

**AMENDMENT TO H.R. 7148, AS REPORTED  
OFFERED BY MRS. SPARTZ OF INDIANA**

At the end of division B (before the short title), add the following:

1 **SEC. \_\_\_\_\_. GUARANTEED BENEFIT CALCULATION FOR CER-**

2 **TAIN PLANS.**

3 (a) **IN GENERAL.—**

4 (1) **INCREASE TO FULL VESTED PLAN BEN-**  
5 **EFIT.—**

6 (A) **IN GENERAL.—**For purposes of deter-  
7 mining what benefits are guaranteed under sec-  
8 tion 4022 of the Employee Retirement Income  
9 Security Act of 1974 (in this section referred to  
10 as “ERISA”) with respect to an eligible partici-  
11 pant or beneficiary under a covered plan speci-  
12 fied in paragraph (4) in connection with the  
13 termination of such plan, the amount of month-  
14 ly benefits shall be equal to the full vested plan  
15 benefit with respect to the participant.

16 (B) **NO EFFECT ON PREVIOUS DETER-  
17 MINATIONS.—**Nothing in this Act shall be con-  
18 strued to change the allocation of assets and re-  
19 coveries under sections 4044(a) and 4022(c) of

1           ERISA as previously determined by the Pension  
2           Benefit Guaranty Corporation (in the section  
3           referred to as the “corporation”) for the cov-  
4           ered plans specified in paragraph (4), and the  
5           corporation’s applicable rules, practices, and  
6           policies on benefits payable in terminated sin-  
7           gle-employer plans shall, except as otherwise  
8           provided in this section, continue to apply with  
9           respect to such covered plans.

10           (2) RECALCULATION OF CERTAIN BENEFITS.—

11           (A) IN GENERAL.—In any case in which  
12           the amount of monthly benefits with respect to  
13           an eligible participant or beneficiary described  
14           in paragraph (1) was calculated prior to the  
15           date of enactment of this Act, the corporation  
16           shall recalculate such amount pursuant to para-  
17           graph (1), and shall adjust any subsequent pay-  
18           ments of such monthly benefits accordingly, as  
19           soon as practicable after such date.

20           (B) LUMP-SUM PAYMENTS OF PAST-DUE  
21           BENEFITS.—Not later than 180 days after the  
22           date of enactment of this Act, the corporation,  
23           in consultation with the Secretary of the Treas-  
24           ury and the Secretary of Labor, shall make a  
25           lump-sum payment to each eligible participant

1           or beneficiary whose guaranteed benefits are re-  
2           calculated under subparagraph (A) in an  
3           amount equal to—

4                   (i) in the case of an eligible partici-  
5                    pant, the excess of—

6                           (I) the total of the full vested  
7                    plan benefits of the participant for all  
8                    months for which such guaranteed  
9                    benefits were paid prior to such recal-  
10                    culation, over

11                           (II) the sum of any applicable  
12                    payments made to the eligible partici-  
13                    pant; and

14                           (ii) in the case of an eligible bene-  
15                    ficiary, the sum of—

16                                   (I) the amount that would be de-  
17                    termined under clause (i) with respect  
18                    to the participant of which the eligible  
19                    beneficiary is a beneficiary if such  
20                    participant were still in pay status;  
21                    plus

22                                   (II) the excess of—

23                                   (aa) the total of the full  
24                    vested plan benefits of the eligi-  
25                    ble beneficiary for all months for

1 which such guaranteed benefits  
2 were paid prior to such recalcula-  
3 tion, over

4 (bb) the sum of any applica-  
5 ble payments made to the eligible  
6 beneficiary.

7 Notwithstanding the previous sentence, the cor-  
8 poration shall increase each lump-sum payment  
9 made under this subparagraph to account for  
10 foregone interest in an amount determined by  
11 the corporation designed to reflect a 6 percent  
12 annual interest rate on each past-due amount  
13 attributable to the underpayment of guaranteed  
14 benefits for each month prior to such recalcula-  
15 tion.

