A BILL

To provide for USA Retirement Funds, to reform the pension system, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) Short Title.—This Act may be cited as the “USA Retirement Funds Act”.

(b) Table of Contents.—The table of contents for this Act is as follows:

Sec. 1. Short title; table of contents.

TITLE I—USA RETIREMENT FUNDS

Sec. 101. Automatic USA Retirement Fund arrangements.
Sec. 102. Establishment of USA Retirement Funds.
Sec. 103. Commission on USA Retirement Funds.
Sec. 104. Limitation on employer liability.
Sec. 105. Enforcement and fraud prevention.

TITLE II—DEFINED CONTRIBUTION PLAN REFORMS

Subtitle A—Savings Enhancements

Sec. 201. Pooled employer plans.
Sec. 202. Pooled employer and multiple employer plan reporting.

Subtitle B—Participant Protections

Sec. 211. Alternative fiduciary arrangements to protect plan participants.
Sec. 212. Rollover protections.

Subtitle C—Lifetime Income

Sec. 221. Lifetime income disclosure.
Sec. 222. Lifetime income safe harbor.
Sec. 223. Default investment safe harbor clarification.
Sec. 224. Administration of joint and survivor annuity requirements.

TITLE III—DEFINED BENEFIT SYSTEM REFORMS

Subtitle A—Defined Benefit Pension Plan Reforms

Sec. 301. Hybrid plans.
Sec. 302. Clarification of the normal retirement age.
Sec. 303. Moratorium on imposition of shutdown liability.
Sec. 304. Alternative funding target attainment percentage determined without regard to reduction for credit balances.
Sec. 305. Method for determining changes for quarterly contributions.
Sec. 306. Election to discount contributions from final due date.
Sec. 307. Simplification of elections and notices.
Sec. 308. Improved multiemployer plan disclosure.

Subtitle B—Improvements to the Pension Insurance Program

Sec. 311. Modifications of technical changes made by the Pension Protection Act of 2006 to termination liability.
Sec. 312. Payment of lump sum distributions in bankruptcy.
Sec. 313. Trusteeship clarifications.
Sec. 314. Recordkeeping for terminating plans.
Sec. 315. Termination date in bankruptcy.

TITLE IV—OTHER SYSTEMIC REFORMS

Sec. 401. Plan audit quality improvement.
Sec. 402. Special rules relating to treatment of qualified domestic relations orders.
Sec. 403. Correction to bonding requirement.
Sec. 404. Retaliation protections.
TITLE I—USA RETIREMENT FUNDS

SEC. 101. AUTOMATIC USA RETIREMENT FUND ARRANGEMENTS.

(a) Requirement to Provide Access.—Each covered employer shall make available to each qualifying employee for the calendar year an automatic USA Retirement Fund arrangement.

(b) Covered Employer.—For purposes of this title—

(1) In general.—Except as otherwise provided in this subsection and subsection (c)(2), the term “covered employer” means, with respect to any calendar year, an employer who does not maintain a qualifying plan or arrangement for any part of such year.

(2) Qualifying plan or arrangement.—

(A) In general.—The term “qualifying plan or arrangement” means a plan or arrangement described in section 219(g)(5) of the Internal Revenue Code of 1986.

(B) Exceptions.—Such term shall not include the following:

(i) Frozen defined benefit plan.—A defined benefit plan that had no
ongoing accruals as of the first day of the preceding calendar year, unless the plan failed to have accruals only because of the application of section 206 of the Employee Retirement Income Security Act (29 U.S.C. 1056) and section 436 of the Internal Revenue Code of 1986.

(ii) Defined contribution plan without lifetime income options.—A defined contribution plan that does not provide participants with a distribution option that provides lifetime income.

(iii) Plans not meeting contribution requirements.—A plan—

(I) which consists of a cash or deferred arrangement (as defined in section 401(k) of such Code) with respect to which the employer does not automatically enroll all eligible employees at contribution rates at or above those specified in subsection (d)(4); or

(II) for which the only contributions are nonelective employer contributions and with respect to which
the employer’s annual contribution rate is not at or above the rates specified in subsection (d)(4).

(3) EXCEPTION FOR CERTAIN SMALL AND NEW EMPLOYERS.—

(A) IN GENERAL.—The term “covered employer” shall not include an employer for a calendar year if the employer—

(i) did not employ during the preceding calendar year more than 10 employees who each received at least $5,000 of compensation (as defined in section 3401(a) of the Internal Revenue Code of 1986) from the employer for such preceding calendar year;

(ii) did not normally employ more than 10 employees on a typical business day during the preceding calendar year; or

(iii) was not in existence at all times during the calendar year and the preceding calendar year.

(B) OPERATING RULES.—In determining the number of employees for purposes of subparagraph (A)—
(i) rules consistent with any rules applicable in determining the number of employees for purposes of section 408(p)(2)(C) and section 4980B(d) of the Internal Revenue Code of 1986 shall apply;

(ii) all members of the same family (within the meaning of section 318(a)(1) of the Internal Revenue Code of 1986) shall be treated as 1 individual; and

(iii) any reference to an employer shall include a reference to any predecessor employer.

(4) EXCEPTION FOR GOVERNMENTS AND CHURCHES.—The term “covered employer” shall not include—

(A) a government or entity described in section 414(d) of the Internal Revenue Code of 1986; or

(B) a church or a convention or association of churches that is exempt from tax under section 501 of such Code.

(5) AGGREGATION RULE.—A person treated as a single employer under subsection (a) or (b) of section 52 of the Internal Revenue Code of 1986 or
subsection (m) or (o) of section 414 of such Code shall be treated as a single employer.

(c) Qualifying Employee.—For purposes of this title—

(1) In general.—The term “qualifying employee” means any employee who is not an excluded employee.

(2) Plan sponsor’s employees.—If—

(A) an employer maintains one or more qualifying plans or arrangements described in section 219(g)(5) of the Internal Revenue Code of 1986; and

(B) the employees of a subsidiary, division, or other business unit are generally not eligible to participate in any such qualifying plan or arrangement,

for purposes of this section, the employer shall be treated as a covered employer with respect to such employees (other than excluded employees), and such employees (other than excluded employees) shall be treated as qualifying employees for the calendar year.

(3) Excluded employees.—

(A) In general.—The term “excluded employee” means an employee who is an exclud-
able employee and who is in a class or category that the employer excludes from treatment as qualifying employees.

(B) EXCLUDABLE EMPLOYEE.—The term “excludable employee” means—

(i) an employee described in section 410(b)(3) of the Internal Revenue Code of 1986;

(ii) an employee who has not attained the age of 21 before the beginning of the calendar year;

(iii) an employee who has not completed at least 3 months of service with the employer;

(iv) in the case of an employer that maintains a qualifying plan or arrangement which excludes employees who have not satisfied the minimum age and service requirements for participation in the plan, an employee who has not satisfied such requirements;

(v) in the case of an employer that maintains an annuity contract (including a custodial account or retirement income account) under section 403(b) of the Internal
Revenue Code of 1986, an employee who is permitted to be excluded from any salary reduction arrangement under the contract pursuant to paragraph (12) of such section 403(b);

(vi) in the case of an employer that maintains an arrangement described in section 408(p) of such Code, an employee who is not required to be eligible to participate in the arrangement under paragraph (4) of such section 408(p); and

(vii) in the case of an employer that maintains a simplified employee pension described in section 408(k) of such Code, an employee who is permitted to be excluded from participation under paragraph (2) of such section 408(k).

(4) GUIDANCE.—The Secretary of Labor (in this title referred to as the “Secretary”) shall issue regulations or other guidance to carry out this subsection, including—

(A) guidelines for determining the classes or categories of employees to be covered by a USA Retirement Fund;
guidelines requiring employers to specify the classification or categories of employees (if any) who are excluded from the USA Retirement Fund; and

(C) rules to prevent avoidance of the requirements of this section.

(d) AUTOMATIC USA RETIREMENT FUND ARRANGEMENT.—For purposes of this title—

(1) IN GENERAL.—The term “automatic USA Retirement Fund arrangement” means an arrangement of an employer (determined without regard to whether the employer is required to maintain the arrangement)—

(A) that covers each qualifying employee of the covered employer for the calendar year;

(B) under which a qualifying employee—

(i) may elect—

(I) to contribute to an automatic USA Retirement Fund by having the employer deposit payroll deduction amounts or make other periodic direct deposits (including electronic payments) to the Fund; or

(II) to have such payments paid to the employee directly in cash;
(ii) is treated as having made the election under clause (i)(I) in the amount specified in paragraph (4) unless the individual specifically elects not to have such contributions made (or specifically elects to have such contributions made at a different percentage or in a different amount); and

(iii) not more than once per calendar year, may elect to modify the selection of the USA Retirement Fund to which contributions are made for such year; and

(C) that meets the administrative requirements of paragraph (3), including the notice requirement of paragraph (3)(C).

(2) AUTOMATIC RE-ENROLLMENT.—An employee’s election not to contribute to a USA Retirement Fund (or to have such contributions made at a different percentage or in a different amount from those specified in paragraph (4)) shall expire after 2 years. After such 2-year period and absent a new election, the employee shall be treated as having made the election under paragraph (1)(B)(i)(I) in the amount specified in paragraph (4).

(3) ADMINISTRATIVE REQUIREMENTS.—
(A) PAYMENTS.—An employer shall make the payments elected or treated as elected under paragraph (1)(B) on or before —

(i) the last day of the month following the month in which the compensation otherwise would have been payable to the employee in cash; or

(ii) such later date as the Secretary may prescribe.

(B) TERMINATION OF EMPLOYEE PARTICIPATION.—Subject to a requirement for reasonable notice, an employee may elect to terminate participation in the arrangement at any time during a calendar year. The arrangement may provide that, if an employee so terminates participation, the employee may not elect to resume participation until the beginning of the next calendar year.

(C) NOTICE OF ELECTION PERIOD.—The employer shall notify each employee eligible to participate for a year in a USA Retirement Fund arrangement, within a reasonable period of time before the 30th day before the beginning of such year (and, for the first year the
employee is so eligible, the 30th day before the first day such employee is so eligible), of—

(i) the payments that may be elected or treated as elected under paragraph (1)(B);

(ii) the opportunity to make the election to terminate participation in the arrangement under subparagraph (B);

(iii) the opportunity to make the election under paragraph (1)(B)(ii) to have contributions or purchases made at a different percentage or in a different amount; and

(iv) the opportunity under paragraph (1)(B)(iii) to modify the manner in which such amounts are invested for such year.

(D) EMPLOYEES MAY CHOOSE USA RETIREMENT FUND.—The arrangement shall provide that a qualified employee may elect to have contributions made to any USA Retirement Fund available to the employee.

(4) AMOUNT OF CONTRIBUTIONS AND PAYMENTS.—The amount specified in this paragraph is—
(A) 3 percent of compensation for the calendar year beginning on January 1, 2015;

(B) 4 percent of compensation for the calendar year beginning on January 1, 2016;

(C) 5 percent of compensation for the calendar year beginning on January 1, 2017; and

(D) 6 percent of compensation for calendar years beginning after December 31, 2017.

(5) COORDINATION WITH WITHHOLDING.—The Secretary of Treasury shall modify the withholding exemption certificate under section 3402(f) of the Internal Revenue Code of 1986 so that, in the case of any qualifying employee covered by a USA Retirement Fund arrangement, any notice and election requirements with respect to the arrangement may be met through the use of an attachment to such certificate or other modifications of the withholding exemption procedures.

(c) DEPOSITS TO USA RETIREMENT FUNDS.—

(1) IN GENERAL.—Except as provided in paragraph (2), an employer shall make all contributions on behalf of employees to the USA Retirement Fund specified by the employee.

(2) USA RETIREMENT FUNDS OTHER THAN THOSE SELECTED BY EMPLOYEE.—In the absence of
an affirmative selection of a USA Retirement Fund
by the employee, contributions on behalf of the em-
ployee shall be made to the USA Retirement Fund
designated by the employer.

(3) REGULATIONS.—The Secretary may issue
such regulations as are necessary to carry out this
subsection.

(f) PREEMPTION OF CONFLICTING STATE LAWS.—
The requirements under this section preempt any law of
a State that directly or indirectly prohibits or restricts the
establishment or operation of an automatic USA Retire-
ment Fund arrangement. Nothing in this section shall be
construed to impair or preempt any State law to the extent
such State law provides a remedy for the failure to make
payroll deposit payments under any such automatic USA
Retirement Fund arrangement within the period required.

