

MULTIEMPLOYER PENSION PLAN AMENDMENTS
ACT OF 1980

SEPTEMBER 18, 1980.—Ordered to be printed

Mr. THOMPSON, from the committee of conference,
submitted the following

CONFERENCE REPORT

[To accompany H.R. 3904]

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the amendment of the House to the amendment of the Senate to the bill (H.R. 3904) to amend the Employee Retirement Income Security Act of 1974 and the Internal Revenue Code of 1954 to improve retirement income security under private multiemployer pension plans by strengthening the funding requirements for those plans, to authorize plan preservation measures for financially troubled multiemployer pension plans, and to revise the manner in which the pension plan termination insurance provisions apply to multiemployer plans, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective House as follows:

Amendments numbered 2 and 3:

That the Senate recede from its amendments numbered 2 and 3 to the House amendment to the Senate amendment.

Amendment numbered 1:

That the House recede from its disagreement to the amendment of the Senate numbered 1 to the House amendment to the Senate amendment and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

SEC. 414. TREATMENT OF CERTAIN RETIREMENT BENEFITS.

(a) *GENERAL RULE.*—Paragraph (15) of section 3304(a) of the Internal Revenue Code of 1954 (relating to requirements for approval of State laws) is amended by striking out the semicolon at the end thereof and inserting in lieu thereof the following:

“except that—

“(A) the requirements of this paragraph shall apply to any pension, retirement or retired pay, annuity, or other similar periodic payment only if—

“(i) such pension, retirement or retired pay, annuity, or similar payment is under a plan maintained (or contributed to) by a base period employer or chargeable employer (as determined under applicable law), and

“(ii) in the case of such a payment not made under the Social Security Act or the Railroad Retirement Act of 1974 (or the corresponding provisions of prior law), services performed for such employer by the individual after the beginning of the base period (or remuneration for such services) affect eligibility for, or increase the amount of, such pension, retirement or retired pay, annuity, or similar payment, and

“(B) the State law may provide for limitations on the amount of any such a reduction to take into account contributions made by the individual for the pension, retirement or retired pay, annuity, or other similar periodic payment;”.

(b) *EFFECTIVE DATE.*—The amendment made by subsection (a) shall apply to certifications of States for 1981 and subsequent years. And the Senate agree to the same.

For Senate amendment

No. 1:

AL ULLMAN,
JAMES C. CORMAN,
CHARLES RANGEL,
WILLIAM M. BRODHEAD,
BARBER B. CONABLE, JR.,
BILL FRENZEL,

For Senate amendments

Nos. 2 and 3.

CARL D. PERKINS,
FRANK THOMPSON, JR.,
JOHN BRADEMAS,
WILLIAM CLAY,
JOHN M. ASHBROOK,
JOHN N. ERLBORN,

Managers on the Part of the House.

HARRISON A. WILLIAMS, JR.,
JENNINGS RANDOLPH,
HOWARD M. METZENBAUM,
DICK SCHWEIKER,
JACOB K. JAVITS,
RUSSELL B. LONG,
SPARK M. MATSUNAGA,
DAVID L. BOREN,
ROBERT DOLE,
JOHN H. CHAFEE,

Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the amendment of the House to the amendment of the Senate to the bill (H.R. 3904) to amend the Employee Retirement Income Security Act of 1974 and the Internal Revenue Code of 1954 to improve retirement income security under private multiemployer pension plans by strengthening the funding requirements for those plans, to authorize plan preservation measures for financially troubled multiemployer pension plans, and to revise the manner in which the pension plan termination insurance provisions apply to multiemployer plans, and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report :

TREATMENT OF CERTAIN RETIREMENT BENEFITS

The House amendment to the Senate amendment to the bill provides that the pension offset requirement of existing unemployment law would only apply to a pension which is paid under a plan maintained or contributed to by a base period employer and which is increased by reason of services performed after the beginning of the base period. The House amendment also provides that the pension offset requirement would not apply in the case of social security benefits and railroad retirement benefits. The House amendment also authorizes the State to make limitations in the amount of the pension offset to take into account contributions made by the individual for the retirement benefit.

The Senate amendment numbered 1 to the House amendment to the Senate amendment to the bill provides that the pension offset requirement of existing law would only apply to pensions paid under plans maintained or contributed to by base period or chargeable employers. The Senate amendment also allows States to make limitations to take into account employee contributions identical to that contained in the House amendment.

The conference agreement generally follows the Senate amendment.

PREEMPTION

The House amendment to the Senate amendment to the bill provides no exemption from the preemption provision of section 514 of the Employee Retirement Income Security Act of 1974 ("ERISA").

The Senate amendments numbered 2 and 3 to the House amendment to the Senate amendment to the bill provide an exemption from section 514(a) of ERISA for the Hawaii Prepaid Health Care Law as in

effect on January 1, 1979, and require a study by the Secretary of Labor on the feasibility of extending the exemption to other State health care laws. The Secretary of Labor is to report to the Congress on the study within two years after the date of enactment.

The Senate recedes to the House position. In adopting the House position, the Conferees do not imply a position as to the effect of section 514 of ERISA on the Hawaii Prepaid Health Care Law or other similar State laws, or as to correctness of any court decisions in this area.

For Senate amendment

No. 1:

AL ULLMAN,
JAMES C. CORMAN,
CHARLES RANGEL,
WILLIAM M. BRODHEAD,
BARBER B. CONABLE, Jr.,

For Senate amendment

Nos. 2 and 3.

BILL FRENZEL,
CARL D. PERKINS,
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JOHN H. CHAFEE,
Managers on the Part of the Senate.

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