit accruals).

"(III) Prior reductions (if any) of adjustable benefits.

"(IV) Prior suspensions (if any) of benefits under this subsection.

"(V) The impact on plan solvency of the subsidies and ancillary benefits available to active participants.

"(VI) Compensation levels of active participants relative to employees in the participants' industry generally.

"(VII) Competitive and other economic factors facing contributing employers.

"(VIII) The impact of benefit and contribution levels on retaining active participants and bargaining groups under the plan.

"(IX) The impact of past and anticipated contribution increases under the plan on employer attrition and retention levels.

"(X) Measures undertaken by the plan sponsor to retain or attract contributing employers.

"(D) LIMITATIONS ON SUSPENSIONS.—Any suspensions of benefits made by a plan sponsor pursuant to this paragraph shall be subject to the following limitations:

"(i) The monthly benefit of any participant or beneficiary may not be reduced below 110 percent of the monthly benefit which is guaranteed by the Pension Benefit Guaranty Corporation under section 4022A on the date of the suspension.

"(ii)(I) In the case of a participant or beneficiary who has attained 75 years of age as of the effective date of the suspension, not more than the applicable percentage of the maximum suspendable benefits of such participant or beneficiary may be suspended under this paragraph.

"(II) For purposes of subclause (I), the maximum suspendable benefits of a participant or beneficiary is the portion of the benefits of such participant or beneficiary that would be suspended pursuant to this paragraph without regard to this clause;

"(III) For purposes of subclause (I), the applicable percentage is a percentage equal to the quotient obtained by dividing—

"(aa) the number of months during the period beginning with the month after the month in which occurs the effective date of the suspension and ending with the month during which the participant or beneficiary attains the age of 80, by

"(bb) 60 months.

"(iii) No benefits based on disability (as defined under the plan) may be suspended under this paragraph.

"(iv) Any suspensions of benefits, in the aggregate (and, if applicable, considered in combination with a partition of the plan under section 4233), shall be

reasonably estimated to achieve, but not materially exceed, the level that is necessary to avoid insolvency.

"(v) In any case in which a suspension of benefits with respect to a plan is made in combination with a partition of the plan under section 4233, the suspension of benefits may not take effect prior to the effective date of such partition.

"(vi) Any suspensions of benefits shall be equitably distributed across the participant and beneficiary population, taking into account factors, with respect to participants and beneficiaries and their benefits, that may include one or more of the following:

"(I) Age and life expectancy.

"(II) Length of time in pay status.

"(III) Amount of benefit.

"(IV) Type of benefit: survivor, normal retirement, early retirement.

"(V) Extent to which participant or beneficiary is receiving a subsidized benefit.

"(VI) Extent to which participant or beneficiary has received post-retirement benefit increases.

"(VII) History of benefit increases and reductions.

"(VIII) Years to retirement for active employees.

"(IX) Any discrepancies between active and retiree benefits.

"(X) Extent to which active participants are reasonably likely to withdraw support for the plan, accelerating employer withdrawals from the plan and increasing the risk of additional benefit reductions for participants in and out of pay status.

"(XI) Extent to which benefits are attributed to service with an employer that failed to pay its full withdrawal liability.

"(vii) In the case of a plan that includes the benefits described in clause (III), benefits suspended under this paragraph shall—

"(I) first, be applied to the maximum extent permissible to benefits attributable to a participant's service for an employer which withdrew from the plan and failed to pay (or is delinquent with respect to paying) the full amount of its withdrawal liability under section 4201(b)(1) or an agreement with the plan,

"(II) second, except as provided by subclause (III), be applied to all other benefits that may be suspended under this paragraph, and

"(III) third, be applied to benefits under a plan that are directly attributable to a participant's service with any employer which has, prior to the date of enactment of the Multiemployer Pension Reform Act of 2014—

"(aa) withdrawn from the plan in a complete withdrawal under section 4203 and has

paid the full amount of the employer's withdrawal liability under section 4201(b)(1) or an agreement with the plan, and

"(bb) pursuant to a collective bargaining agreement, assumed liability for providing benefits to participants and beneficiaries of the plan under a separate, single-employer plan sponsored by the employer, in an amount equal to any amount of benefits for such participants and beneficiaries reduced as a result of the financial status of the plan.

"(E) BENEFIT IMPROVEMENTS.—

"(i) IN GENERAL.—The plan sponsor may, in its sole discretion, provide benefit improvements while any suspension of benefits under the plan remains in effect, except that the plan sponsor may not increase the liabilities of the plan by reason of any benefit improvement for any participant or beneficiary not in pay status by the first day of the plan year for which the benefit improvement takes effect, unless—

"(I) such action is accompanied by equitable benefit improvements in accordance with clause (ii) for all participants and beneficiaries whose benefit commencement dates were before the first day of the plan year for which the benefit improvement for such participant or beneficiary not in pay status took effect; and

"(II) the plan actuary certifies that after taking into account such benefits improvements the plan is projected to avoid insolvency indefinitely under section 4245.

"(ii) EQUITABLE DISTRIBUTION OF BENEFIT IMPROVEMENTS.—

"(I) LIMITATION.—The projected value of the total liabilities for benefit improvements for participants and beneficiaries not in pay status by the date of the first day of the plan year in which the benefit improvements are proposed to take effect, as determined as of such date, may not exceed the projected value of the liabilities arising from benefit improvements for participants and beneficiaries with benefit commencement dates prior to the first day of such plan year, as so determined.

"(II) EQUITABLE DISTRIBUTION OF BENEFITS.—The plan sponsor shall equitably distribute any increase in total liabilities for benefit improvements in clause (i) to some or all of the participants and beneficiaries whose benefit commencement date is before the date of the first day of the plan year in which the benefit improvements are proposed to take effect, taking into account the relevant factors described in subparagraph (D)(vi) and the extent to which the benefits of the participants and beneficiaries were suspended.

"(iii) SPECIAL RULE FOR RESUMPTIONS OF BENEFITS ONLY FOR PARTICIPANTS IN PAY STATUS.—The plan

sponsor may increase liabilities of the plan through a resumption of benefits for participants and beneficiaries in pay status only if the plan sponsor equitably distributes the value of resumed benefits to some or all of the participants and beneficiaries in pay status, taking into account the relevant factors described in subparagraph (D)(vi).

"(iv) SPECIAL RULE FOR CERTAIN BENEFIT INCREASES.—This subparagraph shall not apply to a resumption of suspended benefits or plan amendment which increases liabilities with respect to participants and beneficiaries not in pay status by the first day of the plan year in which the benefit improvements took effect which—

"(I) the Secretary of the Treasury, in consultation with the Pension Benefit Guaranty Corporation and the Secretary of Labor, determines to be reasonable and which provides for only de minimis increases in the liabilities of the plan, or

"(II) is required as a condition of qualification under part I of subchapter D of chapter 1 of subtitle A of the Internal Revenue Code of 1986 or to comply with other applicable law, as determined by the Secretary of the Treasury.

"(v) ADDITIONAL LIMITATIONS.—Except for resumptions of suspended benefits described in clause (iii), the limitations on benefit improvements while a suspension of benefits is in effect under this paragraph shall be in addition to any other applicable limitations on increases in benefits imposed on a plan.

"(vi) DEFINITION OF BENEFIT IMPROVEMENT.—For purposes of this subparagraph, the term 'benefit improvement' means, with respect to a plan, a resumption of suspended benefits, an increase in benefits, an increase in the rate at which benefits accrue, or an increase in the rate at which benefits become nonforfeitable under the plan.

"(F) NOTICE REQUIREMENTS.—

"(i) IN GENERAL.—No suspension of benefits may be made pursuant to this paragraph unless notice of such proposed suspension has been given by the plan sponsor concurrently with an application for approval of such suspension submitted under subparagraph (G) to the Secretary of the Treasury to—

"(I) such plan participants and beneficiaries who may be contacted by reasonable efforts,

"(II) each employer who has an obligation to contribute (within the meaning of section 4212(a)) under the plan, and

"(III) each employee organization which, for purposes of collective bargaining, represents plan participants employed by such an employer.

