

**AMENDMENT IN THE NATURE OF A SUBSTITUTE
TO THE COMMITTEE PRINT
OFFERED BY MR. BOEHNER OF OHIO**

Strike the proposed text and insert the following:

1 **Subtitle C—Pensions**

2 **SEC. 2201. INCREASES IN PBGC PREMIUMS.**

3 (a) **FLAT-RATE PREMIUMS.**—Clause (i) of section
4 4006(a)(3)(A) of the Employee Retirement Income Secu-
5 rity Act of 1974 (29 U.S.C. 1306(a)(3)(A)) is amended
6 by striking “\$19” and inserting “\$30”.

7 (b) **ADJUSTMENT FOR INFLATION.**—Paragraph (3)
8 of section 4006(a) of such Act (29 U.S.C. 1306(a)) is
9 amended by adding at the end the following new subpara-
10 graph:

11 “(F) For each plan year beginning after 2006, there
12 shall be substituted for the \$30 dollar amount in subpara-
13 graph (A)(i) the amount equal to the product derived by
14 multiplying the premium rate, as in effect under this para-
15 graph immediately prior to such plan year for basic bene-
16 fits guaranteed by the corporation under section 4022 for
17 single-employer plans, by the ratio of—

18 “(i) the national average wage index (as defined
19 in section 209(k)(1) of the Social Security Act) for

1 the first of the 2 calendar years preceding the cal-
2 endar year in which such plan year begins, to

3 “(ii) the national average wage index (as so de-
4 fined) for the first of the 3 calendar years preceding
5 the calendar year in which the plan year begins,
6 with such product, if not a multiple of \$1, being rounded
7 to the next higher multiple of \$1 where such product is
8 a multiple of \$0.50 but not of \$1, and to the nearest mul-
9 tiple of \$1 in any other case.”.

10 (c) ADDITIONAL DISCRETIONARY INCREASE.—Para-
11 graph (3) of section 4006(a) of such Act (as amended by
12 subsection (b) of this section) is further amended by add-
13 ing at the end the following new subparagraph:

14 “(G)(i) The corporation may increase under this sub-
15 paragraph, effective for plan years commencing with or
16 during any calendar year after 2006, the premium rate
17 otherwise in effect under this section for basic benefits
18 guaranteed by it under section 4022 for single-employer
19 plans if the corporation determines that such increase is
20 necessary to achieve actuarial soundness in the plan termi-
21 nation insurance program under this title.

22 “(ii) The amount of any premium rate described in
23 clause (i), as increased under this subparagraph for plan
24 years commencing with or during any calendar year, may
25 not exceed by more than 20 percent the amount of the

1 premium rate, in effect under this paragraph for plan
2 years commencing with or during such calendar year for
3 basic benefits guaranteed by the corporation under section
4 4022 for single-employer plans, as determined for plan
5 years commencing with or during such calendar year with-
6 out regard to this subparagraph.

7 “(iii) The preceding provisions of this subparagraph
8 shall apply in connection with plan years commencing with
9 or during any calendar year only if—

10 “(I) the corporation transmits to each House of
11 the Congress and to the Comptroller General its pro-
12 posal for the increase in the premium rate for plan
13 years commencing with or during such calendar
14 year, subject to Congressional review under chapter
15 8 of title 5 of the United States Code (relating to
16 Congressional review of agency rulemaking) not later
17 than 120 calendar days after the beginning of the
18 preceding calendar year, and

19 “(II) a joint resolution disapproving such in-
20 crease has not been enacted as provided in section
21 802 of such title, within the 60-day period described
22 in section 802(a) of such title.

23 The proposal transmitted by the corporation shall include
24 a description of the methodologies and assumptions used
25 in formulating its proposal. At the time of the transmittal

1 of any such proposal to each House of the Congress pursu-
2 ant to subclause (I), the corporation shall transmit a copy
3 of such proposal to the Committee on Education and the
4 Workforce and the Committee on Ways and Means of the
5 House of Representatives and the Committee on Health,
6 Education, Labor, and Pensions and the Committee on Fi-
7 nance of the Senate. Any such proposal shall, for purposes
8 of chapter 8 of such title 5, be treated as a rule which
9 is a major rule.”.