SEC. 102. ESTABLISHMENT OF USA RETIREMENT FUNDS.

(a) QUALIFICATION AS A USA RETIREMENT
FUND.—For purposes of this title—

(1) IN GENERAL.—The term “USA Retirement
Fund” means a fund for which the Secretary has de-
termined the requirements under this title are met.

(2) REQUEST FOR DETERMINATION.—The
board of trustees of a program established for pur-
poses of being treated as a USA Retirement Fund
under this section shall, prior to beginning operations, submit to the Secretary (at such time and in such manner as the Secretary may prescribe) a request for the Secretary to make a determination as to whether the plan meets the requirements of this title for such treatment. Such request shall include copies of the written documents establishing the plan and such other materials as the Secretary may request. The Secretary shall make such determination within 180 days of receiving such request.

(3) Periodic Review.—The Secretary shall establish a process to periodically review each plan determined to be a USA Retirement Fund under paragraph (1) to ensure that the plan continues to meet the requirements of this title.

(4) Public List of Plans.—The Secretary shall maintain a public list of plans determined by the Secretary to qualify as USA Retirement Funds. Such list shall be posted to a publicly available Internet website.

(b) Participation.—

(1) Eligibility.—An individual may participate in any USA Retirement Fund for which such individual meets the eligibility requirements, individ-
ually or through an arrangement established by an employer.

(2) Participation in Other Plans.—An individual who participates in a USA Retirement Fund shall not be precluded from participating in a plan or arrangement described in section 219(g)(5) of the Internal Revenue Code of 1986.

(c) Governance.—

(1) Assets Held in Trust; Board of Trustees.—For purposes of this title—

(A) the assets of each USA Retirement Fund shall be held in trust, and

(B) the Fund shall be governed by a board of trustees which shall consist of at least 3 individuals who—

(i) are independent of service providers to the Fund;

(ii) meet the qualification requirements established under this section; and

(iii) are collectively able to adequately represent the interests of active participants, retirees, and contributing employers.

(2) Independence Requirement.—An individual is not independent of Fund service providers
for purposes of paragraph (1)(B)(i) if such individual—

(A) is an employee of any Fund service provider;

(B) is a current or former officer or director of a significant Fund service provider, or is otherwise affiliated with such a provider;

(C) is a member of the immediate family of any person who is affiliated with a significant Fund service provider;

(D) derives more than 1 percent of the individual’s annual income from a significant Fund service provider;

(E) derives more than 5 percent of the individual’s annual income from any Fund service provider; or

(F) fails to meet such other criteria as are specified by the Secretary to ensure the independence of the board of directors.

(3) MULTIPLE TRUSTEESHIPS.—No individual may serve on the board of trustees of more than 1 USA Retirement Fund unless the Secretary receives attestation from the board of trustees of each applicable USA Retirement Fund and the individual that, at the time of appointment, there is no reasonably
foreseeable conflict between the duties of such individual to the participants in each applicable USA Retirement Fund. In no case may an individual serve on the boards of trustees of more than 3 USA Retirement Funds.

(4) TRUSTEE QUALIFICATIONS.—Each trustee of a USA Retirement Fund shall attest that the trustee is knowledgeable of the trustee’s duties and responsibilities as a fiduciary of a USA Retirement Fund. The Secretary may require by regulation such other qualifications and documentation as may be necessary to ensure that trustees are suitable and qualified. Such requirements may include those related to education, training, and minimum competency standards.

(5) TRUSTEE SELECTION AND REMOVAL.—

(A) IN GENERAL.—Each board of trustees of a USA Retirement Fund shall establish written procedures regarding the appointment, removal, and replacement of trustees on the board. Such procedures shall—

(i) take effect after adoption by the majority of the board of trustees;

(ii) be readily available to participants;
(iii) provide participants with a reasonable opportunity to comment on, or participate in, the trustee selection process; and

(iv) provide for periodic election of trustees.

(B) REMOVAL BY THE SECRETARY.—The Secretary may require removal or suspension of a trustee if the conduct of the trustee is fraudulent or is causing, or can be reasonably expected to cause, significant, imminent, and irreparable harm to the participants or beneficiaries of a USA Retirement Fund.

(C) FUNDS WITHOUT QUALIFIED TRUSTEES.—If a board of trustees of a USA Retirement Fund has no members meeting the criteria under this subsection, the Secretary shall appoint replacement trustees.

(6) TRUSTEE COMPENSATION.—Trustees of the Fund may be compensated at reasonable rates from the Fund, but only if such compensation is paid in accordance with the written board compensation policy adopted under paragraph (7)(A)(iv).

(7) TRANSPARENCY AND PARTICIPANT DEMOCRACY.—
(A) PUBLICLY AVAILABLE POLICIES.—The board of trustees of a USA Retirement Fund shall adopt and make available to participants and beneficiaries of, and employers contributing to, the USA Retirement Fund—

(i) a written investment policy statement;

(ii) a written lifetime income policy statement;

(iii) an annual performance assessment of the board of trustees, including an evaluation of weaknesses of the board and a plan to address such weaknesses;

(iv) a written board compensation policy that includes current compensation levels and provides a reasonable opportunity for comment from participants, beneficiaries, and employers; and

(v) a written policy addressing conflicts of interests with respect to trustees.

(B) PARTICIPANT INPUT REGARDING BOARD OF TRUSTEES.—

(i) IN GENERAL.—The board of trustees of a USA Retirement Fund shall establish procedures whereby a participant or
beneficiary of such USA Retirement Fund may—

(I) petition the board of trustees to remove a trustee or service provider;

(II) comment on the management and administration of the USA Retirement Fund; and

(III) with respect to a USA Retirement Fund with more than $250,000,000 of assets, vote to approve or disapprove the compensation of the trustees at least once every 3 years.

(ii) Effect of Vote.—If participants and beneficiaries of a USA Retirement Fund vote to disapprove the compensation of trustees under clause (i)(III)—

(I) the results of such vote shall not be binding on the board of trustees; and

(II) the board of trustees shall notify the Secretary of the results of such vote and provide an explanation
of why the compensation is reasonable
or anticipated changes to the com-
pensation.

(8) LIABILITY INSURANCE FOR TRUSTEES.—
The trustees of each USA Retirement Fund shall
have fiduciary liability insurance with a per-claim
limit equal to no less than the greater of—

(A) 5 percent of plan assets; or

(B) $1,000,000.

(9) TRUSTEE DUTIES.—

(A) IN GENERAL.—The trustees of a USA
Retirement Fund shall manage the Fund with
the intention of providing each participant with
a cost-effective stream of income in retirement
and reducing benefit level volatility (particularly
for those approaching retirement).

(B) APPLICABILITY OF OTHER REQUIRE-
MENTS.—Each trustee of a USA Retirement
Fund shall be a fiduciary subject to sections
404(a), 404(b), 405, 406, and 408 through 413
of the Employee Retirement Income Security
Act of 1974 with respect to the Fund and par-
ticipants and beneficiaries of the Fund. Each
such trustee shall be subject to the standards
and remedies of such sections and section 502
of such Act, as if the Fund were an employee benefit plan.

(d) **Employer Contribution Limitation.**—

(1) **In general.**—Subject to paragraph (2), employers may, in addition to contributions an employee elects (or is treated as having elected) to have made, make a contribution of up to $5,000 per year to a USA Retirement Fund on behalf of each employee eligible to participate in a USA Retirement Fund, provided such contributions are made in a uniform manner (as the same dollar amount for each such employee or the same percentage of pay for each such employee) and are not intended to benefit solely highly compensated employees.

(2) **Annual Indexing of Amount.**—The dollar amount under paragraph (1) shall be indexed annually for inflation.

(e) **Benefits in the Form of an Annuity.**—

(1) **In general.**—A USA Retirement Fund shall pay benefits in the form of an annuity in accordance with paragraph (2). The amount of such benefits shall be dependent on the amount of contributions made by the participant, the experience of the Fund, and the form of distribution elected by the participant. The amount of an annuity may be
adjusted to reflect the experience of the Fund as necessary to protect the financial integrity of the Fund, except that annuity payments for those in pay status shall not be reduced more than 5 percent per year unless the Fund is faced with a significant financial hardship and the Secretary has approved the reduction.

(2) ANNUITY.—A USA Retirement Fund shall pay benefits in accordance with one of the following:

   (A) In the case of a participant who does not die before the annuity starting date, the benefit payable to such participant shall be provided in the form of a qualified joint and survivor annuity (as defined in section 205(d)(1) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1055(d)(1)).

   (B) In the case of a participant who dies before the annuity starting date and who has a surviving spouse, a qualified preretirement survivor annuity (as defined in section 205(d)(2) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1055(d)(2)) shall be provided to the surviving spouse of such participant.
(C) In lieu of a qualified joint and survivor annuity form of benefit or the qualified pre-retirement survivor annuity form of benefit (or both), a participant may elect to receive a distribution described in subsection (f)(2) if one of the following conditions are met:

(i)(I) The spouse of the participant consents in writing to the election.

(II) Such election designates a beneficiary (or form of benefits) which may not be changed without spousal consent (or the consent of the spouse expressly permits designations by the participant without any requirement of further consent by the spouse).

(III) The spouse’s consent acknowledges the effect of such election and is witnessed by a plan representative or a notary public.

(ii) It is established to the satisfaction of a Fund representative that the consent required under subclause (I) cannot be obtained because there is no spouse, because the spouse cannot be located, or because of
such other circumstances as the Secretary may by regulations prescribe.

The consent of a spouse (or establishment that the consent of a spouse cannot be obtained) under this subparagraph shall be effective only with respect to such spouse.

(3) Commencement of benefit payments.—A participant may elect the time to start receiving benefit payments from the USA Retirement Fund, except that a participant—

(A) except as provided in subsection (f)(2)(B), may not elect to receive benefit payments before reaching the age of 60; and

(B) must begin receiving benefit payments before the age of 72.

(4) Notice.—Each Fund shall provide to each participant, within a reasonable period of time before the annuity starting date, a written explanation substantially similar to that required by section 205(c)(3) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1055(c)(3)).

(5) Assignment or alienation of fund benefits.—Benefits under a USA Retirement Fund shall be subject to section 206(d) of the Em-
ployee Retirement Income Security Act of 1974 (29 U.S.C. 1056(d)).

(f) LIMITS ON WITHDRAWALS AND TRANSFERS.—

(1) TRANSFERS.—A participant may, not more frequently than once per year, transfer such participant’s benefit to another USA Retirement Fund.

(2) LIMITS ON DISTRIBUTIONS.—

(A) IN GENERAL.—Except as provided in subparagraphs (B) and (C), a participant may not take a distribution other than one described in subsection (e)(2).

(B) PARTICIPANTS AGED 59 AND YOUNGER.—A participant may before age 60 take a distribution of a portion of the participant’s benefit if such distribution does not to exceed $5,500 and is rolled over to a qualifying plan or arrangement described in section 219(g)(5) of the Internal Revenue Code of 1986 or an individual retirement plan.

(C) PARTICIPANTS AGED 60 AND OLDER.—A participant who is 60 or older but who has not entered pay status may elect one time to take a distribution of the greater of $10,000 or 50 percent of the participant’s benefit if the participant demonstrates to the satisfaction of
the trustees of the Fund that the participant has sufficient retirement income apart from the Fund or is facing a substantial hardship.

(g) **Methods for Providing Annuited Benefit Payments.**—

(1) **In General.**—A USA Retirement Fund shall establish and maintain mechanisms for adequately securing the payment of annuity benefits from the Fund. The Fund shall include a written description of such mechanisms in the investment and lifetime income policy statements required to be disclosed to participants.

(2) **Specific Goals.**—The mechanisms described in paragraph (1) shall ensure that—

(A) each participant receives a stream of income for life;

(B) each participant and beneficiary has an opportunity to be protected against longevity risk; and

(C) volatility in benefit levels is minimized for participants and beneficiaries in pay status and those approaching pay status.

(3) **Self-Annuitization.**—

(A) **In General.**—Notwithstanding any other provision of law, a USA retirement Fund
may self-annuitize if the Fund meets such re-
requirements as the Secretary establishes as nec-
essary to protect participants and beneficiaries
in consideration of the recommendations of the
Commission under section 103.

