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Legislative update: Ways and Means approves multiemployer pension bill

The U.S. House Ways and Means Committee today approved H.R. 397, the “Rehabilitation for Multiemployer Pensions Act of 2019,” as modified by a chairman’s amendment. The bill was approved by a vote of 25 to 17.

Focusing upon the funding crisis facing many multiemployer defined benefit plans (MEPs), the bill would create the Pension Rehabilitation Administration (PRA) within the U.S. Treasury Department. The PRA would be established not later than September 30, 2019, and would be authorized to issue government bonds to finance loans to certain MEPs. To qualify for a loan from the PRA, MEPs would have to meet a number of qualifications, including being:

- In critical and declining status as of the date of enactment
- In critical status with a modified funded percentage of less than 40%, or
- Insolvent and not terminated

The loans made to qualified MEPs would be 30-year loans, with interest-only payments made for a period of 29 years, and a final interest and principal payment due in the 30th year after the date of the loan.

During his opening statement today, Ways and Means Chairman Richard Neal (D-MA) stated that:

The [bill] would give the millions of workers and retirees . . . the security that the retirement that they worked and planned for will be there in their golden years.

Ranking member Kevin Brady (R-TX) expressed the following:

[U]nfortunately, this bill today doesn’t make these failing plans more stable, doesn’t end underfunding, or make them more solvent over time. . . . Today’s bill is well intended. But it isn’t the answer; in some cases, it could make it worse for workers down the road.

Documents

- Read the [H.R. 397 legislative text](#) [PDF 104 KB]
- Read the chairman's [amendment in the nature of a substitute](#) [PDF 103 KB]
- Read the Congressional Budget Office [\(CBO\) estimate of budgetary effects](#) [PDF 379 KB]
- Read the Joint Committee on Taxation (JCT) description of the bill: [JCX-36-19](#)
- Read the JCT description of the chairman's amendment in the nature of a substitute: [JCX-37-19](#)

Related action

The legislation also falls under the jurisdiction of the House Committee of Education and Labor in addition to the jurisdiction of the House Ways and Means Committee. The Education and Labor Committee on June 11, 2019, by a party-line vote of 26-18, approved H.R. 397.

What's next?

During the markup today, Chairman Neal indicated that modifications from the original bill that were included in the chairman's amendment were made in consultation with the Education and Labor Committee. He indicated that the two committees have "agreed that when the [bill] proceeds to the floor for a Rules Committee print, it will incorporate the negotiated changes to the education and labor provisions and the changes made here in the Ways and Means Committee." He also indicated that there will be an opportunity for additional changes to the bill at that time as well.

Assuming the bill passes the House, it is not clear whether or when the Senate might act.

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