"(ii) CONTENT OF NOTICE.—The notice under clause (i) shall contain—

"(I) sufficient information to enable participants and beneficiaries to understand the effect

of any suspensions of benefits, including an individualized estimate (on an annual or monthly basis) of such effect on each participant or beneficiary,

"(II) a description of the factors considered by the plan sponsor in designing the benefit suspensions,

"(III) a statement that the application for approval of any suspension of benefits shall be available on the website of the Department of the Treasury and that comments on such application will be accepted,

"(IV) information as to the rights and remedies of plan participants and beneficiaries,

"(V) if applicable, a statement describing the appointment of a retiree representative, the date of appointment of such representative, identifying information about the retiree representative (including whether the representative is a plan trustee), and how to contact such representative, and

"(VI) information on how to contact the Department of the Treasury for further information and assistance where appropriate.

"(iii) FORM AND MANNER.—Any notice under clause (i)—

"(I) shall be provided in a form and manner prescribed in guidance by the Secretary of the Treasury, in consultation with the Pension Benefit Guaranty Corporation and the Secretary of Labor, notwithstanding any other provision of law,

"(II) shall be written in a manner so as to be understood by the average plan participant, and

"(III) may be provided in written, electronic, or other appropriate form to the extent such form is reasonably accessible to persons to whom the notice is required to be provided.

"(iv) OTHER NOTICE REQUIREMENT.—Any notice provided under clause (i) shall fulfill the requirement for notice of a significant reduction in benefits described in section 204(h).

"(v) MODEL NOTICE.—The Secretary of the Treasury, in consultation with the Pension Benefit Guaranty Corporation and the Secretary of Labor, shall in the guidance prescribed under clause (iii)(I) establish a model notice that a plan sponsor may use to meet the requirements of this subparagraph.

"(G) APPROVAL PROCESS BY THE SECRETARY OF THE TREASURY IN CONSULTATION WITH THE PENSION BENEFIT GUARANTY CORPORATION AND THE SECRETARY OF LABOR.—

"(i) IN GENERAL.—The plan sponsor of a plan in critical and declining status for a plan year that seeks to suspend benefits must submit an application to the Secretary of the Treasury for approval of the suspensions of benefits. If the plan sponsor submits an

application for approval of the suspensions, the Secretary of the Treasury, in consultation with the Pension Benefit Guaranty Corporation and the Secretary of Labor, shall approve the application upon finding that the plan is eligible for the suspensions and has satisfied the criteria of subparagraphs (C), (D), (E), and (F).

"(ii) SOLICITATION OF COMMENTS.—Not later than 30 days after receipt of the application under clause (i), the Secretary of the Treasury, in consultation with the Pension Benefit Guaranty Corporation and the Secretary of Labor, shall publish a notice in the Federal Register soliciting comments from contributing employers, employee organizations, and participants and beneficiaries of the plan for which an application was made and other interested parties. The application for approval of the suspension of benefits shall be published on the website of the Secretary of the Treasury.

"(iii) REQUIRED ACTION; DEEMED APPROVAL.—The Secretary of the Treasury, in consultation with the Pension Benefit Guaranty Corporation and the Secretary of Labor, shall approve or deny any application for suspensions of benefits under this paragraph within 225 days after the submission of such application. An application for suspension of benefits shall be deemed approved unless, within such 225 days, the Secretary of the Treasury notifies the plan sponsor that it has failed to satisfy one or more of the criteria described in this paragraph. If the Secretary of the Treasury, in consultation with the Pension Benefit Guaranty Corporation and the Secretary of Labor, rejects a plan sponsor's application, the Secretary of the Treasury shall provide notice to the plan sponsor detailing the specific reasons for the rejection, including reference to the specific requirement not satisfied. Approval or denial by the Secretary of the Treasury of an application shall be treated as a final agency action for purposes of section 704 of title 5, United States Code.

"(iv) AGENCY REVIEW.—In evaluating whether the plan sponsor has met the criteria specified in clause (ii) of subparagraph (C), the Secretary of the Treasury, in consultation with the Pension Benefit Guaranty Corporation and the Secretary of Labor, shall review the plan sponsor's consideration of factors under such clause.

"(v) STANDARD FOR ACCEPTING PLAN SPONSOR DETERMINATIONS.—In evaluating the plan sponsor's application, the Secretary of the Treasury shall accept the plan sponsor's determinations unless it concludes, in consultation with the Pension Benefit Guaranty Corporation and the Secretary of Labor, that the plan sponsor's determinations were clearly erroneous.

"(H) PARTICIPANT RATIFICATION PROCESS.—

"(i) IN GENERAL.—No suspension of benefits may take effect pursuant to this paragraph prior to a vote of the participants of the plan with respect to the suspension.

"(ii) ADMINISTRATION OF VOTE.—Not later than 30 days after approval of the suspension by the Secretary of the Treasury, in consultation with the Pension Benefit Guaranty Corporation and the Secretary of Labor, under subparagraph (G), the Secretary of the Treasury, in consultation with the Pension Benefit Guaranty Corporation and the Secretary of Labor, shall administer a vote of participants and beneficiaries of the plan. Except as provided in clause (v), the suspension shall go into effect following the vote unless a majority of all participants and beneficiaries of the plan vote to reject the suspension. The plan sponsor may submit a new suspension application to the Secretary of the Treasury for approval in any case in which a suspension is prohibited from taking effect pursuant to a vote under this subparagraph.

"(iii) BALLOTS.—The plan sponsor shall provide a ballot for the vote (subject to approval by the Secretary of the Treasury, in consultation with the Pension Benefit Guaranty Corporation and the Secretary of Labor) that includes the following:

"(I) A statement from the plan sponsor in support of the suspension.

"(II) A statement in opposition to the suspension compiled from comments received pursuant to subparagraph (G)(ii).

"(III) A statement that the suspension has been approved by the Secretary of the Treasury, in consultation with the Pension Benefit Guaranty Corporation and the Secretary of Labor.

"(IV) A statement that the plan sponsor has determined that the plan will become insolvent unless the suspension takes effect.

"(V) A statement that insolvency of the plan could result in benefits lower than benefits paid under the suspension.

"(VI) A statement that insolvency of the Pension Benefit Guaranty Corporation would result in benefits lower than benefits paid in the case of plan insolvency.

"(iv) COMMUNICATION BY PLAN SPONSOR.—It is the sense of Congress that, depending on the size and resources of the plan and geographic distribution of the plan's participants, the plan sponsor should take such steps as may be necessary to inform participants about proposed benefit suspensions through in-person meetings, telephone or internet-based communications, mailed information, or by other means.

"(v) SYSTEMICALLY IMPORTANT PLANS.—

"(I) IN GENERAL.—Not later than 14 days after a vote under this subparagraph rejecting a suspension, the Secretary of the Treasury, in consultation with the Pension Benefit Guaranty Corporation and the Secretary of Labor, shall determine whether the plan is a systemically important plan. If the Secretary of the Treasury, in consultation with the Pension Benefit Guaranty Corporation

and the Secretary of Labor, determines that the plan is a systemically important plan, not later than the end of the 90-day period beginning on the date the results of the vote are certified, the Secretary of the Treasury shall, notwithstanding such adverse vote—

"(aa) permit the implementation of the suspension proposed by the plan sponsor; or

"(bb) permit the implementation of a modification by the Secretary of the Treasury, in consultation with the Pension Benefit Guaranty Corporation and the Secretary of Labor, of such suspension (so long as the plan is projected to avoid insolvency within the meaning of section 4245 under such modification).

"(II) RECOMMENDATIONS.—Not later than 30 days after a determination by the Secretary of the Treasury, in consultation with the Pension Benefit Guaranty Corporation and the Secretary of Labor, that the plan is systemically important, the Participant and Plan Sponsor Advocate selected under section 4004 may submit recommendations to the Secretary of the Treasury with respect to the suspension or any revisions to the suspension.

"(III) SYSTEMICALLY IMPORTANT PLAN DEFINED.—

"(aa) IN GENERAL.—For purposes of this subparagraph, a systemically important plan is a plan with respect to which the Pension Benefit Guaranty Corporation projects the present value of projected financial assistance payments exceeds $1,000,000,000 if suspensions are not implemented.