(B) DUTY TO ADDRESS EMERGING
ISSUES.—The Secretary shall, periodically and
in accordance with established procedures, up-
date the funding requirements promulgated
under this paragraph in response to changing
economic and business conditions to the extent
necessary to carry out the purposes of this Act,
taking into consideration the recommendations
of the Commission.

(h) REPORTING AND DISCLOSURE.—

(1) ANNUAL STATEMENT.—The trustees of a
USA Retirement Fund shall provide each participant
in the Fund an annual statement of—

(A) the estimated amount of the monthly
benefit which the participant or beneficiary is
projected to receive from the USA Retirement
Fund, in the form of the default benefit de-
scribed in the plan in accordance with sub-
section (e)(2);
(B) an explanation, written in a manner calculated to be understood by the average plan participant, that includes interest and mortality assumptions used in calculating the estimate and a statement that actual benefits may be materially different from such estimate;

(C) a disclosure of Fund fees and performance that is substantially similar to the disclosures required of individual account plans under the Employee Retirement Income Security Act of 1974;

(D) any other disclosures, including projected benefit estimates, that the board of trustees of the USA Retirement Fund determines appropriate; and

(E) such other disclosures as may be required by the Secretary.

(2) SUMMARY PLAN DESCRIPTION.—The trustees of a USA Retirement Fund shall provide participants a summary plan description (as described in section 102 of the Employee Retirement Income Security Act (29 U.S.C. 1022)) as required by section 104(b) of the Employee Retirement Income Security Act (29 U.S.C. 1024(b)).
(3) Annual reports.—The trustees of a USA Retirement Fund shall file with the Secretary of Labor periodic reports in accordance with regulations promulgated by the Secretary.


Sec. 103. Commission on USA Retirement Funds.

(a) Recognition of private commission.—The Secretary shall—

(1) recognize an independent, private commission, to be known as the “Commission for USA Retirement Funds Funding” (referred to in this title as the “Commission”), and

(2) in carrying out the Secretary’s duties under this title, consider the recommendations of such Commission.

(b) Commission.—The Commission recognized under subsection (a) shall meet the following requirements:

(1) Membership.—

(A) Composition.—The Commission shall be composed of 9 members selected by the Secretary, in consultation with the Secretary of the Treasury, of whom no more than 5 may be
from one political party. The Secretary shall
designate one member of the Commission as the
Chairman. No person may be appointed to the
Commission if, during the 2-year period pre-
ceding the date of appointment, such person
was a trustee of a USA Retirement Fund.

(B) DATE.—The appointments of the
members of the Commission shall be made not
later than 90 days after the date of enactment
of this Act.

(C) PERIOD OF APPOINTMENT; VACAN-
cies.—Members shall be appointed for terms of
2 years and may be appointed for consecutive
terms. Any vacancy in the Commission shall not
affect its powers, and shall be filled in the same
manner as the original appointment.

(2) MAJORITY VOTE.—The Commission may
act by majority vote of its members, provided that
at least 7 members are present.

(3) COMMISSION PERSONNEL MATTERS.—

(A) COMPENSATION OF MEMBERS.—Each
member of the Commission who is not an offi-
cer or employee of the Federal Government
shall be compensated at a rate equal to the
daily equivalent of the annual rate of basic pay
prescribed for level IV of the Executive Schedule under section 5315 of title 5, United States Code, for each day (including travel time) during which such member is engaged in the performance of the duties of the Commission. All members of the Commission who are officers or employees of the United States shall serve without compensation in addition to that received for their services as officers or employees of the United States.

(B) TRAVEL EXPENSES.—The members of the Commission shall be allowed travel expenses, including per diem in lieu of subsistence, at rates authorized for employees of agencies under subchapter I of chapter 57 of title 5, United States Code, while away from their homes or regular places of business in the performance of services for the Commission.

(C) STAFF.—

(i) IN GENERAL.—The Chairman of the Commission may, without regard to the civil service laws and regulations, appoint and terminate an executive director and such other additional personnel as may be necessary to enable the Commis-
sion to perform its duties. The employment
of an executive director shall be subject to
confirmation by the Commission.

(ii) COMPENSATION.—The Chairman
of the Commission may fix the compensa-
tion of the executive director and other
personnel without regard to chapter 51
and subchapter III of chapter 53 of title 5,
United States Code, relating to classifica-
tion of positions and General Schedule pay
rates, except that the rate of pay for the
executive director and other personnel may
not exceed the rate payable for level V of
the Executive Schedule under section 5316
of such title.

(iii) DETAIL OF GOVERNMENT EM-
PLOYEES.—Any Federal Government em-
ployee may be detailed to the Commission
without reimbursement, and such detail
shall be without interruption or loss of civil
service status or privilege.

(iv) PROCUREMENT OF TEMPORARY
AND INTERMITTENT SERVICES.—The
Chairman of the Commission may procure
temporary and intermittent services under
section 3109(b) of title 5, United States Code, at rates for individuals which do not exceed the daily equivalent of the annual rate of basic pay prescribed for level V of the Executive Schedule under section 5316 of such title.

(4) RECOMMENDATIONS AND REGULATIONS ON FUNDING AND DISTRIBUTION REQUIREMENTS.—

(A) IN GENERAL.—After taking into consideration the recommendations of the Commission and providing the public notice and an opportunity for comment, the Secretary shall promulgate regulations with respect to funding and distribution requirements for USA Retirement Funds, as necessary or appropriate in the public interest and for the protection of participants and beneficiaries, including regulations described in subparagraphs (B) and (C).

(B) REQUIREMENTS RELATING TO ANNUITY PAYMENTS MADE DIRECTLY BY A FUND.— The regulations under subparagraph (A) shall provide that in the case of annuity payments made directly by the Fund—

(i) the maximum annuity payment for a participant or beneficiary shall be deter-
mined using the mortality tables and interest rates prescribed by the Secretary under subparagraph (C) at the time benefits commence; and

(ii) the level of benefits paid may be adjusted periodically in order to reflect the mortality experience and the investment experience of the Fund, but only after the Fund has obtained a certification from a member of the American Academy of Actuaries that the adjustment is sustainable for the remaining lifetime of participants then receiving benefits, based on the mortality tables and interest rates prescribed under subparagraph (C) by the Secretary for that time.

(C) MORTALITY TABLES AND INTEREST RATES USED REQUIREMENTS.—The regulations promulgated under subparagraph (A) shall include the following:

(i) MORTALITY TABLES.—

(I) IN GENERAL.—The Secretary shall prescribe mortality tables to be used in determining annuity payments made directly by the Fund. Such ta-
bles shall be based on the actual experience of insurance companies that issue group annuities and projected trends in such experience. In prescribing such tables, the Secretary shall take into account results of available independent studies of the mortality of individuals receiving annuities under group annuity contracts.

(II) Periodic Revisions of Mortality Tables.—The Secretary shall make revisions, to become effective as soon as practicable, in any mortality table in effect to reflect more recent actual experience of insurance companies that issue group annuities and projected trends in such experience. In revising such tables, the Secretary shall take into account the results of more recent available independent studies of the mortality and projected trends of individuals receiving annuities under group annuity contracts.
(ii) INTEREST RATES.—The Secretary shall prescribe interest rates to be used in determining annuity payments made directly by the Fund. Such rates shall be based on the yields on investment grade corporate bonds with varying maturities and that are in the top 3 quality levels available. Interest rates shall be prescribed quarterly or more frequently, as determined by the Secretary.

(5) DUTY TO ADDRESS BEST PRACTICES.—The Commission shall prepare, and periodically update, a report that describes the best practices for the governance of boards of trustees of USA Retirement Funds, including board of trustee composition, appointment procedures, term length, term staggering, trustee qualifications, delegation of duties, and performance assessment procedures.

SEC. 104. LIMITATION ON EMPLOYER LIABILITY.

Section 404 of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1021 et seq.) is amended by adding at the end the following:

“(e) An employer shall not be a fiduciary with respect to the selection, management or administration of a USA Retirement Fund solely because such employer makes
available such Fund through an automatic USA Retirement Fund arrangement. Notwithstanding the preceding sentence, employers participating in a USA Retirement Fund shall be responsible for meeting the enrollment requirements and transmitting contributions, as required under the USA Retirement Funds Act.”.

SEC. 105. ENFORCEMENT AND FRAUD PREVENTION.

(a) PENALTY FOR FAILURE TO TIMELY REMIT CONTRIBUTIONS TO AUTOMATIC USA RETIREMENT FUND ARRANGEMENTS.—

(1) IN GENERAL.—If an employer is required under an automatic USA Retirement Fund arrangement to deposit amounts withheld from an employee’s compensation into a USA Retirement Fund but fails to do so within the time prescribed under section 101(d)(3), such amounts shall be treated as assets of a USA Retirement Fund.

(2) FAILURE TO PROVIDE ACCESS TO PAYROLL SAVINGS ARRANGEMENTS.—

(A) GENERAL RULE.—A covered employer who fails to meet the requirements of section 101(a) for a calendar year shall be subject to a civil money penalty of $100 per calendar year for each employee to whom such failure relates.
(B) EXCEPTIONS.—No civil money penalty shall be imposed under this paragraph for a failure to meet the requirements under section 101(a)—

(i) during a period for which the Secretary determines that the employer subject to liability for the civil money penalty did not know that the failure existed and exercised reasonable diligence to meet the requirements of section 101(a); or

(ii)(I) the employer subject to liability for the civil money penalty exercised reasonable diligence to meet the requirements of section 101(a); and

(II) the employer provides the automatic USA Retirement Fund arrangement described to each employee eligible to participate in the arrangement by the end of the 90-day period beginning on the first date the employer knew, or exercising reasonable diligence should have known, that such failure existed.

(C) WAIVER BY THE SECRETARY.—In the case of a failure to meet the requirements of section 101(a) that is due to reasonable cause
and not to willful neglect, the Secretary may, in
the sole discretion of the Secretary, waive part
or all of the civil money penalty imposed under
this paragraph to the extent that the payment
of such civil money penalty would be excessive
or otherwise inequitable relative to the failure
involved.

(D) Procedures for Notice.—The Sec-
retary may prescribe and implement procedures
for obtaining confirmation that employers are
in compliance with subsection (a). The Sec-
retary, in the discretion of such Secretary, may
prescribe that the confirmation shall be ob-
tained on an annual or less frequent basis, and
may use for this purpose the annual report or
quarterly report for employment taxes, or such
other means as the Secretary may deem advis-
able.

(b) Civil Actions and Enforcement.—

(1) Administration and enforcement.—
Part 5 of title I of the Employee Retirement Income
apply to a USA Retirement Fund as if a USA Re-
tirement Fund were an employee benefit plan.
(2) AMENDMENT.—Section 502(a) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1132 et seq.) is amended—

(A) in paragraph (9), by striking “; or” and inserting “;”;

(B) in paragraph (10), by striking the period at the end and inserting “; or”; and

(C) by adding at the end the following:

“(11) in the event that an employer fails to make timely contributions or payments to a USA Retirement Fund established under title I of the USA Retirement Funds Act, by the Secretary, a participant, a beneficiary, or a fiduciary, to compel an employer to make such contributions or payments as if such contributions or payments were delinquent contributions or payments under section 515 or subsection (g)(2).”.

(3) NON-PREEMPTION OF CERTAIN STATE LAW.—Nothing in this section shall preempt State law insofar as State law relates to the enforcement of an obligation to contribute to a USA Retirement Fund.

(e) FALSE STATEMENTS.—

(1) IN GENERAL.—No person, in connection with a plan or other arrangement that is or purports
to be a USA Retirement Fund, shall make a false statement or false representation of fact, knowing it to be false, in connection with the marketing or sale of such plan or arrangement, to any employee, any member of an employee organization, any beneficiary, any employer, any employee organization, the Secretary, or any State, or the representative or agent of any such person, State, or the Secretary, concerning—

(A) the financial condition or solvency of such fund or arrangement;

(B) the benefits provided by such fund or arrangement;

(C) the regulatory status of such fund or other arrangement under any Federal or State law governing collective bargaining, labor management relations, or intern union affairs; or

(D) the regulatory status of such fund or other arrangement.

(2) PENALTY.—Any person who violates this subsection shall, upon conviction, be imprisoned not more than 10 years or fined under title 18, United States Code, or both.

(d) CEASE AND DESIST ORDERS.—
(1) ISSUANCE OF ORDER.—The Secretary may issue a cease and desist (ex parte) order under this title if the Secretary determines that the alleged conduct of a fund purporting to be a USA Retirement Fund is fraudulent, or creates an immediate danger to the public safety or welfare, or is causing or can be reasonably expected to cause significant, imminent, and irreparable public injury.

