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-
EMPLOYER PLANS WITH LOAN.

2 (a) Fair Market Value Asset Valuation.—Section 431(c)(2) of the Internal Revenue Code of 1986 is
3 amended by adding at the end the following: “In the case
4 of a plan with an outstanding loan under section 4 of the
5 Rehabilitation for Multiemployer Pensions Act of 2019,
6 the value of plan assets shall be determined under rules
7 similar to the rules of section 430(g)(3)”.

8 (b) Interest Rates.—

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

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

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

(d) **EFFECTIVE DATE.**—The amendments made by this section shall apply to plan years beginning after December 31, 2021.

**SEC. 10. LIMITATION ON BENEFIT ACCRUALS FOR CERTAIN MULTIEMPLOYER PLANS WITH SEVERE FUNDING SHORTFALL OR FAILURE TO SATISFY MINIMUM FUNDING STANDARD.**

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

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

(2) by striking “FUNDING SHORTFALLS.—” and inserting the following: “FUNDING SHORTFALLS.—”
“(1) Single employer plans.—”, and

(3) by adding at the end the following new paragraph:

“(2) Certain multiemployer plans.—

“(A) In general.—A defined benefit plan which is a multiemployer plan that has an outstanding loan under section 4 of the Rehabilitation for Multiemployer Pensions Act of 2019 shall provide that, in any case in which—

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

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

benefit accruals under the plan shall cease as of the valuation date for the plan year, or for plan years following the plan year of the funding deficiency, as the case may be.

“(B) Funded percentage.—For purposes of this paragraph, the term ‘funded percentage’ has the meaning given such term by section 432(j)(2) (except that the plan’s assets and liabilities shall be determined under the rules of section 4971(i)(4)).
“(C) EXEMPTION.—Subparagraph (A) shall cease to apply with respect to any plan year, effective as of the first day of the plan year, upon payment by the employers of contributions (in addition to payments sufficient to ensure the plan does not have an accumulated funding deficiency under section 431 for the plan year) equal to an amount sufficient to result in a funded percentage of 60 percent.”.

(b) CONFORMING AMENDMENTS.—

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

(2) The heading for section 436 of such Code is amended by striking “UNDER SINGLE-EMPLOYER PLANS”.

(3) Section 436(e)(1)(B) of such Code (as redesignated by this Act) is amended by striking “Paragraph (1)” and inserting “Subparagraph (A)”.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to plan years beginning after December 31, 2021, except that for purposes of determining the accumulated funding deficiency of a multiemployer 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.