"(bb) INDEXING.—For calendar years beginning after 2015, there shall be substituted for the dollar amount specified in item (aa) an amount equal to the product of such dollar amount and a fraction, the numerator of which is the contribution and benefit base (determined under section 230 of the Social Security Act) for the preceding calendar year and the denominator of which is such contribution and benefit base for calendar year 2014. If the amount otherwise determined under this item is not a multiple of $1,000,000, such amount shall be rounded to the next lowest multiple of $1,000,000.

"(vi) FINAL AUTHORIZATION TO SUSPEND.—In any case in which a suspension goes into effect following a vote pursuant to clause (ii) (or following a determination under clause (v) that the plan is a systemically important plan), the Secretary of the Treasury, in consultation with the Pension Benefit Guaranty Corporation and the Secretary of Labor, shall issue a final authorization to suspend with respect to the suspension

not later than 7 days after such vote (or, in the case of a suspension that goes into effect under clause (v), at a time sufficient to allow the implementation of the suspension prior to the end of the 90-day period described in clause (v)(I)).

"(I) JUDICIAL REVIEW.—

"(i) DENIAL OF APPLICATION.—An action by the plan sponsor challenging the denial of an application for suspension of benefits by the Secretary of the Treasury, in consultation with the Pension Benefit Guaranty Corporation and the Secretary of Labor, may only be brought following such denial.

"(ii) APPROVAL OF SUSPENSION OF BENEFITS.—

"(I) TIMING OF ACTION.—An action challenging a suspension of benefits under this paragraph may only be brought following a final authorization to suspend by the Secretary of the Treasury, in consultation with the Pension Benefit Guaranty Corporation and the Secretary of Labor, under subparagraph (H)(vi).

"(II) STANDARDS OF REVIEW.—

"(aa) IN GENERAL.—A court shall review an action challenging a suspension of benefits under this paragraph in accordance with section 706 of title 5, United States Code.

"(bb) TEMPORARY INJUNCTION.—A court reviewing an action challenging a suspension of benefits under this paragraph may not grant a temporary injunction with respect to such suspension unless the court finds a clear and convincing likelihood that the plaintiff will prevail on the merits of the case.

"(iii) RESTRICTED CAUSE OF ACTION.—A participant or beneficiary affected by a benefit suspension under this paragraph shall not have a cause of action under this title.

"(iv) LIMITATION ON ACTION TO SUSPEND BENEFITS.—No action challenging a suspension of benefits following the final authorization to suspend or the denial of an application for suspension of benefits pursuant to this paragraph may be brought after one year after the earliest date on which the plaintiff acquired or should have acquired actual knowledge of the existence of such cause of action.

"(J) SPECIAL RULE FOR EMERGENCE FROM CRITICAL STATUS.—A plan certified to be in critical and declining status pursuant to projections made under subsection (b)(3) for which a suspension of benefits has been made by the plan sponsor pursuant to this paragraph shall not emerge from critical status under paragraph (4)(B), until such time as—

"(i) the plan is no longer certified to be in critical or endangered status under paragraphs (1) and (2) of subsection (b), and

"(ii) the plan is projected to avoid insolvency under section 4245.".

(7) RULES RELATING TO WITHDRAWAL LIABILITY.—

(A) BENEFIT SUSPENSIONS DISREGARDED.—Section 305(g)(1) of the Employee Retirement Income Security Act of 1974, as added by section 109, is further amended by inserting "or benefit reductions or suspensions while in critical and declining status under subsection (e)(9)), unless the withdrawal occurs more than ten years after the effective date of a benefit suspension by a plan in critical and declining status," after "benefit reductions under subsection (e)(8) or (f)".

(B) AUTHORITY OF PLAN TO SUBORDINATE WITHDRAWAL LIABILITY CLAIMS.—Section 4219(d) of such Act (29 U.S.C. 1399(d)) is amended by striking the period at the end and inserting "or to any arrangement relating to withdrawal liability involving the plan.".

(C) CIVIL ACTIONS.—Section 4003(f)(1) of such Act (29 U.S.C. 1303)(f)(1)) is amended by inserting "plan sponsor," before "fiduciary".

(8) GUIDANCE.—Not later than 180 days after the date of the enactment of this Act, the Secretary of the Treasury, in consultation with the Pension Benefit Guaranty Corporation and the Secretary of Labor, shall publish appropriate guidance to implement section 305(e)(9) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1085(e)(9)).

(b) AMENDMENTS TO THE INTERNAL REVENUE CODE OF 1986.—

(1) GENERAL RULE FOR PLAN IN CRITICAL AND DECLINING STATUS.—Section 432(a) of the Internal Revenue Code of 1986 is amended—

(A) in paragraph (1)(B), by striking "and" at the end;

(B) in paragraph (2)(B), by striking the period at the end and inserting ", and"; and

(C) by adding at the end the following:

"(3) if the plan is in critical and declining status—

"(A) the requirements of paragraph (2) shall apply to the plan; and

"(B) the plan sponsor may, by plan amendment, suspend benefits in accordance with the requirements of subsection (e)(9).".

(2) CRITICAL AND DECLINING STATUS DEFINED.—Section 432(b) of the Internal Revenue Code of 1986, as amended by sections 102 and 104, is further amended by adding at the end the following:

"(6) CRITICAL AND DECLINING STATUS.—For purposes of this section, a plan in critical status shall be treated as in critical and declining status if the plan is described in one or more of subparagraphs (A), (B), (C), and (D) of paragraph (2) and the plan is projected to become insolvent within the meaning of section 418E during the current plan year or any of the 14 succeeding plan years (19 succeeding plan years if the plan has a ratio of inactive participants to active participants that exceeds 2 to 1 or if the funded percentage of the plan is less than 80 percent).".

(3) ANNUAL CERTIFICATION.—Section 432(b)(3)(A)(i) of the Internal Revenue Code of 1986 is amended—

(A) by striking "and whether" and inserting ", whether", and

(B) by inserting ", and whether or not the plan is or will be in critical and declining status for such plan year" before ", and" at the end.

(4) PROJECTIONS OF ASSETS AND LIABILITIES.—Section 432(b)(3)(B) of the Internal Revenue Code of 1986 is amended by adding at the end the following:

"(iv) PROJECTIONS OF CRITICAL AND DECLINING STATUS.—In determining whether a plan is in critical and declining status as described in subsection (e)(9), clauses (i), (ii), and (iii) shall apply, except that—

"(I) if reasonable, the plan actuary shall assume that each contributing employer in compliance continues to comply through the end of the rehabilitation period or such later time as provided in subsection (e)(3)(A)(ii) with the terms of the rehabilitation plan that correspond to the schedule adopted or imposed under subsection (e), and

"(II) the plan actuary shall take into account any suspensions of benefits described in subsection (e)(9) adopted in a prior plan year that are still in effect.".

(5) BENEFIT SUSPENSIONS FOR MULTIEMPLOYER PLANS IN CRITICAL AND DECLINING STATUS.—Section 432(e) of the Internal Revenue Code of 1986 (as amended by section 109) is amended by inserting after paragraph (8) the following:

"(9) BENEFIT SUSPENSIONS FOR MULTIEMPLOYER PLANS IN CRITICAL AND DECLINING STATUS.—

"(A) IN GENERAL.—Notwithstanding section 411(d)(6) and subject to subparagraphs (B) through (I), the plan sponsor of a plan in critical and declining status may, by plan amendment, suspend benefits which the sponsor deems appropriate.

"(B) SUSPENSION OF BENEFITS.—

"(i) SUSPENSION OF BENEFITS DEFINED.—For purposes of this subsection, the term 'suspension of benefits' means the temporary or permanent reduction of any current or future payment obligation of the plan to any participant or beneficiary under the plan, whether or not in pay status at the time of the suspension of benefits.

"(ii) LENGTH OF SUSPENSIONS.—Any suspension of benefits made under subparagraph (A) shall remain in effect until the earlier of when the plan sponsor provides benefit improvements in accordance with subparagraph (E) or the suspension of benefits expires by its own terms.