(2) HEARINGS.—

(A) IN GENERAL.—A person who is adversely affected by the issuance of a cease and desist order under paragraph (1) may request a hearing by the Secretary regarding such order. The Secretary may require that a hearing under this paragraph, including all related information and evidence, be conducted in a confidential manner.

(B) BURDEN OF PROOF.—The burden of proof in any hearing conducted under subparagraph (A) shall be on the party requesting the hearing to show cause why the cease and desist order should be set aside.

(C) DETERMINATION.—Based upon the evidence presented at a hearing under subparagraph (A), the Secretary may affirm, modify, or
set aside the cease and desist order at issue, in whole or in part.

(3) Regulations.—The Secretary may promulgate such regulations or other guidance as may be necessary or appropriate to carry out this subsection.

TITLE II—DEFINED
CONTRIBUTION PLAN REFORMS
Subtitle A—Savings Enhancements

SEC. 201. POOLED EMPLOYER PLANS.

(a) No Common Interest Required for Pooled Employer Plans.—Section 3(2) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1002(2)) is amended by adding at the end the following:

“(C) A pooled employer plan shall be treated as a single employee pension benefit plan or single pension plan without regard to whether the participating employers share a common interest other than participation in the plan.”.

(b) Pooled Employer Plan and Provider Defined.—Section 3 of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1002) is amended by adding at the end the following:

“(43)(A) The term ‘pooled employer plan’ means a pension plan (without regard to whether
any participating employers share a common interest other than participation in the plan) that is a single individual account plan established or maintained for the purpose of providing benefits to the employees of 2 or more employers but only if—

“(i) the terms of the plan designate a pooled plan provider,

“(ii) under the plan each participating employer retains fiduciary responsibility for——

“(I) the prudent selection and monitoring of the person designated as the pooled employer plan provider and, if different from the provider, the person designated as the plan’s named fiduciary, and

“(II) to the extent not otherwise delegated to another fiduciary, the investment and management of that portion of the plan’s assets attributable to the employees of that participating employer,

“(iii) under the plan a participating employer is not subject to unreasonable restrictions, fees, or penalties with regard to ceasing participation or otherwise transferring assets of the plan in accordance with section 414(l) of the Internal Revenue Code of 1986, and
“(iv) the pooled employer plan provider provides to participating employers any disclosures or other information as the Secretary may require.

“(B) The term ‘pooled employer plan’ does not include—

“(i) a multiemployer plan, or

“(ii) a plan established before January 1, 2014, or any successor thereof.

“(44)(A) The term ‘pooled plan provider’ means a person who—

“(i) is designated by the terms of a pooled employer plan as a pooled plan provider;

“(ii) registers as a pooled plan provider with the Secretary and provides such other identifying information to the Secretary as the Secretary may require; and

“(iii) has such educational or professional qualifications as the Secretary may require.

“(B) The Secretary may perform examinations and investigations of pooled plan providers as may be necessary to enforce and carry out the purposes of the Act.

“(C) For purposes of this section, the following shall be treated as a single pooled plan provider:
“(i) All corporations that provide services to a plan and are members of a controlled group of corporations within the meaning of section 1563(a) of the Internal Revenue Code of 1986 (determined without regard to subsection (a)(4) of such section 1563).

“(ii) All persons treated as a single employer under section 210(d).”.

(e) TECHNICAL AMENDMENT.—Section 3 of such Act is amended by striking the second paragraph (41).

SEC. 202. POOLED EMPLOYER AND MULTIPLE EMPLOYER PLAN REPORTING.

(a) ADDITIONAL INFORMATION.—Section 103 of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1023) is amended—

(1) in subsection (a)(1)(B), by striking “applicable subsections (d), (e), and (f)” and inserting “applicable subsections (d), (e), (f), and (g)”; and

(2) by adding at the end the following:

“(g) ADDITIONAL INFORMATION WITH RESPECT TO POOLED EMPLOYER AND MULTIPLE EMPLOYER PLANS.—An annual report under this section for a plan year shall include—

“(1) with respect to any pooled employer plan or other pension plan maintained by more than one
employer (other than a multiemployer plan), a list of
participating employers and a good faith estimate of
the percentage of the total contributions made, or
expected to be made, by each such participating em-
ployer for the plan year, and

“(2) with respect to a pooled employer plan, the
identifying information for the person designated
under the terms of the plan as the pooled plan pro-
vider.”.

(b) SIMPLIFIED ANNUAL REPORTS.—Section 104(a)
of the Employee Retirement Income Security Act of 1974
(29 U.S.C. 1024(a)) is amended by striking paragraph
(2)(A) and inserting the following:

“(2)(A) With respect to annual reports required
to be filed with the Secretary under this part, the
Secretary may by regulation prescribe simplified an-
nual reports for any pension plan that—

“(i) covers fewer than 100 participants, or
“(ii) is a pooled employer plan (as defined
in section 3(43)) that covers fewer than 1,000
participants but only if no single participating
employer has more than 100 participants cov-
ered by the plan.”.
(c) Effective Date.—The amendments made by this section shall apply to annual reports for plan years beginning after December 31, 2014.

Subtitle B—Participant Protections

SEC. 211. ALTERNATIVE FIDUCIARY ARRANGEMENTS TO PROTECT PLAN PARTICIPANTS.

Section 405 of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1105) is amended by adding at the end the following:

“(e) Small Employer Plan Alternative Fiduciary Arrangements.—

“(1) In general.—A small employer that is a plan sponsor of an employee pension benefit plan shall not be liable for a breach of fiduciary responsibility of a small employer plan service provider with respect to the same plan if the requirements of the following subparagraphs are met:

“(A) Small employer plan sponsor requirements.—The requirements of this subparagraph are met if the small employer prudently selects and monitors the small employer plan named fiduciary.

“(B) Small employer plan named fiduciary requirements.—The requirements
of this subparagraph are met if the small em-
ployer plan named fiduciary—

“(i) engages a small employer plan
service provider with respect to the em-
ployee pension benefit plan;

“(ii) registers as a small employer
plan named fiduciary with the Secretary in
accordance with paragraph (2)(A);

“(iii) has such educational or profes-
sional qualifications as the Secretary may
require;

“(iv) provides to employers disclosures
or other information as may be required by
the Secretary by regulations to facilitate
monitoring of the named fiduciary;

“(v) is bonded in accordance with sec-
tion 412; and

“(vi) meets the financial responsibility
requirements of paragraph (2)(B).

“(2) Rules relating to named fiduciary
requirements.—

“(A) Reporting by small employer
plan named fiduciary.—For purposes of
paragraph (1)(B)(ii), the small employer plan
named fiduciary shall file the required registration with the Secretary—

“(i) before the date upon which the safe harbor provided in this subsection first applies to a small employer plan sponsor and at such other times as the Secretary may prescribe by regulations, and

“(ii) in such form and manner, and containing such information, as the Secretary determines necessary or appropriate to carry out the purposes of this Act.

“(B) FINANCIAL RESPONSIBILITY REQUIREMENTS.—For purposes of paragraph (1)(B)(vi), a small employer plan named fiduciary shall meet the requirements of this subparagraph if the fiduciary either—

“(i) has fiduciary liability insurance with a per-claim limit equal to no less than—

“(I) the greater of 5 percent of plan assets or $1,000,000; or

“(II) such other amount as is determined by the Secretary by regulation; or

“(ii) is—
“(I) a bank, as defined in section 202(a)(2) of the Investment Advisers Act of 1940, that has the power to manage, acquire, or dispose of assets of a plan, and that has, as of the last day of its most recent fiscal year, equity capital in excess of $1,000,000;

“(II) a savings and loan association, the accounts of which are insured by the Federal Savings and Loan Insurance Corporation, that has made application for and been granted trust powers to manage, acquire, or dispose of assets of a plan by a State or Federal authority having supervision over savings and loan associations, and that has, as of the last day of its most recent fiscal year, equity capital or net worth in excess of $1,000,000;

“(III) an insurance company that is subject to supervision and examination by a State authority having supervision over insurance companies, that is qualified under the laws of
more than one State to manage, acquire, or dispose of assets of a plan, and that has, as of the last day of its most recent fiscal year, net worth in excess of $1,000,000; or

“(IV) an investment adviser registered under the Investment Advisers Act of 1940 that, as of the last day of its most recent fiscal year, has total client assets under its management and control in excess of $85,000,000 and shareholders’ or partners’ equity in excess of $1,000,000.

“(C) Adjustment of Amounts.—The Secretary may by regulation adjust the dollar amounts under subparagraph (B)(ii).

“(3) Administrative Summary Cease and Desist Orders and Summary Seizure Orders Against Small Employer Plan Named Fiduciary.—

“(A) In General.—The Secretary may issue an ex parte cease and desist order under this title if the Secretary—

“(i) determines that a small plan named fiduciary or small employer plan
service provider has not met the requirements under paragraphs (1) or (2); or

“(ii) has reasonable cause to believe that the named fiduciary or service provider has engaged in or is about to engage in conduct that is a violation of this title or that the Secretary determines to be contrary to accepted standards of plan operations that might result in abnormal risk to the plan or participants and beneficiaries of the plan.

“(B) HEARINGS.—

“(i) IN GENERAL.—A person that is adversely affected by the issuance of a cease and desist order under subparagraph (A) may request a hearing by the Secretary regarding such order.

“(ii) CONFIDENTIALITY.—The Secretary may require that a hearing under this subparagraph, including all related information and evidence, be conducted in a confidential manner.

“(iii) BURDEN OF PROOF.—The burden of proof in any hearing conducted under this subparagraph shall be on the
party requesting the hearing to show cause why the cease and desist order should be set aside.

“(iv) DETERMINATION.—Based upon the evidence presented at a hearing under this subparagraph, the Secretary may affirm, modify, or set aside the cease and desist order, in whole or in part.

“(C) SEIZURE.—The Secretary may issue a summary seizure order under this subtitle if the Secretary determines that a small employer plan named fiduciary or small employer plan service provider is in a financially hazardous condition.

“(D) REGULATIONS.—The Secretary may promulgate such regulations or other guidance as may be necessary or appropriate to carry out this paragraph.

“(E) EXCEPTION.—This paragraph shall not apply to any named fiduciary that is not a named fiduciary under paragraph (1)(A) or small employer plan service provider under paragraph (1)(B)(i).

“(F) SAVINGS CLAUSE.—The Secretary’s authority under this paragraph shall not be
construed to limit the Secretary’s ability to exercise enforcement or investigatory authority under any other provision of this title. The Secretary may, in the sole discretion of the Secretary, initiate court proceedings without using the procedures in this paragraph.

“(4) DEFINITIONS.—For purposes of this subsection—

“(A) SMALL EMPLOYER.—

“(i) IN GENERAL.—The term ‘small employer’ means, with respect to any year, an employer that did not have more than 50 employees on any day during the preceding year.

“(ii) 2-YEAR GRACE PERIOD.—A small employer that establishes and maintains an employee pension benefit plan for 1 or more years and that is not a small employer for any subsequent year shall be treated as a small employer for the 2 years following the last year the employer was a small employer. If such employer is not a small employer as described in the preceding sentence on account of an acquisition, disposition, or similar transaction in-
volving a small employer, the preceding sentence shall not apply.

“(B) SMALL EMPLOYER PLAN NAMED FIDUCIARY.—The term ‘small employer plan named fiduciary’ means the fiduciary that is designated as the small employer plan named fiduciary in the instrument under which an employee pension benefit plan is maintained.

“(C) SMALL EMPLOYER PLAN SERVICE PROVIDER.—The term ‘small employer plan service provider’ means—

“(i) an administrator (as defined in section 3(16)(A));

“(ii) a fiduciary (as defined in section 3(21)(A)); or

“(iii) an investment manager (as defined in section 3(38)),

that is independent from the small employer plan named fiduciary.”.

SEC. 212. ROLLOVER PROTECTIONS.

(a) SENSE OF CONGRESS.—It is the sense of Congress that a person may be providing investment advice within the meaning of section 3(21) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1002(21)) when such person advises a plan participant to
take a permissible plan distribution and such distribution
advice is combined with a recommendation as to how the
distribution should be invested.

(b) GUIDANCE.—Not later than 90 days after the
date of enactment of this Act, the Secretary of Labor shall
issue guidance consistent with subsection (a) clarifying the
applicability of section 3(21) of the Employee Retirement
Income Security Act of 1974 to investment advice pro-
vided in connection with distribution recommendations.