10 (d) PREMIUM RATE FOR CERTAIN TERMINATED SIN-
11 GLE-EMPLOYER PLANS.—Subsection (a) of section 4006
12 of such Act (29 U.S.C. 1306) is amended by adding at
13 the end the following:

14 “(7) PREMIUM RATE FOR CERTAIN TERMINATED
15 SINGLE-EMPLOYER PLANS.—

16 “(A) IN GENERAL.—If there is a termination of
17 a single-employer plan under clause (ii) or (iii) of
18 section 4041(c)(2)(B) or section 4042, there shall be
19 payable to the corporation, with respect to each ap-
20 plicable 12-month period, a premium at a rate equal
21 to \$1,250 multiplied by the number of individuals
22 who were participants in the plan immediately before
23 the termination date. Such premium shall be in ad-
24 dition to any other premium under this section.

1 “(B) SPECIAL RULE FOR PLANS TERMINATED
2 IN BANKRUPTCY REORGANIZATION.—If the plan is
3 terminated under 4041(c)(2)(B)(ii) or under section
4 4042 and, as of the termination date, a person who
5 is (as of such date) a contributing sponsor of the
6 plan or a member of such sponsor’s controlled group
7 has filed or has had filed against such person a peti-
8 tion seeking reorganization in a case under title 11
9 of the United States Code, or under any similar law
10 of a State or a political subdivision of a State (or
11 a case described in section 4041(c)(2)(B)(i) filed by
12 or against such person has been converted, as of
13 such date, to such a case in which reorganization is
14 sought), subparagraph (A) shall not apply to such
15 plan until the date of the discharge of such person
16 in such case.

17 “(C) APPLICABLE 12-MONTH PERIOD.—For
18 purposes of subparagraph (A)—

19 “(i) IN GENERAL.—The term ‘applicable
20 12-month period’ means—

21 “(I) the 12-month period beginning
22 with the first month following the month
23 in which the termination date occurs, and

1 “(II) each of the first two 12-month
2 periods immediately following the period
3 described in subclause (I).

4 “(ii) PLANS TERMINATED IN BANKRUPTCY
5 REORGANIZATION.—In any case in which the
6 requirements of subparagraph (B) are met in
7 connection with the termination of the plan
8 with respect to 1 or more persons described in
9 such subparagraph, the 12-month period de-
10 scribed in clause (i)(I) shall be the 12-month
11 period beginning with the first month following
12 the month which includes the earliest date as of
13 which each such person is discharged in the
14 case described in such clause in connection with
15 such person.

16 “(D) COORDINATION WITH SECTION 4007.—

17 “(i) Notwithstanding section 4007—

18 “(I) premiums under this paragraph
19 shall be due within 30 days after the be-
20 ginning of any applicable 12-month period,
21 and

22 “(II) the designated payor shall be the
23 person who is the contributing sponsor as
24 of immediately before the termination date.

1 “(ii) The fifth sentence of section 4007(a)
2 shall not apply in connection with premiums de-
3 termined under this paragraph.”.

4 (e) CONFORMING AMENDMENTS.—

5 (1) Section 4006(2) of such Act (29 U.S.C.
6 1306(a)(2)) is amended, in the matter following sub-
7 paragraph (E), by inserting “paragraph (3)(G) of
8 this subsection or” after “Except as provided in”.

9 (2) Section 4006(b)(1) of such Act (29 U.S.C.
10 1306(b)(1)) is amended by inserting “or a proposal
11 for a premium rate increase under subsection
12 (a)(3)(G)” after “or (E)”.

13 (f) EFFECTIVE DATES.—

14 (1) IN GENERAL.—Except as otherwise pro-
15 vided in this subsection, the amendments made by
16 this section shall apply to plan years beginning after
17 December 31, 2005.

18 (2) PREMIUM RATE FOR CERTAIN TERMINATED
19 SINGLE-EMPLOYER PLANS.—The amendment made
20 by subsection (d) shall apply with respect to cases
21 commenced under title 11, United States Code, or
22 under any similar law of a State or political subdivi-
23 sion of a State, after October 26, 2005.

24 (3) SPECIAL RULE IF SUBSEQUENT SAVINGS
25 ENACTED.—The amendments made by this section

1 shall not take effect if, after the date of enactment
2 of this Act and before January 1, 2006, a Federal
3 law is enacted which—

4 (A) provides for decreases in Federal out-
5 lays which in the aggregate are less than the
6 decreases in Federal outlays by reason of the
7 amendments made by this section; and

8 (B) specifically provides that such de-
9 creases are to be in lieu of the decreases in
10 Federal outlays by reason of the amendments
11 made by this section.