"(iii) NO LIABILITY.—The plan shall not be liable for any benefit payments not made as a result of a suspension of benefits under this paragraph.

"(iv) APPLICABILITY.—For purposes of this paragraph, all references to suspensions of benefits, increases in benefits, or resumptions of suspended benefits with respect to participants shall also apply with respect to benefits of beneficiaries or alternative payees of participants.

"(v) RETIREE REPRESENTATIVE.—

"(I) IN GENERAL.—In the case of a plan with 10,000 or more participants, not later than 60 days prior to the plan sponsor submitting an application to suspend benefits, the plan sponsor shall select a participant of the plan in pay status to act as a retiree representative. The retiree representative shall advocate for the interests of the retired and deferred vested participants and beneficiaries of the plan throughout the suspension approval process.

"(II) REASONABLE EXPENSES FROM PLAN.—The plan shall provide for reasonable expenses by the retiree representative, including reasonable legal and actuarial support, commensurate with the plan's size and funded status.

"(III) SPECIAL RULE RELATING TO FIDUCIARY STATUS.—Duties performed pursuant to subclause (I) shall not be subject to section 4975. The preceding sentence shall not apply to those duties associated with an application to suspend benefits pursuant to subparagraph (G) that are performed by the retiree representative who is also a plan trustee.

"(C) CONDITIONS FOR SUSPENSIONS.—The plan sponsor of a plan in critical and declining status for a plan year may suspend benefits only if the following conditions are met:

"(i) Taking into account the proposed suspensions of benefits (and, if applicable, a proposed partition of the plan under section 4233 of the Employee Retirement Income Security Act of 1974), the plan actuary certifies that the plan is projected to avoid insolvency within the meaning of section 418E, assuming the suspensions of benefits continue until the suspensions of benefits expire by their own terms or if no such expiration date is set, indefinitely.

"(ii) The plan sponsor determines, in a written record to be maintained throughout the period of the benefit suspension, that the plan is still projected to become insolvent unless benefits are suspended under this paragraph, although all reasonable measures to avoid insolvency have been taken (and continue to be taken during the period of the benefit suspension). In its determination, the plan sponsor may take into account factors including the following:

"(I) Current and past contribution levels.

"(II) Levels of benefit accruals (including any prior reductions in the rate of benefit accruals).

"(III) Prior reductions (if any) of adjustable benefits.

"(IV) Prior suspensions (if any) of benefits under this subsection.

"(V) The impact on plan solvency of the subsidies and ancillary benefits available to active participants.

"(VI) Compensation levels of active participants relative to employees in the participants' industry generally.

"(VII) Competitive and other economic factors facing contributing employers.

"(VIII) The impact of benefit and contribution levels on retaining active participants and bargaining groups under the plan.

"(IX) The impact of past and anticipated contribution increases under the plan on employer attrition and retention levels.

"(X) Measures undertaken by the plan sponsor to retain or attract contributing employers.

"(D) LIMITATIONS ON SUSPENSIONS.—Any suspensions of benefits made by a plan sponsor pursuant to this paragraph shall be subject to the following limitations:

"(i) The monthly benefit of any participant or beneficiary may not be reduced below 110 percent of the monthly benefit which is guaranteed by the Pension Benefit Guaranty Corporation under section 4022A of the Employee Retirement Income Security Act of 1974 on the date of the suspension.

"(ii)(I) In the case of a participant or beneficiary who has attained 75 years of age as of the effective date of the suspension, not more than the applicable percentage of the maximum suspendable benefits of such participant or beneficiary may be suspended under this paragraph.

"(II) For purposes of subclause (I), the maximum suspendable benefits of a participant or beneficiary is the portion of the benefits of such participant or beneficiary that would be suspended pursuant to this paragraph without regard to this clause;

"(III) For purposes of subclause (I), the applicable percentage is a percentage equal to the quotient obtained by dividing—

"(aa) the number of months during the period beginning with the month after the month in which occurs the effective date of the suspension and ending with the month during which the participant or beneficiary attains the age of 80, by

"(bb) 60 months.

"(iii) No benefits based on disability (as defined under the plan) may be suspended under this paragraph.

"(iv) Any suspensions of benefits, in the aggregate (and, if applicable, considered in combination with a partition of the plan under section 4233 of the Employee Retirement Income Security Act of 1974), shall be reasonably estimated to achieve, but not materially exceed, the level that is necessary to avoid insolvency.

"(v) In any case in which a suspension of benefits with respect to a plan is made in combination with a partition of the plan under section 4233 of the Employee Retirement Income Security Act of 1974,

the suspension of benefits may not take effect prior to the effective date of such partition.

"(vi) Any suspensions of benefits shall be equitably distributed across the participant and beneficiary population, taking into account factors, with respect to participants and beneficiaries and their benefits, that may include one or more of the following:

"(I) Age and life expectancy.

"(II) Length of time in pay status.

"(III) Amount of benefit.

"(IV) Type of benefit: survivor, normal retirement, early retirement.

"(V) Extent to which participant or beneficiary is receiving a subsidized benefit.

"(VI) Extent to which participant or beneficiary has received post-retirement benefit increases.

"(VII) History of benefit increases and reductions.

"(VIII) Years to retirement for active employees.

"(IX) Any discrepancies between active and retiree benefits.

"(X) Extent to which active participants are reasonably likely to withdraw support for the plan, accelerating employer withdrawals from the plan and increasing the risk of additional benefit reductions for participants in and out of pay status.

"(XI) Extent to which benefits are attributed to service with an employer that failed to pay its full withdrawal liability.

"(vii) In the case of a plan that includes the benefits described in clause (III), benefits suspended under this paragraph shall—

"(I) first, be applied to the maximum extent permissible to benefits attributable to a participant's service for an employer which withdrew from the plan and failed to pay (or is delinquent with respect to paying) the full amount of its withdrawal liability under section 4201(b)(1) of the Employee Retirement Income Security Act of 1974 or an agreement with the plan,

"(II) second, except as provided by subclause (III), be applied to all other benefits that may be suspended under this paragraph, and

"(III) third, be applied to benefits under a plan that are directly attributable to a participant's service with any employer which has, prior to the date of enactment of the Multiemployer Pension Reform Act of 2014—

"(aa) withdrawn from the plan in a complete withdrawal under section 4203 of the Employee Retirement Income Security Act of 1974 and has paid the full amount of the employer's withdrawal liability under section 4201(b)(1) of such Act or an agreement with the plan, and

"(bb) pursuant to a collective bargaining agreement, assumed liability for providing benefits to participants and beneficiaries of the plan under a separate, single-employer plan sponsored by the employer, in an amount equal to any amount of benefits for such participants and beneficiaries reduced as a result of the financial status of the plan.

"(E) BENEFIT IMPROVEMENTS.—

"(i) IN GENERAL.—The plan sponsor may, in its sole discretion, provide benefit improvements while any suspension of benefits under the plan remains in effect, except that the plan sponsor may not increase the liabilities of the plan by reason of any benefit improvement for any participant or beneficiary not in pay status by the first day of the plan year for which the benefit improvement takes effect, unless—

"(I) such action is accompanied by equitable benefit improvements in accordance with clause (ii) for all participants and beneficiaries whose benefit commencement dates were before the first day of the plan year for which the benefit improvement for such participant or beneficiary not in pay status took effect; and

"(II) the plan actuary certifies that after taking into account such benefits improvements the plan is projected to avoid insolvency indefinitely under section 418E.

"(ii) EQUITABLE DISTRIBUTION OF BENEFIT IMPROVEMENTS.—

"(I) LIMITATION.—The projected value of the total liabilities for benefit improvements for participants and beneficiaries not in pay status by the date of the first day of the plan year in which the benefit improvements are proposed to take effect, as determined as of such date, may not exceed the projected value of the liabilities arising from benefit improvements for participants and beneficiaries with benefit commencement dates prior to the first day of such plan year, as so determined.