(c) FIDUCIARY AND PROHIBITED TRANSACTION
AWARENESS.—The Comptroller General of the United
States shall study the extent to which advisors, broker-
dealers, and other financial professionals dealing with in-
dividual and employer-provided retirement plans are aware
of, and receive ongoing training regarding, the require-
ments of part 4 of subtitle B of title I of the Employee
Retirement Income Security Act (29 U.S.C. 1101 et seq.)
The Comptroller General shall submit a report to the
Committee on Health, Education, Labor, and Pensions of
the Senate and the Committee on Education and the
Workforce of the House of Representatives summarizing
its findings and including recommendations regarding
ways to improve awareness of and compliance with the fi-
duciary and prohibited transaction rules.
Subtitle C—Lifetime Income

SEC. 221. LIFETIME INCOME DISCLOSURE.


(1) in clause (i), by striking “and” at the end;

(2) in clause (ii), by striking the period at the end and inserting “, and”;

and

(3) by adding at the end the following:

“(iii) an illustration of the participant’s benefit as an estimated lifetime income stream beginning at retirement determined in accordance with assumptions and requirements established by regulation.”.

(b) LIMITATION ON LIABILITY.—Section 404 of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1104), as amended by section 105, is amended by adding at the end the following:

“(f) LIMITATION ON LIABILITY.—No plan fiduciary, plan sponsor, or other person shall have any liability under this title solely by reason of providing an illustration as required under section 105(a)(2)(B)(iii).”.
(c) REGULATIONS.—Not later than 1 year after the date of the enactment of this Act, the Secretary of Labor shall issue regulations implementing the amendments made by subsections (a) and (b).

(d) CLARIFICATION.—The requirement under section 105(a)(2)(B)(iii) of the Employee Retirement Income Security Act of 1974, as added by subsection (a)(3), shall apply to pension benefit statements furnished more than 1 year after the issuance of the final rules implementing section 105(a)(2)(B)(iii) of such Act.

SEC. 222. LIFETIME INCOME SAFE HARBOR.

Section 404 of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1104), as amended by sections 105 and 221(b), is amended by adding at the end the following:

“(g) SAFE HARBOR FOR ANNUITY SELECTION.—

“(1) IN GENERAL.—With respect to the selection of a lifetime retirement income contract as part of an individual account plan, a fiduciary will be deemed to satisfy the requirements of subsection (a)(1)(B) with respect to the selection of an insurer and lifetime retirement income contract if the fiduciary engages in an objective, thorough, and analytical search for the purpose of identifying insurers
from which to purchase lifetime retirement income contracts and appropriately concludes that—

“(A) at the time of the selection, the insurer is financially capable of satisfying its obligations under the lifetime income contract; and

“(B) the cost (including fees, surrender penalties, and commissions) of the selected lifetime retirement income contract is reasonable in relation to the benefits and product features of the contract and the administrative services to be provided under such contract.

“(2) FIDUCIARIES.—A fiduciary meets the requirements of paragraph (1)(A) if the fiduciary meets all of the following conditions:

“(A) The fiduciary obtains written representations from the insurer that—

“(i) the insurer is licensed to offer lifetime retirement income contracts;

“(ii) the insurer, at the time of selection and for each of the immediately preceding 10 years—

“(I) operates under a certificate of authority from the Insurance Commissioner of its domiciliary state that has not been revoked or suspended;
“(II) has filed financial statements in accordance with the laws of its domiciliary state under applicable statutory accounting principles;

“(III) maintains reserves that satisfy all the statutory requirements of all States where the insurer does business; and

“(IV) is not operating under an order of supervision, rehabilitation, or liquidation;

“(iii) the insurer undergoes, at least every 5 years, a financial examination (within the meaning of the law of the State in which the insurer is domiciled) by the insurance commissioner of the domiciliary State (or any representative, designee, or other party approved thereby);

“(iv) if, following the issuance of the representations described in clauses (i) through (iii), there is any change that would preclude the insurer from making such representations at the time of issuance of the lifetime retirement income contract, the insurer will inform the fidu-
ciary that the fiduciary can no longer rely on one or more of the representations; and

“(v) meet such other requirements specified by the Secretary by regulation.

“(B) The fiduciary has not received the notification described in clause (iv) of subparagraph (A) and has no other facts that would cause the fiduciary to question the representations described in clauses (i) through (iii) of subparagraph (A).

“(C) The fiduciary inquires about additional protections that might be available through a State guaranty association for the lifetime retirement income contract.

“(D) The fiduciary obtains evidence from the insurer that, not more than 1 year prior to the time of selection, the insurer has obtained written confirmation from the insurance commissioner of the domiciliary State of such insurer that, at the time the confirmation is issued, the insurer met the conditions of clauses (i) and (ii) of subparagraph (A).

“(3) TIME OF SELECTION.—For purposes of this subsection, the ‘time of selection’ is—
“(A) the time that the insurer and contract are selected for distribution of benefits to a specific participant or beneficiary; or

“(B) the time that the insurer and contract are selected to provide benefits at future dates to participants or beneficiaries, but only if the selecting fiduciary periodically reviews the continuing appropriateness of the conclusion described in paragraph (1)(A).

“(4) PERIODIC REVIEW.—For purposes of paragraph (3)(B), a fiduciary is not required to review the appropriateness of the conclusion under paragraph (1)(A) before or after the purchase of any contract for specific participants or beneficiaries. A fiduciary will be deemed to have conducted a periodic review of the financial capability of the insurer if the fiduciary obtains the written representations described in clauses (i) through (iii) of paragraph (2)(A) on an annual basis, unless, in the interim, the fiduciary becomes aware of facts that would cause the fiduciary to question such representations.

“(5) DEFINITIONS.—For purposes of this subsection—

“(A) the term ‘insurer’ means an insurance company, insurance service, or insurance
organization qualified to do business in a State and includes affiliates of such companies to the extent the affiliate is licensed to offer lifetime retirement income contracts; and

“(B) the term ‘lifetime retirement income contract’ means an annuity contract or a contract (or provision or feature thereof) that provides a participant fixed or variable benefits for a fixed term or the remainder of the life of the participant or the joint lives of the participant and the designated beneficiary of the participant.

“(6) SAVINGS CLAUSE.—Nothing in this subsection shall be construed to establish minimum requirements or the exclusive means for a fiduciary to satisfy the fiduciary duties under subsection (a)(1)(B). Nothing in this subsection shall be construed to require a fiduciary to select the lowest cost contract. A fiduciary may consider the value, including features and benefits of the contract and attributes of the insurer, in conjunction with the contract’s cost. Attributes of the insurer that may be considered may include, without limitation, the issuer’s financial strength.”.
SEC. 223. DEFAULT INVESTMENT SAFE HARBOR CLARIFICATION.

(a) In General.—Section 404(c)(5) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1104(c)(5)) is amended by adding at the end the following:

“(C) Availability of options.—The availability of annuity purchase rights, death benefit guarantees, investment guarantees, or other features in insurance contracts will not, in and of themselves, affect the status of a fund, product, or portfolio as a default investment under this paragraph.”.

(b) Rules of Construction.—The amendment made by subsection (a) shall be construed to codify existing law and shall not be construed as modifying the regulations promulgated by the Secretary of Labor under section 404(c)(5) of Employee Retirement Income Security Act of 1974 (29 U.S.C. 1104(c)(5)), as in effect before the amendment made by this section.

SEC. 224. ADMINISTRATION OF JOINT AND SURVIVOR ANNUITY REQUIREMENTS.

(a) Option to Appoint Annuity Administrators.—Section 402(c) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1102(c)) is amended—
(1) in paragraph (2), by striking “or” at the end,

(2) in paragraph (3), by striking the period at the end and inserting “; or”, and

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

“(4) that a named fiduciary, or a fiduciary designated by a named fiduciary pursuant to a plan procedure described in section 405(c)(1), may appoint an annuity administrator or administrators with responsibility for administration of an individual account plan in accordance with the requirements of section 205 and payment of any annuity required thereunder.”.

(b) LIABILITY OF ANNUITY ADMINISTRATOR.—Section 405 of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1105), as amended by section 211(a), is amended by adding at the end the following:

“(f) ANNUITY ADMINISTRATOR.—If 1 or more persons has been appointed under section 402(c)(4) as an annuity administrator or administrators of an individual account plan, and each such person acknowledges in writing that such person is the annuity administrator and a fiduciary under the plan with respect to appointed duties, nei-
shall be liable for any act or omission of the annuity admin-
istrator except to the extent that—

“(1) the named fiduciary or appointing fidu-
ciary violated section 404(a)(1)—

“(A) with respect to such appointment; or

“(B) in continuing the appointment;

“(2) the named fiduciary or appointing fidu-
ciary would otherwise be liable in accordance with
subsection (a); or

“(3) the entity appointed to be the annuity ad-
ministrator is not an insurance company or ap-
proved to be an annuity administrator by the Sec-

 TITLE III—DEFINED BENEFIT
 SYSTEM REFORMS
 Subtitle A—Defined Benefit
 Pension Plan Reforms

SEC. 301. HYBRID PLANS.

(a) AMENDMENTS TO ERISA.—

(1) REASONABLE MINIMUM RATES DIS-
REGARDED.—Section 204(b)(5)(B)(i) of the Em-
ployee Retirement Income Security Act of 1974 (29
U.S.C. 1054(b)(5)(B)(i)) is amended—

(A) in subclause (I), by adding at the end

the following new sentence: “Any rate described
in subclause (IV) or (V) shall be disregarded in determining whether a plan is treated as satisf-
ifying the requirements of the first sentence of this subclause.’; and

(B) by adding at the end the following:

“(IV) Reasonable minimum guaranteed rates for investment-based interest credits.—In the case of an interest credit (or equivalent amount) that is based on an actual investment (or on an index that is structured to have effects simi-
lar to the effects of an actual invest-
ment), a fixed annual crediting rate equal to 3 percent (or a lower rate not less than zero that is specified in the plan) with respect to all contribution credits credited to a participant’s ac-
count balance or similar amount dur-
ing the guarantee period shall be treated as a reasonable minimum guaranteed rate of return. For pur-
poses of this subclause, the guarantee period begins on the prospective date that such reasonable minimum guar-
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anted rate applies to the participant’s benefit under the plan and ends on the date that such reasonable minimum guaranteed rate ceases to apply to the participant’s benefit.

“(V) Reasonable minimum rates for other interest crediting bases.—In the case of an interest credit (or equivalent amount) that is not described in subclause (IV), an annual interest rate equal to the lowest interest rate permitted with respect to any plan under section 415(b)(2)(E)(i) of the Internal Revenue Code of 1986 (without regard to section 415(b)(2)(E)(ii) of such Code) shall be treated as a reasonable minimum guaranteed rate of return described in such subclause.”.

(2) Permitted fixed rates.—Section 204(b)(5)(B)(i) of such Act (29 U.S.C. 1054(b)(5)(B)(i)), as amended by paragraph (1)(B), is amended by adding at the end the following:

“(VI) Permitted fixed rate of return.—An annual interest
crediting rate that is a fixed annual crediting rate and that does not exceed the rate described in subclause (V) plus one percentage point shall be deemed to satisfy the requirements of subclause (I).”.

(3) PROTECTING PLAN PARTICIPANTS FROM LOSING ACCESS TO MARKET RATES.—

(A) IN GENERAL.—Section 204(b)(5)(B) of such Act (29 U.S.C. 1054(b)(5)(B)(i)(III)) is amended by adding at the end the following new clause:

“(iii) SPECIAL RULES RELATING TO MARKET RATE OF RETURN.—For purposes of clause (i)(III)—

“(I) IN GENERAL.—Except as provided in this subclause, any rate of return available in the market, shall, under the regulation under clause (i)(III), be permitted as a market rate of return under clause (i)(I).

“(II) SECRETARIAL AUTHORITY.—Except as provided in subclause (III), the Secretary of the Treasury may prescribe by regulation that a
rate of return available in the market is not permitted under clause (i)(I) if such rate is designed to evade the purposes of clause (i)(I) and is not consistent with the purposes of a defined benefit plan. Such authority shall apply only to a rate of return based exclusively or primarily on the returns on employer securities (as defined in section 407(d)(1)), on alternative investments generally not appropriate as an exclusive or primary investment for retirement, or on other similar investments.

