

AMENDMENT TO
RULES COMMITTEE PRINT 116–24
OFFERED BY MR. RICE OF SOUTH CAROLINA

Add at the end the following:

1 **SEC. 13. VALUATION AND ACTUARIAL RULES FOR MULTI-**
2 **EMPLOYER PLANS WITH LOAN.**

3 (a) FAIR MARKET VALUE ASSET VALUATION.—Sec-
4 tion 431(c)(2) of the Internal Revenue Code of 1986 is
5 amended by adding at the end the following: “In the case
6 of a plan with an outstanding loan under section 4 of the
7 Rehabilitation for Multiemployer Pensions Act of 2019,
8 the value of plan assets shall be determined under rules
9 similar to the rules of section 430(g)(3)”.

10 (b) INTEREST RATES.—

11 (1) IN GENERAL.—Section 431(c)(6)(D)(iii) of
12 such Code is amended by adding at the end the fol-
13 lowing “In the case of a plan with an outstanding
14 loan under section 4 of the Rehabilitation for Multi-
15 employer Pensions Act of 2019, the rate of interest
16 prescribed by this clause shall be determined under
17 rules similar to the rules of section 430(h)(2)”.

1 (c) SEVEN-YEAR AMORTIZATION.—Section 431(b)(3)
2 of such Code is amended by adding at the end the fol-
3 lowing flush matter:

4 “In the case of a plan with an outstanding loan
5 under section 4 of the Rehabilitation for Multiem-
6 ployer Pensions Act of 2019, clauses (i), (ii), and
7 (iii) of subparagraph (B) shall be applied by sub-
8 stituting ‘7 plan years’ for ‘15 plan years’ each place
9 it appears.”.

10 (d) EFFECTIVE DATE.—The amendments made by
11 this section shall apply to plan years beginning after De-
12 cember 31, 2021.

13 **SEC. 10. LIMITATION ON BENEFIT ACCRUALS FOR CERTAIN**
14 **MULTIEMPLOYER PLANS WITH SEVERE**
15 **FUNDING SHORTFALL OR FAILURE TO SAT-**
16 **ISFY MINIMUM FUNDING STANDARD.**

17 (a) IN GENERAL.—Section 436(e) of the Internal
18 Revenue Code of 1986 is amended—

19 (1) by redesignating paragraphs (1) and (2) as
20 subparagraphs (A) and (B), respectively, and by
21 moving such subparagraphs (as so redesignated) 2
22 ems to the right,

23 (2) by striking “FUNDING SHORTFALLS.—”
24 and inserting the following: “FUNDING SHORT-
25 FALLS.—”

1 “(1) SINGLE EMPLOYER PLANS.—”, and
2 (3) by adding at the end the following new
3 paragraph:

4 “(2) CERTAIN MULTIEMPLOYER PLANS.—

5 “(A) IN GENERAL.—A defined benefit plan
6 which is a multiemployer plan that has an out-
7 standing loan under section 4 of the Rehabilita-
8 tion for Multiemployer Pensions Act of 2019
9 shall provide that, in any case in which—

10 “(i) the plan’s funded percentage is
11 less than 60 percent as of the valuation
12 date for the plan year, or

13 “(ii) the plan has an accumulated
14 funding deficiency under section 431 at the
15 end of the plan year,

16 benefit accruals under the plan shall cease as of
17 the valuation date for the plan year, or for plan
18 years following the plan year of the funding de-
19 ficiency, as the case may be.

20 “(B) FUNDED PERCENTAGE.—For pur-
21 poses of this paragraph, the term ‘funded per-
22 centage’ has the meaning given such term by
23 section 432(j)(2) (except that the plan’s assets
24 and liabilities shall be determined under the
25 rules of section 4971(i)(4)).

1 “(C) EXEMPTION.—Subparagraph (A)
2 shall cease to apply with respect to any plan
3 year, effective as of the first day of the plan
4 year, upon payment by the employers of con-
5 tributions (in addition to payments sufficient to
6 ensure the plan does not have an accumulated
7 funding deficiency under section 431 for the
8 plan year) equal to an amount sufficient to re-
9 sult in a funded percentage of 60 percent.”.

10 (b) CONFORMING AMENDMENTS.—

11 (1) The heading for subpart B of part III of
12 subchapter D of chapter 1 of such Code is amended
13 by striking “**Under Single-Employer Plans**”.

14 (2) The heading for section 436 of such Code
15 is amended by striking “**UNDER SINGLE-EM-**
16 **PLOYER PLANS**”.

17 (3) Section 436(e)(1)(B) of such Code (as re-
18 designated by this Act) is amended by striking
19 “Paragraph (1)” and inserting “Subparagraph (A)”.

20 (c) EFFECTIVE DATE.—The amendments made by
21 this section shall apply to plan years beginning after De-
22 cember 31, 2021, except that for purposes of determining
23 the accumulated funding deficiency of a multiemployer
24 plan for any plan year beginning thereafter, the funding

- 1 deficiencies for all plan years preceding such first plan
- 2 year beginning thereafter shall be deemed to be zero.