"(II) EQUITABLE DISTRIBUTION OF BENEFITS.—The plan sponsor shall equitably distribute any increase in total liabilities for benefit improvements in clause (i) to some or all of the participants and beneficiaries whose benefit commencement date is before the date of the first day of the plan year in which the benefit improvements are proposed to take effect, taking into account the relevant factors described in subparagraph (D)(vi) and the extent to which the benefits of the participants and beneficiaries were suspended.

"(iii) SPECIAL RULE FOR RESUMPTIONS OF BENEFITS ONLY FOR PARTICIPANTS IN PAY STATUS.—The plan sponsor may increase liabilities of the plan through a resumption of benefits for participants and beneficiaries in pay status only if the plan sponsor equitably

distributes the value of resumed benefits to some or all of the participants and beneficiaries in pay status, taking into account the relevant factors described in subparagraph (D)(vi).

"(iv) SPECIAL RULE FOR CERTAIN BENEFIT INCREASES.—This subparagraph shall not apply to a resumption of suspended benefits or plan amendment which increases liabilities with respect to participants and beneficiaries not in pay status by the first day of the plan year in which the benefit improvements took effect which—

"(I) the Secretary of the Treasury, in consultation with the Pension Benefit Guaranty Corporation and the Secretary of Labor, determines to be reasonable and which provides for only de minimis increases in the liabilities of the plan, or

"(II) is required as a condition of qualification under part I of subchapter D of chapter 1 of subtitle A or to comply with other applicable law, as determined by the Secretary of the Treasury.

"(v) ADDITIONAL LIMITATIONS.—Except for resumptions of suspended benefits described in clause (iii), the limitations on benefit improvements while a suspension of benefits is in effect under this paragraph shall be in addition to any other applicable limitations on increases in benefits imposed on a plan.

"(vi) DEFINITION OF BENEFIT IMPROVEMENT.—For purposes of this subparagraph, the term 'benefit improvement' means, with respect to a plan, a resumption of suspended benefits, an increase in benefits, an increase in the rate at which benefits accrue, or an increase in the rate at which benefits become nonforfeitable under the plan.

"(F) NOTICE REQUIREMENTS.—

"(i) IN GENERAL.—No suspension of benefits may be made pursuant to this paragraph unless notice of such proposed suspension has been given by the plan sponsor concurrently with an application for approval of such suspension submitted under subparagraph (G) to the Secretary of the Treasury to—

"(I) such plan participants and beneficiaries who may be contacted by reasonable efforts,

"(II) each employer who has an obligation to contribute (within the meaning of section 4212(a) of the Employee Retirement Income Security Act of 1974) under the plan, and

"(III) each employee organization which, for purposes of collective bargaining, represents plan participants employed by such an employer.

"(ii) CONTENT OF NOTICE.—The notice under clause (i) shall contain—

"(I) sufficient information to enable participants and beneficiaries to understand the effect of any suspensions of benefits, including an individualized estimate (on an annual or monthly

basis) of such effect on each participant or beneficiary,

"(II) a description of the factors considered by the plan sponsor in designing the benefit suspensions,

"(III) a statement that the application for approval of any suspension of benefits shall be available on the website of the Department of the Treasury and that comments on such application will be accepted,

"(IV) information as to the rights and remedies of plan participants and beneficiaries,

"(V) if applicable, a statement describing the appointment of a retiree representative, the date of appointment of such representative, identifying information about the retiree representative (including whether the representative is a plan trustee), and how to contact such representative, and

"(VI) information on how to contact the Department of the Treasury for further information and assistance where appropriate.

"(iii) FORM AND MANNER.—Any notice under clause (i)—

"(I) shall be provided in a form and manner prescribed in guidance by the Secretary of the Treasury, in consultation with the Pension Benefit Guaranty Corporation and the Secretary of Labor, notwithstanding any other provision of law,

"(II) shall be written in a manner so as to be understood by the average plan participant, and

"(III) may be provided in written, electronic, or other appropriate form to the extent such form is reasonably accessible to persons to whom the notice is required to be provided.

"(iv) OTHER NOTICE REQUIREMENT.—Any notice provided under clause (i) shall fulfill the requirement for notice of a significant reduction in benefits described in section 4980F.

"(v) MODEL NOTICE.—The Secretary of the Treasury, in consultation with the Pension Benefit Guaranty Corporation and the Secretary of Labor, shall in the guidance prescribed under clause (iii)(I) establish a model notice that a plan sponsor may use to meet the requirements of this subparagraph.

"(G) APPROVAL PROCESS BY THE SECRETARY OF THE TREASURY IN CONSULTATION WITH THE PENSION BENEFIT GUARANTY CORPORATION AND THE SECRETARY OF LABOR.—

"(i) IN GENERAL.—The plan sponsor of a plan in critical and declining status for a plan year that seeks to suspend benefits must submit an application to the Secretary of the Treasury for approval of the suspensions of benefits. If the plan sponsor submits an application for approval of the suspensions, the Secretary of the Treasury shall approve, in consultation with the Pension Benefit Guaranty Corporation and

the Secretary of Labor, the application upon finding that the plan is eligible for the suspensions and has satisfied the criteria of subparagraphs (C), (D), (E), and (F).

"(ii) SOLICITATION OF COMMENTS.—Not later than 30 days after receipt of the application under clause (i), the Secretary of the Treasury, in consultation with the Pension Benefit Guaranty Corporation and the Secretary of Labor, shall publish a notice in the Federal Register soliciting comments from contributing employers, employee organizations, and participants and beneficiaries of the plan for which an application was made and other interested parties. The application for approval of the suspension of benefits shall be published on the website of the Department of the Treasury.

"(iii) REQUIRED ACTION; DEEMED APPROVAL.—The Secretary of the Treasury, in consultation with the Pension Benefit Guaranty Corporation and the Secretary of Labor, shall approve or deny any application for suspensions of benefits under this paragraph within 225 days after the submission of such application. An application for suspension of benefits shall be deemed approved unless, within such 225 days, the Secretary of the Treasury notifies the plan sponsor that it has failed to satisfy one or more of the criteria described in this paragraph. If the Secretary of the Treasury, in consultation with the Pension Benefit Guaranty Corporation and the Secretary of Labor, rejects a plan sponsor's application, the Secretary of the Treasury shall provide notice to the plan sponsor detailing the specific reasons for the rejection, including reference to the specific requirement not satisfied. Approval or denial by the Secretary of the Treasury, in consultation with the Pension Benefit Guaranty Corporation and the Secretary of Labor, of an application shall be treated as final agency action for purposes of section 704 of title 5, United States Code.

"(iv) AGENCY REVIEW.—In evaluating whether the plan sponsor has met the criteria specified in clause (ii) of subparagraph (C), the Secretary of the Treasury, in consultation with the Pension Benefit Guaranty Corporation and the Secretary of Labor, shall review the plan sponsor's consideration of factors under such clause.

"(v) STANDARD FOR ACCEPTING PLAN SPONSOR DETERMINATIONS.—In evaluating the plan sponsor's application, the Secretary of the Treasury shall accept the plan sponsor's determinations unless it concludes, in consultation with the Pension Benefit Guaranty Corporation and the Secretary of Labor, that the plan sponsor's determinations were clearly erroneous.

"(H) PARTICIPANT RATIFICATION PROCESS.—

"(i) IN GENERAL.—No suspension of benefits may take effect pursuant to this paragraph prior to a vote of the participants of the plan with respect to the suspension.

"(ii) ADMINISTRATION OF VOTE.—Not later than 30 days after approval of the suspension by the Secretary of the Treasury, in consultation with the Pension Benefit Guaranty Corporation and the Secretary of Labor, under subparagraph (G), the Secretary of the Treasury, in consultation with the Pension Benefit Guaranty Corporation and the Secretary of Labor, shall administer a vote of participants and beneficiaries of the plan. Except as provided in clause (v), the suspension shall go into effect following the vote unless a majority of all participants and beneficiaries of the plan vote to reject the suspension. The plan sponsor may submit a new suspension application to the Secretary of the Treasury for approval in any case in which a suspension is prohibited from taking effect pursuant to a vote under this subparagraph.