“(III) SPECIFIED SAFE HARBOR RATES.—The following rates of return and any combination of such rates shall be deemed to be market rates of return that satisfy clause (i)(I):

“(aa) The first, second, or third segment rate (as defined in section 430(h)(2)(C) of the Internal Revenue Code of 1986 (without regard to clause (iv) thereof)) or any combination of such rates.
“(bb) The discount rate on 3-month, 6-month, and 12-month Treasury bills with appropriate margins determined under regulations prescribed by the Secretary of the Treasury.

“(cc) The yield on 1-year, 2-year, 3-year, 5-year, 7-year, 10-year, and 30-year Treasury Constant Maturities with appropriate margins determined under regulations prescribed by the Secretary of the Treasury.

“(dd) The actual return on all or a diversified portion of the assets of the plan.

“(ee) Any total return index or price index commonly used as an investment benchmark, as determined under regulations prescribed by the Secretary of the Treasury.

“(ff) The rate of return on an annuity contract for a participant issued by an insurance com-
pany licensed under the laws of a State.

“(gg) A cost of living index with appropriate margin, as determined under regulations promulgated by the Secretary of the Treasury.

“(hh) The rate of return on a broad-based regulated investment company, as determined under regulations promulgated by the Secretary of the Treasury.

“(ii) Any investment in which participants may elect to invest under a defined contribution plan maintained by the sponsor of the plan other than an investment with a rate of return prohibited under clause (i), a stable value fund, or an investment available only through a brokerage account (or similar arrangement).”.

(b) AMENDMENTS TO 1986 CODE.—
(1) Reasonable Minimum Rates Disregarded.—Section 411(b)(5)(B)(i) of the Internal Revenue Code of 1986 is amended—

(A) in subclause (I), by adding at the end the following new sentence: “Any rate described in subclause (IV) or (V) shall be disregarded in determining whether a plan is treated as satisfying the requirements of the first sentence of this subclause.”; and

(B) by adding at the end the following:

“(IV) Reasonable Minimum Guaranteed Rates for Investment-Based Interest Credits.—In the case of an interest credit (or equivalent amount) that is based on an actual investment (or on an index that is structured to have effects similar to the effects of an actual investment), a fixed annual crediting rate equal to 3 percent (or a lower rate not less than zero that is specified in the plan) with respect to all contribution credits credited to a participant’s account balance or similar amount during the guarantee period shall be
treated as a reasonable minimum guaranteed rate of return. For purposes of this subclause, the guarantee period begins on the prospective date that such reasonable minimum guaranteed rate applies to the participant’s benefit under the plan and ends on the date that such reasonable minimum guaranteed rate ceases to apply to the participant’s benefit.

“(V) Reasonable Minimum Rates for Other Interest Crediting Bases.—In the case of an interest credit (or equivalent amount) that is not described in subclause (IV), an annual interest rate equal to the lowest interest rate permitted with respect to any plan under section 415(b)(2)(E)(i) (without regard to section 415(b)(2)(E)(ii)) shall be treated as a reasonable minimum guaranteed rate of return described in such subclause.”.

(2) Permitted Fixed Rates.—Section 411(b)(5)(B)(i) of such Code, as amended by para-
graph (1)(B), is further amended by adding at the end the following:

“(VI) PERMITTED FIXED RATE OF RETURN.—An annual interest crediting rate that is a fixed annual crediting rate and that does not exceed the rate described in subclause (V) plus one percentage point shall be deemed to satisfy the requirements of subclause (I).”.

(3) PROTECTING PLAN PARTICIPANTS FROM LOSING ACCESS TO MARKET RATES.—

(A) IN GENERAL.—Section 411(b)(5)(B) of such Code is amended by adding at the end the following:

“(iii) SPECIAL RULES RELATING TO MARKET RATE OF RETURN.—For purposes of clause (i)(III)—

“(I) IN GENERAL.—Except as provided in this subclause, any rate of return available in the market, shall, under the regulation under clause (i)(III), be permitted as a market rate of return under clause (i)(I).
“(II) Secretarial Authority.—Except as provided in subclause (III), the Secretary may prescribe by regulation that a rate of return available in the market is not permitted under clause (i)(I) if such rate is designed to evade the purposes of clause (i)(I) and is not consistent with the purposes of a defined benefit plan. Such authority shall apply only to a rate of return based exclusively or primarily on the returns on employer securities (as defined in section 407(d)(1)), on alternative investments generally not appropriate as an exclusive or primary investment for retirement, or on other similar investments.

“(III) Specified Safe Harbor Rates.—The following rates of return and any combination of such rates shall be deemed to be market rates of return that satisfy clause (i)(I):

“(aa) The first, second, or third segment rate (as defined in section 430(h)(2)(C) (without re-
gard to clause (iv) thereof)) or any combination of such rates.

“(bb) The discount rate on 3-month, 6-month, and 12-month Treasury bills with appropriate margins determined under regulations prescribed by the Secretary.

“(cc) The yield on 1-year, 2-year, 3-year, 5-year, 7-year, 10-year, and 30-year Treasury Constant Maturities with appropriate margins determined under regulations prescribed by the Secretary.

“(dd) The actual return on all or a diversified portion of the assets of the plan.

“(ee) Any total return index or price index commonly used as an investment benchmark, as determined under regulations prescribed by the Secretary.

“(ff) The rate of return on an annuity contract for a partici-
pant issued by an insurance company licensed under the laws of a State.

“(gg) A cost of living index with appropriate margin, as determined under regulations promulgated by the Secretary.

“(hh) The rate of return on a broad-based regulated investment company, as determined under regulations promulgated by the Secretary.

“(ii) Any investment in which participants may elect to invest under a defined contribution plan maintained by the sponsor of the plan other than an investment with a rate of return prohibited under clause (i), a stable value fund, or an investment available only through a brokerage account (or similar arrangement).”.

(c) PROTECTING PLAN PARTICIPANTS FROM RETROACTIVE BENEFIT DECREASES.—
(1) IN GENERAL.—If an interest credit (or equivalent amount) under a plan subject to section 411(b)(5)(B)(i)(I) of the Internal Revenue Code of 1986 or section 204(b)(5)(B)(i)(I) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1054(b)(5)(B)(i)(I)) was reasonable in relation to market rates in existence when such interest credit (or equivalent amount) was established (disregarding any minimum rates of return that were reasonable when established), such interest credit (or equivalent amount) shall be treated as satisfying the requirements of section 411(b)(5)(B)(i)(I) of such Code and section 204(b)(5)(B)(i)(I) of such Act for the transition period.

(2) TRANSITION PERIOD.—For purposes of paragraph (1), the transition period, with respect to any plan, begins on the date that section 411(b)(5)(B)(i)(I) of such Code or section 204(b)(5)(B)(i)(I) of such Act first applied to such plan and ends on the effective date of comprehensive final regulations under such sections prescribed by the Secretary of the Treasury.

(d) ENSURING FAIRNESS WHEN INTEREST CREDITS ARE REQUIRED TO BE DECREASED.—
(1) IN GENERAL.—In the case of an interest credit (or equivalent amount) under a plan subject to section 411(b)(5)(B)(i)(I) of the Internal Revenue Code of 1986 or section 204(b)(5)(B)(i)(I) of the Employee Retirement Income Security Act of 1974 that is in effect for the last plan year prior to the effective date of comprehensive final regulations under such section of such Code but does not comply with such regulations determined after application of subsection (c), the Secretary of the Treasury shall provide an exception from the requirements of section 411(d)(6) of such Code and section 204(g) of such Act for a reduction in such interest credit (or equivalent amendment) that is made pursuant to such comprehensive final regulations.

(2) EXCEPTION.—The exception under paragraph (1) from section 204(g) of such Act and section 411(d)(6) of such Code shall be issued through regulations to ensure the opportunity of interested persons to make comments through a public notice and comment process. Such exception shall permit any interest credit (or equivalent amount) to which this subsection applies to be modified to be the maximum fixed rate of return permitted under section 204(b)(5)(B)(i)(VI) of such Act or section
411(b)(5)(B)(i)(VI) of such Code or to be the maximum rate permitted under any rate of return deemed to be a market rate of return pursuant to section 204(b)(5)(B)(i)(III) of such Act or section 411(b)(5)(B)(i)(III) of such Code. The Secretary of the Treasury shall further structure the exception to ensure that there are clear and simple methods for plans to comply with the requirements of section 204(b)(5)(B)(i)(I) of such Act and section 411(b)(5)(B)(i)(I) of such Code.

(e) Protecting Participants From Plan Freezes Through Appropriate Transition Rules.—

(1) In general.—In the case of any defined benefit plan to which this subsection applies, comprehensive regulations under sections 203(f)(1) and 204(b)(5)(B)(i) of the Employee Retirement Income Security Act of 1974 or sections 411(a)(13)(A) and 411(b)(5)(B)(i) of the Internal Revenue Code of 1986 shall not take effect before the first plan year beginning at least 1 year after the later of—

(A) the date of publication of such regulations; or

(B) the date of publication of the regulations described in subsection (d).
(2) PENSION EQUITY PLANS.—This subsection applies to any defined benefit plan that—

(A) is subject to section 204(b)(5) of the Employee Retirement Income Security Act of 1974 or section 411(b)(5) of the Internal Revenue Code of 1986;

(B) expresses any portion of any participant’s benefit as a current value equal to an accumulated percentage of the employee’s final average compensation; and

(C) in the absence of guidance from the Secretary of the Treasury or the Secretary of Labor, has been structured in a reasonable, good faith manner to comply with the requirements of such Code and such Act with respect to benefits described in subparagraph (B).

(3) PERIOD PRIOR TO EFFECTIVE DATE OF REGULATIONS.—In the case of a plan to which this subsection applies, no rule shall be issued and no adverse enforcement action shall be taken by the Secretary of the Treasury or the Secretary of Labor with respect to a plan described in paragraph (2) regarding the structure of the benefits described in paragraph (2)(B) for any period prior to the effective date of comprehensive final regulations issued
by the Secretary of the Treasury with respect to such benefits. Such final regulations shall not be effective before the first plan year beginning at least 1 year after publication of such regulations.

(f) Effective Date.—

(1) In general.—Except as otherwise provided, the amendments and other provisions of this section shall take effect as if included in section 701 of the Pension Protection Act of 2006 (Public Law 109–280; 120 Stat. 981).

(2) Hold harmless.—With respect to any period prior to the effective date of the comprehensive regulations described in subsection (e), no plan shall fail to comply with any requirement of the Employee Retirement Income Security Act of 1974 or of the Internal Revenue Code of 1986 by reason of complying with the law in effect without regard to the amendments made by subsections (a) and (b).

SEC. 302. CLARIFICATION OF THE NORMAL RETIREMENT AGE.

(a) Amendments to ERISA.—Section 204 of the Employee Retirement Income Security Act of 1974 is amended by redesignating subsection (k) as subsection (l) and by inserting after subsection (j) the following new subsection:
“(k) Special Rule for Determining Normal Retirement Age for Certain Existing Defined Benefit Plans.—

“(1) In General.—For purposes of section 3(24), an applicable plan shall not be treated as fail-
ing to meet any requirement of this title, or as fail-
ing to have a uniform normal retirement age for purposes of this title, solely because the plan has adopted the normal retirement age described in paragraph (2).

“(2) Applicable Plan.—For purposes of this subsection—

“(A) In General.—The term ‘applicable plan’ means a defined benefit plan that, on the date of the introduction of this subsection, has adopted a normal retirement age which is the earlier of—

“(i) an age otherwise permitted under section 2(24), or

“(ii) the age at which a participant completes the number of years (not less than 30 years) of benefit accrual service specified by the plan.

A plan shall not fail to be treated as an applicable plan solely because, as of such date, the
normal retirement age described in the preceding sentence only applied to certain participants or to certain employers participating in the plan.

“(B) EXPANDED APPLICATION.—If, after the date described in subparagraph (A), an applicable plan expands the application of the normal retirement age described in subparagraph (A) to additional participants or participating employers, such plan shall also be treated as an applicable plan with respect to such participants or participating employers.”.