16 (C) ELIGIBLE PARTICIPANTS AND BENE-  
17 FICIARIES.—

18 (i) IN GENERAL.—For purposes of  
19 this section, an eligible participant or bene-  
20 ficiary is a participant or beneficiary  
21 who—

22 (I) as of the date of the enact-  
23 ment of this Act, is in pay status  
24 under a covered plan or is eligible for  
25 future payments under such plan;

1 (II) has received or will receive  
2 applicable payments in connection  
3 with such plan (within the meaning of  
4 clause (ii)) that does not exceed the  
5 full vested plan benefits of such par-  
6 ticipant or beneficiary; and

7 (III) is not covered by the 1999  
8 agreements between General Motors  
9 and various unions providing a top-up  
10 benefit to certain hourly employees  
11 who were transferred from the Gen-  
12 eral Motors Hourly-Rate Employees  
13 Pension Plan to the Delphi Hourly-  
14 Rate Employees Pension Plan.

15 (ii) APPLICABLE PAYMENTS.—For  
16 purposes of this paragraph, applicable pay-  
17 ments to a participant or beneficiary in  
18 connection with a plan consist of the fol-  
19 lowing:

20 (I) Payments under the plan  
21 equal to the normal benefit guarantee  
22 of the participant or beneficiary.

23 (II) Payments to the participant  
24 or beneficiary made pursuant to sec-  
25 tion 4022(c) or otherwise received

16 (B) NORMAL BENEFIT GUARANTEE.—The  
17 term “normal benefit guarantee” means the  
18 amount of monthly benefits guaranteed under  
19 such section with respect to an eligible partici-  
20 pant or beneficiary without regard to this Act.

23 (A) The Delphi Hourly-Rate Employees  
24 Pension Plan.

3 (C) The PHI Non-Bargaining Retirement  
4 Plan.

5 (D) The ASEC Manufacturing Retirement  
6 Program.

7 (E) The PHI Bargaining Retirement Plan.

8 (F) The Delphi Mechatronic Systems Re-  
9 tirement Program.

19 (b) FUNDING FOR PAYMENT OF INCREASED BENE-  
20 FITS.—The costs of any payment for the portion of  
21 monthly benefits guaranteed to a participant or bene-  
22 ficiary pursuant to subsection (a) and necessary adminis-  
23 trative and operating expenses of the corporation relating  
24 to such payment shall be paid using amounts derived from  
25 the unobligated balance of the fund established under sec-

1 tion 4005 of ERISA with respect to basic benefits guaran-  
2 teed under section 4022 of ERISA.

3 (c) REGULATIONS.—The corporation, in consultation  
4 with the Secretary of the Treasury and the Secretary of  
5 Labor, may issue such regulations as necessary to carry  
6 out this section.

7 (d) TAX TREATMENT OF LUMP-SUM PAYMENTS.—

8 (1) IN GENERAL.—Unless the taxpayer elects  
9 (at such time and in such manner as the Secretary  
10 may provide) to have this paragraph not apply with  
11 respect to any lump-sum payment under subsection  
12 (a)(2)(B), the amount of such payment shall be in-  
13 cluded in the taxpayer's gross income ratably over  
14 the 3-taxable-year period beginning with the taxable  
15 year in which such payment is received.

16 (2) SPECIAL RULES RELATED TO DEATH.—

17 (A) IN GENERAL.—If the taxpayer dies be-  
18 fore the end of the 3-taxable-year period de-  
19 scribed in paragraph (1), any amount to which  
20 paragraph (1) applies which has not been in-  
21 cluded in gross income for a taxable year end-  
22 ing before the taxable year in which such death  
23 occurs shall be included in gross income for  
24 such taxable year.

1 (B) SPECIAL ELECTION FOR SURVIVING  
2 SPOUSES OF ELIGIBLE PARTICIPANTS.—If—

5 (ii) such taxpayer is an eligible partic-  
6 ipant,

11 (iv) such surviving spouse elects (at  
12 such time and in such manner as the Sec-  
13 retary may provide) the application of this  
14 subparagraph,

15 subparagraph (A) shall not apply and any  
16 amount which would have (but for such tax-  
17 payer's death) been included in the gross in-  
18 come of such taxpayer under paragraph (1) for  
19 any taxable year beginning after the date of  
20 such death shall be included in the gross in-  
21 come of such surviving spouse for the taxable  
22 year of such surviving spouse ending with or  
23 within such taxable year of the taxpayer.

24 (e) AMENDMENT TO SECTION 4005 OF ERISA.—  
25 Section 4005(b)(2)(A) of the Employee Retirement In-

1 come Security Act of 1974 (29 U.S.C. 1305(b)(2)(A)) is  
2 amended by inserting after “4022” the following: “(in-  
3 cluding any portion of monthly benefits guaranteed pursu-  
4 ant to section 2(a) of the Delphi Retirees Pension Restora-  
5 tion Act)”.