

109TH CONGRESS } HOUSE OF REPRESENTATIVES { REPORT
1st Session } { 109-_____

DEFICIT REDUCTION ACT OF 2005

_____, 2005.—ORDERED TO BE PRINTED

Mr. Nussle, from the committee of conference,
submitted the following

CONFERENCE REPORT

[To accompany S. 1932]

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1932), to provide for reconciliation pursuant to section 202(a) of the concurrent resolution on the budget for fiscal year 2006 (H. Con. Res. 95), having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the House amendment, insert the following:

~~John J. Smith~~
H.L.C.
~~John J. Smith~~

~~_____~~
16

~~_____~~

1 **Subtitle B—Pensions**

2 **SECTION 8201. INCREASES IN PBGC PREMIUMS.**

3 (a) **FLAT-RATE PREMIUMS.—**

4 (1) **SINGLE-EMPLOYER PLANS.—**

5 (A) **IN GENERAL.—**Clause (i) of section
6 4006(a)(3)(A) of the Employee Retirement In-
7 come Security Act of 1974 (29 U.S.C.
8 1306(a)(3)(A)) is amended by striking “\$19”
9 and inserting “\$30”.

10 (B) **ADJUSTMENT FOR INFLATION.—**Sec-
11 tion 4006(a)(3) of such Act (29 U.S.C.
12 1306(a)(3)) is amended by adding at the end
13 the following new subparagraph:

14 “(F) For each plan year beginning in a calendar year
15 after 2006, there shall be substituted for the premium rate
16 specified in clause (i) of subparagraph (A) an amount
17 equal to the greater of—

18 “(i) the product derived by multiplying the pre-
19 mium rate specified in clause (i) of subparagraph

20 (A) by the ratio of—



1 “(I) the national average wage index (as
2 defined in section 209(k)(1) of the Social Secu-
3 rity Act) for the first of the 2 calendar years
4 preceding the calendar year in which such plan
5 year begins, to

6 “(II) the national average wage index (as
7 so defined) for 2004; and

8 “(ii) the premium rate in effect under clause (i)
9 of subparagraph (A) for plan years beginning in the
10 preceding calendar year.

11 If the amount determined under this subparagraph is not
12 a multiple of \$1, such product shall be rounded to the
13 nearest multiple of \$1.”.

14 (2) MULTIEmployer PLANS.—

15 (A) IN GENERAL.—Section 4006(a)(3)(A)
16 of such Act (29 U.S.C. 1306(a)(3)(A)) is
17 amended—

18 (i) in clause (iii)—

19 (I) by inserting “and before Jan-
20 uary 1, 2006,” after “Act of 1980,”;
21 and

22 (II) by striking the period at the
23 end and inserting “, or”; and

24 (ii) by adding at the end the fol-
25 lowing:



1 “(iv) in the case of a multiemployer plan, for
2 plan years beginning after December 31, 2005,
3 \$8.00 for each individual who is a participant in
4 such plan during the applicable plan year.”.

5 (B) ADJUSTMENT FOR INFLATION.—Sec-
6 tion 4006(a)(3) of such Act (29 U.S.C.
7 1306(a)(3)), as amended by this subsection, is
8 amended by adding at the end the following
9 new subparagraph:

10 “(G) For each plan year beginning in a calendar year
11 after 2006, there shall be substituted for the premium rate
12 specified in clause (iv) of subparagraph (A) an amount
13 equal to the greater of—

14 “(i) the product derived by multiplying the pre-
15 mium rate specified in clause (iv) of subparagraph
16 (A) by the ratio of—

17 “(I) the national average wage index (as
18 defined in section 209(k)(1) of the Social Secu-
19 rity Act) for the first of the 2 calendar years
20 preceding the calendar year in which such plan
21 year begins, to

22 “(II) the national average wage index (as
23 so defined) for 2004; and



1 “(ii) the premium rate in effect under clause
2 (iv) of subparagraph (A) for plan years beginning in
3 the preceding calendar year.

4 If the amount determined under this subparagraph is not
5 a multiple of \$1, such product shall be rounded to the
6 nearest multiple of \$1.”.

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

11 “(7) PREMIUM RATE FOR CERTAIN TERMINATED
12 SINGLE-EMPLOYER PLANS.—

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

22 “(B) SPECIAL RULE FOR PLANS TERMINATED
23 IN BANKRUPTCY REORGANIZATION.—In the case of
24 a single-employer plan terminated under section
25 4041(c)(2)(B)(ii) or under section 4042 during



1 pendency of any bankruptcy reorganization pro-
2 ceeding under chapter 11 of title 11, United States
3 Code, or under any similar law of a State or a polit-
4 ical subdivision of a State (or a case described in
5 section 4041(c)(2)(B)(i) filed by or against such per-
6 son has been converted, as of such date, to such a
7 case in which reorganization is sought), subpara-
8 graph (A) shall not apply to such plan until the date
9 of the discharge or dismissal of such person in such
10 case.

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

13 “(i) IN GENERAL.—The term ‘applicable
14 12-month period’ means—

15 “(I) the 12-month period beginning
16 with the first month following the month
17 in which the termination date occurs, and

18 “(II) each of the first two 12-month
19 periods immediately following the period
20 described in subclause (I).

21 “(ii) PLANS TERMINATED IN BANKRUPTCY
22 REORGANIZATION.—In any case in which the
23 requirements of subparagraph (B)(i)(I) are met
24 in connection with the termination of the plan
25 with respect to 1 or more persons described in



1 such subparagraph, the 12-month period de-
2 scribed in clause (i)(I) shall be the 12-month
3 period beginning with the first month following
4 the month which includes the earliest date as of
5 which each such person is discharged or dis-
6 missed in the case described in such clause in
7 connection with such person.

8 “(D) COORDINATION WITH SECTION 4007.—

9 “(i) Notwithstanding section 4007—

10 “(I) premiums under this paragraph
11 shall be due within 30 days after the be-
12 ginning of any applicable 12-month period,
13 and

14 “(II) the designated payor shall be the
15 person who is the contributing sponsor as
16 of immediately before the termination date.

17 “(ii) The fifth sentence of section 4007(a)
18 shall not apply in connection with premiums de-
19 termined under this paragraph.

20 “(E) TERMINATION.—Subparagraph (A) shall
21 not apply with respect to any plan terminated after
22 December 31, 2010.”.

23 (c) CONFORMING AMENDMENT.—Section
24 4006(a)(3)(B) of such Act (29 U.S.C. 1306(a)(3)(B)) is

1 amended by striking "subparagraph (A)(iii)" and insert-
2 ing "clause (iii) or (iv) of subparagraph (A)".

3 (d) EFFECTIVE DATES.—

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

8 (2) PREMIUM RATE FOR CERTAIN TERMINATED
9 SINGLE-EMPLOYER PLANS.—

10 (A) IN GENERAL.—Except as provided in
11 subparagraph (B), the amendment made by
12 subsection (b) shall apply to plans terminated
13 after December 31, 2005.

14 (B) SPECIAL RULE FOR PLANS TERMI-
15 NATED IN BANKRUPTCY.—The amendment
16 made by subsection (b) shall not apply to a ter-
17 mination of a single-employer plan that is ter-
18 minated during the pendency of any bankruptcy
19 reorganization proceeding under chapter 11 of
20 title 11, United States Code (or under any simi-
21 lar law of a State or political subdivision of a
22 State), if the proceeding is pursuant to a bank-
23 ruptcy filing occurring before October 18, 2005.