(b) AMENDMENT TO 1986 CODE.—Section 411 of the Internal Revenue Code of 1986 is amended by adding at the end the following new subsection:

“(f) SPECIAL RULE FOR DETERMINING NORMAL RETIREMENT AGE FOR CERTAIN EXISTING DEFINED BENEFIT PLANS.—

“(1) IN GENERAL.—For purposes of subsection (a)(8)(A), an applicable plan shall not be treated as failing to meet any requirement of this subchapter, or as failing to have a uniform normal retirement age for purposes of this subchapter, solely because the plan has adopted the normal retirement age described in paragraph (2).
“(2) APPLICABLE PLAN.—For purposes of this subsection—

“(A) IN GENERAL.—The term ‘applicable plan’ means a defined benefit plan that, on the date of the introduction of this subsection, has adopted a normal retirement age which is the earlier of—

“(i) an age otherwise permitted under subsection (a)(8)(A), or

“(ii) the age at which a participant completes the number of years (not less than 30 years) of benefit accrual service specified by the plan.

A plan shall not fail to be treated as an applicable plan solely because, as of such date, the normal retirement age described in the preceding sentence only applied to certain participants or to certain employers participating in the plan.

“(B) EXPANDED APPLICATION.—If, after the date described in subparagraph (A), an applicable plan expands the application of the normal retirement age described in subparagraph (A) to additional participants or participating employers, such plan shall also be treated as an
applicable plan with respect to such participants or participating employers.”.

SEC. 303. MORATORIUM ON IMPOSITION OF SHUTDOWN LIABILITY.


(b) STUDY.—The Comptroller General of the United States shall study the effectiveness, fairness, and utility of section 4062(e) of the Employee Retirement Income Security Act (29 U.S.C. 1101 et seq.). No later than January 30, 2015, the Comptroller General shall submit a report to the Committee on Health, Education, Labor, and Pensions of the Senate and the Committee on Education and the Workforce of the House of Representatives summarizing its findings and including recommendations for alternative ways to protect retirees and the Pension Benefit Guaranty Corporation from cessations of operations while encouraging employers to both continue to offer defined benefit pension plans and to restructure as may be necessary to ensure the ongoing viability of the business.
SEC. 304. ALTERNATIVE FUNDING TARGET ATTAINMENT PERCENTAGE DETERMINED WITHOUT REGARD TO REDUCTION FOR CREDIT BALANCES.

(a) Amendments to ERISA.—Section 206(g) of Employee Retirement Income Security Act of 1974 (29 U.S.C. 1056(g)) is amended—

(1) in paragraph (5), by striking subparagraph (C); and

(2) in paragraph (9)—

(A) in subparagraph (B)—

(i) by striking the period at the end and inserting “; and”;

(ii) by striking “under subparagraph (A) by increasing” and inserting the following: “under subparagraph (A)—

“(i) by increasing”; and

(iii) by adding at the end the following:

“(ii) without regard to the reduction under section 303(f)(4)(B).”; and

(B) by striking subparagraphs (C) and (D).

(b) Amendments to 1986 Code.—Section 436 of the Internal Revenue Code of 1986 is amended—
(1) in subsection (f), by striking paragraph (3); and

(2) in subsection (j)—

(A) in paragraph (2)—

(i) by striking the period at the end and inserting “, and”; and

(ii) by striking “under paragraph (1) by increasing” and inserting the following: “under subparagraph (A)— “(A) by increasing”; and

(iii) by adding at the end the following: “(B) without regard to the reduction under section 430(f)(4)(B).”; and

(B) by striking the first and second paragraph (3).

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to plan years beginning after December 31, 2014.

SEC. 305. METHOD FOR DETERMINING CHANGES FOR QUARTERLY CONTRIBUTIONS.

(a) AMENDMENT TO ERISA.—Section 303(j)(3)(A) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1083(j)(3)(A)) is amended by inserting “(de-
termined without regard to the reduction under subsection (f)(4)(B))” after “preceding plan year”.

(b) Amendment to 1986 Code.—Section 430(j)(3) of the Internal Revenue Code of 1986 is amended by inserting “(determined without regard to the reduction under subsection (f)(4)(B))” after “preceding plan year”.

(c) Effective Date.—The amendments made by this section shall apply to plan years beginning after December 31, 2014.

SEC. 306. ELECTION TO DISCOUNT CONTRIBUTIONS FROM FINAL DUE DATE.

(a) Amendment to ERISA.—Section 303(j)(2) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1083(j)(2)) is amended by adding at the end the following: “For purposes of this paragraph, a plan sponsor may elect to treat all payments made after the valuation date as having been made on the last day permissible under paragraph (1).”

(b) Amendment to 1986 Code.—Section 430(j)(2) of the Internal Revenue Code of 1986 is amended by adding at the end the following: “For purposes of this paragraph, a plan sponsor may elect to treat all payments made after the valuation date as having been made on the last day permissible under paragraph (1).”
(c) Effective Date.—The amendments made by this section shall apply to plan years beginning after December 31, 2014.

SEC. 307. SIMPLIFICATION OF ELECTIONS AND NOTICES.

(a) Amendments to ERISA.—

(1) Timeliness of Elections.—Section 303 of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1083) is amended by adding at the end the following:

“(m) Timeliness of Elections.—An election required to be made by the plan sponsor under this section, including an election made under rules prescribed by the Secretary of the Treasury to implement this section, shall be deemed to have been timely made if the election is made on or before the due date specified in subsection (j)(1) or, if later, the due date of the actuarial report required under section 103(d).”.


(A) in the heading, by striking “FOR SMALL PLANS”;

(B) by inserting “a plan with an adjusted funding target attainment percentage of more
than 80 percent for the prior year or” after “In the case of”;

(C) by striking “(as such term is used under section 303(g)(2)(B))”; and

(D) by striking “upon” and inserting “not later than 2 months after”.

(b) AMENDMENT TO 1986 CODE.—Section 430 of the Internal Revenue Code of 1986 is amended by adding at the end the following:

“(m) TIMELINESS OF ELECTIONS.—An election required to be made by the plan sponsor under this section, including an election made under rules prescribed by the Secretary to implement this section, shall be deemed to have been timely made if the election is made on or before the due date specified in subsection (j)(1) or, if later, the due date of the actuarial report required under section 6059.”.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to plan years beginning after December 31, 2014.

SEC. 308. IMPROVED MULTIEMPLOYER PLAN DISCLOSURE.

(a) DISCLOSURE AND REPORTING BY MULTIEMPLOYER PLANS.—
(1) PLAN FUNDING NOTICES.—Section 101(f) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1021(f)) is amended—

(A) in paragraph (2)(B)—

(i) by striking clause (v);

(ii) by redesignating clauses (vi) through (x) as clauses (v) through (ix), respectively;

(iii) in clause (vi), as so redesignated—

(I) by striking “(I) in the case of” and inserting “in the case of”;

(II) by striking “, or” and inserting a comma; and

(III) by striking subclause (II);

and

(iv) by amending clause (vii), as so redesignated, to read as follows:

“(vii)(I) in the case of a single-employer plan, a general description of the benefits under the plan which are eligible to be guaranteed by the Pension Benefit Guaranty Corporation, and an explanation of the limitations on the guarantee and the
circumstances under which such limitations apply, and

“(II) in the case of a multiemployer plan, a statement that eligible benefits are guaranteed by the Pension Benefit Guaranty Corporation, and a statement of how to obtain both a general description of the benefits under the plan which are eligible to be guaranteed by the Pension Benefit Guaranty Corporation and an explanation of the limitations on the guarantee and the circumstances under which such limitations apply,”; and

(B) in paragraph (4)(C)—

(i) by striking “(C) may be provided” and inserting “(C)(i) subject to clause (ii), may be provided”; and

(ii) by striking the period and inserting the following:

“(ii) in the case of such a notice provided to the Pension Benefit Guaranty Corporation, shall be in an electronic format in such manner prescribed in regulations of such Corporation.”.

(2) DISCLOSURES BY PLANS REGARDING STATUS.—
(A) AMENDMENTS TO ERISA.—Section 305(b)(3) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1085(b)(3)) is amended—

(i) in the paragraph heading, by striking “BY PLAN ACTUARY” and inserting “AND REPORT”;

(ii) by amending subparagraph (A) to read as follows:

“(A) IN GENERAL.—Not later than the 90th day of each plan year of a multiemployer plan, the plan sponsor shall file, in accordance with regulations prescribed by the ERISA agencies, a report that contains—

“(i) documentation from the plan actuary certifying to the ERISA agencies and to the plan sponsor—

“(I) whether or not the plan is in endangered status for such plan year and whether or not the plan is or will be in critical status for such plan year or any of the 5 succeeding plan years,

“(II) in the case of a plan which is in a funding improvement or rehabilitation period, whether or not the
plan is making the scheduled progress in meeting the requirements of its funding improvement or rehabilitation plan and, if not, a summary of the primary reasons the plan is not making the scheduled progress,

“(III) the funded percentage of the plan determined as of the first day of the current plan year and the value of assets and liabilities used to calculate such funded percentage,

“(IV) a projection of the funding standard account on a year-by-year basis for the current plan year and the nine succeeding plan years and a statement of the actuarial assumptions for such projections, and

“(V)(aa) subject to item (bb), a projection of the cash flow of the plan and actuarial assumptions for the current plan year and six succeeding plan years, and

“(bb) in the case in which it is certified that a multiemployer plan is or will be in endangered or critical
status for a plan year, the projection of the cash flow of the plan and actuarial assumptions for the current year and ten succeeding plan years,

“(ii) as of the last day of the prior plan year, a good faith determination of—

“(I) the fair market value of the assets of the plan,

“(II) the number of participants who are—

“(aa) retired or separated from service and are receiving benefits,

“(bb) retired or separated participants entitled to future benefits, and

“(cc) active participants under the plan,

“(III) the total value of all benefits paid during the prior plan year,

“(IV) the total value of all contributions made to the plan during the prior plan year, and
“(V) the total value of all investment gains or losses during the prior plan year,

“(iii) a description of any material changes during the previous plan year to the rates at which participants accrue benefits or the rate at which employers contribute,

“(iv) a copy of any funding improvement plan, rehabilitation plan, and any update thereto or modification thereof, that was adopted under this section prior to the filing of the report for the current plan year in accordance with this subparagraph and, if applicable, after the filing of the report required by this subparagraph for the prior plan year,

“(v) in the case of any plan amendment, scheduled benefit increase or reduction, or other known event taking effect in the current plan year and having a material effect on plan liabilities or assets for the year (as defined in regulations by the ERISA agencies), an explanation of the amendment, scheduled increase or reduc-
tion, or event, and a projection to the end of such plan year of the effect of the amendment, scheduled increase or reduction, or event on plan liabilities,

“(vi) in the case of a multiemployer plan certified to be in critical status for which the plan sponsor has determined that, based on reasonable actuarial assumptions and upon exhaustion of all reasonable measures, the plan cannot reasonably be expected to emerge from critical status by the end of the rehabilitation period, a description of all reasonable measures, whether or not such measures were implemented, and a summary of the consideration of such measures,

“(vii) a good faith statement describing—

“(I) the withdrawal of any employer during the prior plan year and the percentage of total contributions made by that employer during the prior plan year,

“(II) any material reduction in total contributions or withdrawal li-
ability payments of any employers and the reason for such reduction,

“(III) any significant reduction in the number of active plan participants and the reason for such reduction, and

“(IV) the annual withdrawal liability payment each employer is obligated to pay to the plan for the plan year, whether that amount was collected by the plan (and if not, the amount that was collected), and the remaining years on the employer’s obligation to make withdrawal liability payments, and

“(viii) such other information as may be required by the ERISA agencies by regulation.”;

(iii) by striking subparagraph (C) and inserting the following:

“(C) FORM AND MANNER.—The report required by subparagraph (A) shall be filed electronically in accordance with regulations prescribed by the ERISA agencies.”;

(iv) in subparagraph (D)—
(I) by redesignating clauses (ii) and (iii) as clauses (iii) and (iv), respectively;

(II) by inserting after clause (i) the following:

“(ii) PLANS IN ENDANGERED OR CRITICAL STATUS.—If it is certified under subparagraph (A) that a multiemployer plan is or will be in endangered or critical status, the plan sponsor shall include in the notice under clause (i)—

“(I) a statement describing how a person may obtain a copy of the plan’s funding improvement or rehabilitation plan, as appropriate, adopted under this section and the actuarial and financial data that demonstrate any action taken by the plan toward fiscal improvement,

“(II) a summary of any funding improvement plan, rehabilitation plan, and any update thereto or modification thereof, adopted under this section prior to the furnishing of such notice,
“(III) a summary of the rules governing reorganization or insolvency, including the limitations on benefit payments, and

“(IV) a general description of the benefits under the plan which are eligible to be guaranteed by the Pension Benefit Guaranty Corporation and an explanation of the limitations on the guarantee and the circumstances under which such limitations apply.”;

(III) in clause (iv), as so redesignated—

(aa) by striking “The Secretary of the Treasury, in consultation with the Secretary” and inserting “The ERISA agencies”;

and

(bb) by striking “clause (ii)” and inserting “clauses (ii) and (iii)”;

(IV) by adding at the end the following:

“(E) DESIGNATION AND COORDINATION.—

The ERISA agencies shall—
“(i) designate one ERISA agency to receive the report described in subparagraph (A) on behalf of all the ERISA agencies, which shall each have full access to such report; and

“(ii) consult with each other and develop rules, regulations, practices, and forms, which to the extent appropriate for the efficient administration of the provisions of this paragraph are designed to replace duplication of effort, duplication of reporting, conflicting or overlapping requirements, and the burden of compliance with such provisions by plan administrators and plan sponsors.