"(iii) BALLOTS.—The plan sponsor shall provide a ballot for the vote (subject to approval by the Secretary of the Treasury, in consultation with the Pension Benefit Guaranty Corporation and the Secretary of Labor) that includes the following:

"(I) A statement from the plan sponsor in support of the suspension.

"(II) A statement in opposition to the suspension compiled from comments received pursuant to subparagraph (G)(ii).

"(III) A statement that the suspension has been approved by the Secretary of the Treasury, in consultation with the Pension Benefit Guaranty Corporation and the Secretary of Labor.

"(IV) A statement that the plan sponsor has determined that the plan will become insolvent unless the suspension takes effect.

"(V) A statement that insolvency of the plan could result in benefits lower than benefits paid under the suspension.

"(VI) A statement that insolvency of the Pension Benefit Guaranty Corporation would result in benefits lower than benefits paid in the case of plan insolvency.

"(iv) COMMUNICATION BY PLAN SPONSOR.—It is the sense of Congress that, depending on the size and resources of the plan and geographic distribution of the plan's participants, the plan sponsor should take such steps as may be necessary to inform participants about proposed benefit suspensions through in-person meetings, telephone or internet-based communications, mailed information, or by other means.

"(v) SYSTEMICALLY IMPORTANT PLANS.—

"(I) IN GENERAL.—Not later than 14 days after a vote under this subparagraph rejecting a suspension, the Secretary of the Treasury, in consultation with the Pension Benefit Guaranty Corporation and the Secretary of Labor, shall determine whether the plan is a systemically important plan. If the Secretary of the Treasury, in consultation with the Pension Benefit Guaranty Corporation

and the Secretary of Labor, determines that the plan is a systemically important plan, not later than the end of the 90-day period beginning on the date the results of the vote are certified, the Secretary of the Treasury shall, notwithstanding such adverse vote—

"(aa) permit the implementation of the suspension proposed by the plan sponsor; or

"(bb) permit the implementation of a modification by the Secretary of the Treasury, in consultation with the Pension Benefit Guaranty Corporation and the Secretary of Labor, of such suspension (so long as the plan is projected to avoid insolvency within the meaning of section 4245 of the Employee Retirement Income Security Act of 1974 under such modification).

"(II) RECOMMENDATIONS.—Not later than 30 days after a determination by the Secretary of the Treasury, in consultation with the Pension Benefit Guaranty Corporation and the Secretary of Labor, that the plan is systemically important, the Participant and Plan Sponsor Advocate selected under section 4004 of the Employee Retirement Income Security Act of 1974 may submit recommendations to the Secretary of the Treasury with respect to the suspension or any revisions to the suspension.

"(III) SYSTEMICALLY IMPORTANT PLAN DEFINED.—

"(aa) IN GENERAL.—For purposes of this subparagraph, a systemically important plan is a plan with respect to which the Pension Benefit Guaranty Corporation projects the present value of projected financial assistance payments exceeds $1,000,000,000 if suspensions are not implemented.

"(bb) INDEXING.—For calendar years beginning after 2015, there shall be substituted for the dollar amount specified in item (aa) an amount equal to the product of such dollar amount and a fraction, the numerator of which is the contribution and benefit base (determined under section 230 of the Social Security Act) for the preceding calendar year and the denominator of which is such contribution and benefit base for calendar year 2014. If the amount otherwise determined under this item is not a multiple of $1,000,000, such amount shall be rounded to the next lowest multiple of $1,000,000.

"(vi) FINAL AUTHORIZATION TO SUSPEND.—In any case in which a suspension goes into effect following a vote pursuant to clause (ii) (or following a determination under clause (v) that the plan is a systemically

important plan), the Secretary of the Treasury, in consultation with the Pension Benefit Guaranty Corporation and the Secretary of Labor, shall issue a final authorization to suspend with respect to the suspension not later than 7 days after such vote (or, in the case of a suspension that goes into effect under clause (v), at a time sufficient to allow the implementation of the suspension prior to the end of the 90-day period described in clause (v)(I)).

"(I) JUDICIAL REVIEW.—

"(i) DENIAL OF APPLICATION.—An action by the plan sponsor challenging the denial of an application for suspension of benefits by the Secretary of the Treasury, in consultation with the Pension Benefit Guaranty Corporation and the Secretary of Labor, may only be brought following such denial.

"(ii) APPROVAL OF SUSPENSION OF BENEFITS.—

"(I) TIMING OF ACTION.—An action challenging a suspension of benefits under this paragraph may only be brought following a final authorization to suspend by the Secretary of the Treasury, in consultation with the Pension Benefit Guaranty Corporation and the Secretary of Labor, under subparagraph (H)(vi).

"(II) STANDARDS OF REVIEW.—

"(aa) IN GENERAL.—A court shall review an action challenging a suspension of benefits under this paragraph in accordance with section 706 of title 5, United States Code.

"(bb) TEMPORARY INJUNCTION.—A court reviewing an action challenging a suspension of benefits under this paragraph may not grant a temporary injunction with respect to such suspension unless the court finds a clear and convincing likelihood that the plaintiff will prevail on the merits of the case.

"(iii) RESTRICTED CAUSE OF ACTION.—A participant or beneficiary affected by a benefit suspension under this paragraph shall not have a cause of action under this title.

"(iv) LIMITATION ON ACTION TO SUSPEND BENEFITS.—No action challenging a suspension of benefits following the final authorization to suspend or the denial of an application for suspension of benefits pursuant to this paragraph may be brought after one year after the earliest date on which the plaintiff acquired or should have acquired actual knowledge of the existence of such cause of action.

"(J) SPECIAL RULE FOR EMERGENCE FROM CRITICAL STATUS.—A plan certified to be in critical and declining status pursuant to projections made under subsection (b)(3) for which a suspension of benefits has been made by the plan sponsor pursuant to this paragraph shall not emerge from critical status under paragraph (4)(B), until such time as—

"(i) the plan is no longer certified to be in critical or endangered status under paragraphs (1) and (2) of subsection (b), and

"(ii) the plan is projected to avoid insolvency under section 418E.".

(6) RULE RELATING TO WITHDRAWAL LIABILITY.—Section 432(g)(1) of the Internal Revenue Code of 1986, as added by section 109, is further amended by inserting ", or benefit reductions or suspensions while in critical and declining status under subsection (e)(9)), unless the withdrawal occurs more than ten years after the effective date of a benefit suspension by a plan in critical and declining status," after "benefit reductions under subsection (e)(8) or (f)".

(7) GUIDANCE.—Not later than 180 days after the date of the enactment of this Act, the Secretary of the Treasury, in consultation with the Pension Benefit Guaranty Corporation and the Secretary of Labor, shall publish appropriate guidance to implement section 432(e)(9) of the Internal Revenue Code of 1986.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of the enactment of this Act.

DIVISION P—OTHER RETIREMENT-RELATED MODIFICATIONS

SEC. 1. SUBSTANTIAL CESSATION OF OPERATIONS.

(a) IN GENERAL.—Subsection (e) of section 4062 of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1362) is amended to read as follows:

"(e) TREATMENT OF SUBSTANTIAL CESSATION OF OPERATIONS.—

"(1) GENERAL RULE.—Except as provided in paragraphs (3) and (4), if there is a substantial cessation of operations at a facility in any location, the employer shall be treated with respect to any single employer plan established and maintained by the employer covering participants at such facility as if the employer were a substantial employer under a plan under which more than one employer makes contributions and the provisions of sections 4063, 4064, and 4065 shall apply.

"(2) SUBSTANTIAL CESSATION OF OPERATIONS.—For purposes of this subsection:

"(A) IN GENERAL.—The term 'substantial cessation of operations' means a permanent cessation of operations at a facility which results in a workforce reduction of a number of eligible employees at the facility equivalent to more than 15 percent of the number of all eligible employees of the employer, determined immediately before the earlier of—

"(i) the date of the employer's decision to implement such cessation, or

"(ii) in the case of a workforce reduction which includes 1 or more eligible employees described in paragraph (6)(B), the earliest date on which any such eligible employee was separated from employment.

"(B) WORKFORCE REDUCTION.—Subject to subparagraphs (C) and (D), the term 'workforce reduction' means the number of eligible employees at a facility who are

separated from employment by reason of the permanent cessation of operations of the employer at the facility.

"(C) RELOCATION OF WORKFORCE.—An eligible employee separated from employment at a facility shall not be taken into account in computing a workforce reduction if, within a reasonable period of time, the employee is replaced by the employer, at the same or another facility located in the United States, by an employee who is a citizen or resident of the United States.

"(D) DISPOSITIONS.—If, whether by reason of a sale or other disposition of the assets or stock of a contributing sponsor (or any member of the same controlled group as such a sponsor) of the plan relating to operations at a facility or otherwise, an employer (the 'transferee employer') other than the employer which experiences the substantial cessation of operations (the 'transferor employer') conducts any portion of such operations, then—

"(i) an eligible employee separated from employment with the transferor employer at the facility shall not be taken into account in computing a workforce reduction if—

"(I) within a reasonable period of time, the employee is replaced by the transferee employer by an employee who is a citizen or resident of the United States; and

"(II) in the case of an eligible employee who is a participant in a single employer plan maintained by the transferor employer, the transferee employer, within a reasonable period of time, maintains a single employer plan which includes the assets and liabilities attributable to the accrued benefit of the eligible employee at the time of separation from employment with the transferor employer; and

"(ii) an eligible employee who continues to be employed at the facility by the transferee employer shall not be taken into account in computing a workforce reduction if—

"(I) the eligible employee is not a participant in a single employer plan maintained by the transferor employer, or

"(II) in any other case, the transferee employer, within a reasonable period of time, maintains a single employer plan which includes the assets and liabilities attributable to the accrued benefit of the eligible employee at the time of separation from employment with the transferor employer.

"(3) EXEMPTION FOR PLANS WITH LIMITED UNDERFUNDING.—Paragraph (1) shall not apply with respect to a single employer plan if, for the plan year preceding the plan year in which the cessation occurred—

"(A) there were fewer than 100 participants with accrued benefits under the plan as of the valuation date of the plan for the plan year (as determined under section 303(g)(2)); or

"(B) the ratio of the market value of the assets of the plan to the funding target of the plan for the plan year was 90 percent or greater.

"(4) ELECTION TO MAKE ADDITIONAL CONTRIBUTIONS TO SATISFY LIABILITY.—

"(A) IN GENERAL.—An employer may elect to satisfy the employer's liability with respect to a plan by reason of paragraph (1) by making additional contributions to the plan in the amount determined under subparagraph (B) for each plan year in the 7-plan-year period beginning with the plan year in which the cessation occurred. Any such additional contribution for a plan year shall be in addition to any minimum required contribution under section 303 for such plan year and shall be paid not later than the earlier of—

"(i) the due date for the minimum required contribution for such year under section 303(j); or

"(ii) in the case of the first such contribution, the date that is 1 year after the date on which the employer notifies the Corporation of the substantial cessation of operations or the date the Corporation determines a substantial cessation of operations has occurred, and in the case of subsequent contributions, the same date in each succeeding year.

"(B) AMOUNT DETERMINED.—

"(i) IN GENERAL.—Except as provided in clause (iii), the amount determined under this subparagraph with respect to each plan year in the 7-plan-year period is the product of—

"(I) $\frac{1}{7}$ of the unfunded vested benefits determined under section 4006(a)(3)(E) as of the valuation date of the plan (as determined under section 303(g)(2)) for the plan year preceding the plan year in which the cessation occurred; and

"(II) the reduction fraction.

"(ii) REDUCTION FRACTION.—For purposes of clause (i), the reduction fraction of a single employer plan is equal to—

"(I) the number of participants with accrued benefits in the plan who were included in computing the workforce reduction under paragraph (2)(B) as a result of the cessation of operations at the facility; divided by

"(II) the number of eligible employees of the employer who are participants with accrued benefits in the plan, determined as of the same date the determination under paragraph (2)(A) is made.

"(iii) LIMITATION.—The additional contribution under this subparagraph for any plan year shall not exceed the excess, if any, of—

"(I) 25 percent of the difference between the market value of the assets of the plan and the funding target of the plan for the preceding plan year; over

"(II) the minimum required contribution under section 303 for the plan year.

"(C) PERMITTED CESSATION OF ANNUAL INSTALLMENTS WHEN PLAN BECOMES SUFFICIENTLY FUNDED.—An employer's obligation to make additional contributions under this paragraph shall not apply to—

"(i) the first plan year (beginning on or after the first day of the plan year in which the cessation occurs) for which the ratio of the market value of the assets of the plan to the funding target of the plan for the plan year is 90 percent or greater, or

"(ii) any plan year following such first plan year.

"(D) COORDINATION WITH FUNDING WAIVERS.—

"(i) IN GENERAL.—If the Secretary of the Treasury issues a funding waiver under section 302(c) with respect to the plan for a plan year in the 7-plan-year period under subparagraph (A), the additional contribution with respect to such plan year shall be permanently waived.

"(ii) NOTICE.—An employer maintaining a plan with respect to which such a funding waiver has been issued or a request for such a funding waiver is pending shall provide notice to the Secretary of the Treasury, in such form and at such time as the Secretary of the Treasury shall provide, of a cessation of operations to which paragraph (1) applies.

"(E) ENFORCEMENT.—

"(i) NOTICE.—An employer making the election under this paragraph shall provide notice to the Corporation, in accordance with rules prescribed by the Corporation, of—

"(I) such election, not later than 30 days after the earlier of the date the employer notifies the Corporation of the substantial cessation of operations or the date the Corporation determines a substantial cessation of operations has occurred;

"(II) the payment of each additional contribution, not later than 10 days after such payment;

"(III) any failure to pay the additional contribution in the full amount for any year in the 7-plan-year period, not later than 10 days after the due date for such payment;

"(IV) the waiver under subparagraph (D)(i) of the obligation to make an additional contribution for any year, not later than 30 days after the funding waiver described in such subparagraph is granted; and

"(V) the cessation of any obligation to make additional contributions under subparagraph (C), not later than 10 days after the due date for payment of the additional contribution for the first plan year to which such cessation applies.

"(ii) ACCELERATION OF LIABILITY TO THE PLAN FOR FAILURE TO PAY.—If an employer fails to pay the additional contribution in the full amount for any year in the 7-plan-year period by the due date for such payment, the employer shall, as of such date, be liable to the plan in an amount equal to the balance which remains unpaid as of such date of the aggregate

amount of additional contributions required to be paid by the employer during such 7-year-plan period. The Corporation may waive or settle the liability described in the preceding sentence, at the discretion of the Corporation.

"(iii) CIVIL ACTION.—The Corporation may bring a civil action in the district courts of the United States in accordance with section 4003(e) to compel an employer making such election to pay the additional contributions required under this paragraph.

"(5) DEFINITIONS.—For purposes of this subsection:

"(A) ELIGIBLE EMPLOYEE.—The term 'eligible employee' means an employee who is eligible to participate in an employee pension benefit plan (as defined in section 3(2)) established and maintained by the employer.

"(B) FUNDING TARGET.—The term 'funding target' means, with respect to any plan year, the funding target as determined under section 4006(a)(3)(E)(iii)(I) for purposes of determining the premium paid to the Corporation under section 4007 for the plan year.

"(C) MARKET VALUE.—The market value of the assets of a plan shall be determined in the same manner as for purposes of section 4006(a)(3)(E).

"(6) SPECIAL RULES.—

"(A) CHANGE IN OPERATION OF CERTAIN FACILITIES AND PROPERTY.—For purposes of paragraphs (1) and (2), an employer shall not be treated as ceasing operations at a qualified lodging facility (as defined in section 856(d)(9)(D) of the Internal Revenue Code of 1986) if such operations are continued by an eligible independent contractor (as defined in section 856(d)(9)(A) of such Code) pursuant to an agreement with the employer.

"(B) AGGREGATION OF PRIOR SEPARATIONS.—The workforce reduction under paragraph (2) with respect to any cessation of operations shall be determined by taking into account any separation from employment of any eligible employee at the facility (other than a separation which is not taken into account as workforce reduction by reason of subparagraph (C) or (D) of paragraph (2)) which—

"(i) is related to the permanent cessation of operations of the employer at the facility, and

"(ii) occurs during the 3-year period preceding such cessation.

"(C) NO ADDITION TO PREFUNDING BALANCE.—For purposes of section 303(f)(6)(B) and section 430(f)(6)(B) of the Internal Revenue Code of 1986, any additional contribution made under paragraph (4) shall be treated in the same manner as a contribution an employer is required to make in order to avoid a benefit reduction under paragraph (1), (2), or (4) of section 206(g) or subsection (b), (c), or (e) of section 436 of the Internal Revenue Code of 1986 for the plan year.".

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendment made by this section shall apply to a cessation of operations or other event at a

facility occurring on or after the date of enactment of this Act.

(2) TRANSITION RULE.—An employer that had a cessation of operations before the date of enactment of this Act (as determined under subsection 4062(e) of the Employee Retirement Income Security Act of 1974 as in effect before the amendment made by this section), but did not enter into an arrangement with the Pension Benefit Guaranty Corporation to satisfy the requirements of such subsection (as so in effect) before such date of enactment, shall be permitted to make the election under section 4062(e)(4) of such Act (as in effect after the amendment made by this section) as if such cessation had occurred on such date of enactment. Such election shall be made not later than 30 days after such Corporation issues, on or after such date of the enactment, a final administrative determination that a substantial cessation of operations has occurred.

(c) DIRECTION TO THE CORPORATION.—The Pension Benefit Guaranty Corporation shall not take any enforcement, administrative, or other action pursuant to section 4062(e) of the Employee Retirement Income Security Act of 1974, or in connection with an agreement settling liability arising under such section, that is inconsistent with the amendment made by this section, without regard to whether the action relates to a cessation or other event that occurs before, on, or after the date of the enactment of this Act, unless such action is in connection with a settlement agreement that is in place before June 1, 2014. The Pension Benefit Guaranty Corporation shall not initiate a new enforcement action with respect to section 4062(e) of such Act that is inconsistent with its enforcement policy in effect on June 1, 2014.

SEC. 2. CLARIFICATION OF THE NORMAL RETIREMENT AGE.

(a) AMENDMENTS TO THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974.—Section 204 of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1054) is amended by redesignating subsection (k) as subsection (l) and by inserting after subsection (j) the following new subsection:

"(k) SPECIAL RULE FOR DETERMINING NORMAL RETIREMENT AGE FOR CERTAIN EXISTING DEFINED BENEFIT PLANS.—

"(1) IN GENERAL.—Notwithstanding section 3(24), an applicable plan shall not be treated as failing to meet any requirement of this title, or as failing to have a uniform normal retirement age for purposes of this title, solely because the plan provides for a normal retirement age described in paragraph (2).

"(2) APPLICABLE PLAN.—For purposes of this subsection—

"(A) IN GENERAL.—The term 'applicable plan' means a defined benefit plan the terms of which, on or before December 8, 2014, provided for a normal retirement age which is the earlier of—

"(i) an age otherwise permitted under section 3(24), or

"(ii) the age at which a participant completes the number of years (not less than 30 years) of benefit accrual service specified by the plan.

A plan shall not fail to be treated as an applicable plan solely because the normal retirement age described in the

preceding sentence only applied to certain participants or only applied to employees of certain employers in the case of a plan maintained by more than 1 employer.

"(B) EXPANDED APPLICATION.—Subject to subparagraph (C), if, after December 8, 2014, an applicable plan is amended to expand the application of the normal retirement age described in subparagraph (A) to additional participants or to employees of additional employers maintaining the plan, such plan shall also be treated as an applicable plan with respect to such participants or employees.

"(C) LIMITATION ON EXPANDED APPLICATION.—A defined benefit plan shall be an applicable plan only with respect to an individual who—

"(i) is a participant in the plan on or before January 1, 2017, or

"(ii) is an employee at any time on or before January 1, 2017, of any employer maintaining the plan, and who becomes a participant in such plan after such date.".

(b) AMENDMENT TO THE INTERNAL REVENUE CODE OF 1986.—Section 411 of the Internal Revenue Code of 1986 is amended by adding at the end the following new subsection:

"(f) SPECIAL RULE FOR DETERMINING NORMAL RETIREMENT AGE FOR CERTAIN EXISTING DEFINED BENEFIT PLANS.—

"(1) IN GENERAL.—Notwithstanding subsection (a)(8), an applicable plan shall not be treated as failing to meet any requirement of this subchapter, or as failing to have a uniform normal retirement age for purposes of this subchapter, solely because the plan provides for a normal retirement age described in paragraph (2).

"(2) APPLICABLE PLAN.—For purposes of this subsection—

"(A) IN GENERAL.—The term 'applicable plan' means a defined benefit plan the terms of which, on or before December 8, 2014, provided for a normal retirement age which is the earlier of—

"(i) an age otherwise permitted under subsection (a)(8), or

"(ii) the age at which a participant completes the number of years (not less than 30 years) of benefit accrual service specified by the plan.

A plan shall not fail to be treated as an applicable plan solely because the normal retirement age described in the preceding sentence only applied to certain participants or only applied to employees of certain employers in the case of a plan maintained by more than 1 employer.

"(B) EXPANDED APPLICATION.—Subject to subparagraph (C), if, after December 8, 2014, an applicable plan is amended to expand the application of the normal retirement age described in subparagraph (A) to additional participants or to employees of additional employers maintaining the plan, such plan shall also be treated as an applicable plan with respect to such participants or employees.

"(C) LIMITATION ON EXPANDED APPLICATION.—A defined benefit plan shall be an applicable plan only with respect to an individual who—

"(i) is a participant in the plan on or before January 1, 2017, or

"(ii) is an employee at any time on or before January 1, 2017, of any employer maintaining the plan, and who becomes a participant in such plan after such date.".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to all periods before, on, and after the date of enactment of this Act.

SEC. 3. APPLICATION OF COOPERATIVE AND SMALL EMPLOYER CHARITY PENSION PLAN RULES TO CERTAIN CHARITABLE EMPLOYERS WHOSE PRIMARY EXEMPT PURPOSE IS PROVIDING SERVICES WITH RESPECT TO CHILDREN.

(a) EMPLOYEE RETIREMENT INCOME AND SECURITY ACT OF 1974.—

(1) IN GENERAL.—Section 210(f)(1) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1060(f)(1)) is amended by striking "or" at the end of subparagraph (A), by striking the period at the end of subparagraph (B) and inserting "; or", and by inserting after subparagraph (B) the following new subparagraph:

"(C) that, as of June 25, 2010, was maintained by an employer—

"(i) described in section 501(c)(3) of such Code,

"(ii) chartered under part B of subtitle II of title 36, United States Code,

"(iii) with employees in at least 40 States, and

"(iv) whose primary exempt purpose is to provide services with respect to children.".

(2) AGGREGATION RULES.—Section 210(f)(2) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1060(f)(2)) is amended by striking "paragraph (1)(B)" and inserting "subparagraph (B) and (C) of paragraph (1)".

(b) INTERNAL REVENUE CODE OF 1986.—

(1) IN GENERAL.—Section 414(y)(1) of the Internal Revenue Code of 1986 is amended by striking "or" at the end of subparagraph (A), by striking the period at the end of subparagraph (B) and inserting "; or", and by inserting after subparagraph (B) the following new subparagraph:

"(C) that, as of June 25, 2010, was maintained by an employer—

"(i) described in section 501(c)(3) of such Code,

"(ii) chartered under part B of subtitle II of title 36, United States Code,

"(iii) with employees in at least 40 States, and

"(iv) whose primary exempt purpose is to provide services with respect to children.".

(2) AGGREGATION RULES.—Section 414(y)(2) of the Internal Revenue Code of 1986 is amended by striking "paragraph (1)(B)" and inserting "subparagraph (B) and (C) of paragraph (1)".

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect as if included in the amendments made by the Cooperative and Small Employer Charity Pension Flexibility Act (29 U.S.C. 401 note).