“(F) ERISA AGENCIES.—In this paragraph, the term ‘ERISA agencies’ means the Secretary of Labor, the Secretary of the Treasury, and the Pension Benefit Guaranty Corporation.”.

(B) AMENDMENTS TO 1986 CODE.—Section 432(b)(3) of the Internal Revenue Code of 1986 is amended—
(i) in the paragraph heading, by striking “BY PLAN ACTUARY” and inserting “AND REPORT”;

(ii) by amending subparagraph (A) to read as follows:

“(A) IN GENERAL.—Not later than the 90th day of each plan year of a multiemployer plan, the plan sponsor shall file, in accordance with regulations prescribed by the ERISA agencies, a report that contains—

“(i) documentation from the plan actuary certifying to the ERISA agencies and to the plan sponsor—

“(I) whether or not the plan is in endangered status for such plan year and whether or not the plan is or will be in critical status for such plan year or any of the 5 succeeding plan years,

“(II) in the case of a plan which is in a funding improvement or rehabilitation period, whether or not the plan is making the scheduled progress in meeting the requirements of its funding improvement or rehabilitation plan and, if not, a summary of the
primary reasons the plan is not making the scheduled progress,

“(III) the funded percentage of the plan determined as of the first day of the current plan year and the value of assets and liabilities used to calculate such funded percentage,

“(IV) a projection of the funding standard account on a year-by-year basis for the current plan year and the nine succeeding plan years and a statement of the actuarial assumptions for such projections,

“(V)(aa) subject to item (bb), a projection of the cash flow of the plan and actuarial assumptions for the current plan year and six succeeding plan years, and

“(bb) in the case in which it is certified that a multiemployer plan is or will be in endangered or critical status for a plan year, the projection of the cash flow of the plan and actuarial assumptions for the current year and ten succeeding plan years,
“(ii) as of the last day of the prior plan year, a good faith determination of—

“(I) the fair market value of the assets of the plan,

“(II) the number of participants who are—

“(aa) retired or separated from service and are receiving benefits,

“(bb) retired or separated participants entitled to future benefits, and

“(cc) active participants under the plan,

“(III) the total value of all benefits paid during the prior plan year,

“(IV) the total value of all contributions made to the plan during the prior plan year, and

“(V) the total value of all investment gains or losses during the prior plan year,

“(iii) a description of any material changes during the previous plan year to the rates at which participants accrue ben-
efits or the rate at which employers contribute,

“(iv) a copy of any funding improvement plan, rehabilitation plan, and any update thereto or modification thereof, that was adopted under this section prior to the filing of the report for the current plan year in accordance with this subparagraph and, if applicable, after the filing of the report required by this subparagraph for the prior plan year,

“(v) in the case of any plan amendment, scheduled benefit increase or reduction, or other known event taking effect in the current plan year and having a material effect on plan liabilities or assets for the year (as defined in regulations by the ERISA agencies), an explanation of the amendment, scheduled increase or reduction, or event, and a projection to the end of such plan year of the effect of the amendment, scheduled increase or reduction, or event on plan liabilities,

“(vi) in the case of a multiemployer plan certified to be in critical status for
which the plan sponsor has determined
that, based on reasonable actuarial as-
sumptions and upon exhaustion of all rea-
sonable measures, the plan cannot reason-
ably be expected to emerge from critical
status by the end of the rehabilitation pe-
riod, a description of all reasonable meas-
ures, whether or not such measures were
implemented, and a summary of the con-
sideration of such measures,

“(vii) a good faith statement describ-
ing—

“(I) the withdrawal of any em-
ployer during the prior plan year and
the percentage of total contributions
made by that employer during the
prior plan year,

“(II) any material reduction in
total contributions or withdrawal li-
ability payments of any employers and
the reason for such reduction,

“(III) any significant reduction
in the number of active plan partici-
pants and the reason for such reduc-
tion, and
“(IV) the annual withdrawal liability payment each employer is obligated to pay to the plan for the plan year, whether that amount was collected by the plan (and if not, the amount that was collected), and the remaining years on the employer’s obligation to make withdrawal liability payments, and

“(viii) such other information as may be required by the ERISA agencies by regulation.”;

(iii) by striking subparagraph (C) and inserting the following:

“(C) FORM AND MANNER.—The report required by subparagraph (A) shall be filed electronically in accordance with regulations prescribed by the ERISA agencies.”;

(iv) in subparagraph (D)—

(I) by redesignating clauses (ii) and (iii) as clauses (iii) and (iv), respectively;

(II) by inserting after clause (i) the following:
“(ii) Plans in Endangered or Critical Status.—If it is certified under subparagraph (A) that a multiemployer plan is or will be in endangered or critical status, the plan sponsor shall include in the notice under clause (i)—

“(I) a statement describing how a person may obtain a copy of the plan’s funding improvement or rehabilitation plan, as appropriate, adopted under this section and the actuarial and financial data that demonstrate any action taken by the plan toward fiscal improvement,

“(II) a summary of any funding improvement plan, rehabilitation plan, and any update thereto or modification thereof, adopted under this section prior to the furnishing of such notice,

“(III) a summary of the rules governing reorganization or insolvency, including the limitations on benefit payments, and
“(IV) a general description of the benefits under the plan which are eligible to be guaranteed by the Pension Benefit Guaranty Corporation and an explanation of the limitations on the guarantee and the circumstances under which such limitations apply.”;

(III) in clause (iv), as so redesignated—

(aa) by striking “The Secretary, in consultation with the Secretary of Labor” and inserting “The ERISA agencies”; and

(bb) by striking “clause (ii)” and inserting “clauses (ii) and (iii)”;

(v) by adding at the end the following:

“(E) DESIGNATION AND COORDINATION.—

The ERISA agencies shall—

“(i) designate one ERISA agency to receive the report described in subparagraph (A) on behalf of all the ERISA agencies, which shall each have full access to such report; and
“(ii) consult with each other and develop rules, regulations, practices, and forms, which to the extent appropriate for the efficient administration of the provisions of this paragraph are designed to replace duplication of effort, duplication of reporting, conflicting or overlapping requirements, and the burden of compliance with such provisions by plan administrators and plan sponsors.

“(F) ERISA AGENCIES.—In this paragraph, the term ‘ERISA agencies’ means the Secretary of Labor, the Secretary of the Treasury, and the Pension Benefit Guaranty Corporation.”.

(C) DISCLOSURES BY PLANS REGARDING STATUS.—Section 4003 of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1303) is amended—

(i) in the section heading, by inserting “; MULTIEMPLOYER PLAN INFORMATION” after “ACTIONS”; and

(ii) by adding at the end the following:
“(g) The corporation is authorized to require such in-
formation as it deems necessary to investigate or review
any facts, conditions, or other matters related to the actuar-
ial certification and report by multiemployer plans under
section 305(b)(3)(A), or to obtain such information as any
duly authorized committee or subcommittee of the Con-
gress may request with respect to such plans. The pre-
ceding sentence shall be considered a statute described in
section 552(b)(3) of title 5, United States Code, and the
information received pursuant to such sentence shall be
exempt from disclosure under such section 552(b).”.

(3) CIVIL ENFORCEMENT.—

(A) IN GENERAL.—Section 502(c) of the
Employee Retirement Income Security Act of
1974 (29 U.S.C. 1132) is amended—

(i) in paragraph (7)—

(I) by striking “(7) The Sec-
retary” and inserting “(7)(A) The
Secretary”; and

(II) by adding at the end the fol-
lowing:

“(B) The Secretary may assess a civil penalty against
a plan administrator (or plan sponsor with respect to the
notice of endangered or critical status) of up to $110 per
day from the date of the plan administrator’s or sponsor’s
failure or refusal to provide the relevant notices under section 101(f) or section 305(b)(3)(D) to a recipient other than the Secretary or the Pension Benefit Guaranty Corporation. For purposes of this paragraph, each violation with respect to any single recipient shall be treated as a separate violation.”;

(ii) by redesignating the second paragraph (10) (regarding coordinating enforcement under section 502(c) of such Act with enforcement under section 1144(c)(8) of the Social Security Act) as paragraph (12); and

(iii) by inserting after paragraph (10) (regarding enforcement authority relating to use of genetic information) the following:

“(11)(A) The Secretary may assess a civil penalty against any plan sponsor of up to $1,100 per day from the date of the plan sponsor’s failure to file with the Secretary the notice required under section 305(b)(3)(D) or with the Pension Benefit Guaranty Corporation the notice required under section 101(f).

“(B) The Secretary may assess a civil penalty against any plan sponsor of up to $1,100 per day
from the date of the plan sponsor’s failure to file
with the ERISA agency designated in accordance
with subparagraph (E) of section 305(b)(3) the re-
port under subparagraph (A) of such section.”.

(B) CONFORMING AMENDMENT.—Section
502(a)(6) of such Act is amended by striking
“or (9)” and inserting “(9), (10), or (11)”.

(b) COORDINATION WITH RESPECT TO MULTIEMP-
LOYER PLANS.—

(1) IN GENERAL.—Subtitle A of title III of the
Employee Retirement Income Security Act of 1974
(29 U.S.C. 1201 et seq.) is amended by adding at
the end the following:

“SEC. 3005. DATABASE OF MULTIEMPLOYER PLAN INFOR-
MATION.

“(a) IN GENERAL.—The Secretary of Labor, the Sec-
retary of the Treasury, and the Pension Benefit Guaranty
Corporation shall jointly establish an electronic database
that contains the following information:

“(1) Each defined benefit plan funding notice
submitted to the Pension Benefit Guaranty Corpora-
tion by a multiemployer plan under section 101(f).

“(2) Each report submitted by a multiemployer
plan under section 305(b)(3)(A).
“(3) Each notice submitted to the Secretary of Labor and the Pension Benefit Guaranty Corporation by a multiemployer plan under section 305(b)(3)(D).

“(b) SHARED ACCESS TO DATABASE.—Subject to the agreement described in subsection (c), the Secretary of Labor, the Secretary of the Treasury, and the Pension Benefit Guaranty Corporation shall have full access to the data in the database established under subsection (a). To avoid unnecessary expense and duplication of functions among the agencies, the Secretary of Labor, the Secretary of the Treasury, and the Pension Benefit Guaranty Corporation may make such arrangements and agreements for cooperation or mutual assistance with respect to access to and utilization of the data in the database.

“(c) SHARED COST OF DATABASE.—The Secretary of Labor, the Secretary of the Treasury, and the Pension Benefit Guaranty Corporation shall execute a cost sharing agreement to equitably allocate the design, implementation, and maintenance costs of the database established under subsection (a).

“(d) EXEMPTION.—The information contained in the report described under subsection (a)(2) shall be exempt from disclosure under section 552(b) of title 5, United States Code. For purposes of such section 552 of title 5,
United States Code, this subsection shall be considered a statute described in subsection (b)(3) of such section 552.”.

(2) CLERICAL AMENDMENT.—The table of sections for subtitle A of title III of the Employee Retirement Income Security Act of 1974 is amended by adding at the end the following new item:

“3005. Database of multiemployer plan information.”.

(c) APPLICABILITY.—This section (and the amendments made by this section) shall apply to plan years beginning after the date that is 1 year after the date of enactment of this Act.

Subtitle B—Improvements to the Pension Insurance Program

SEC. 311. MODIFICATIONS OF TECHNICAL CHANGES MADE BY THE PENSION PROTECTION ACT OF 2006 TO TERMINATION LIABILITY.

(a) IN GENERAL.—Section 4062(c) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1362(c)) is amended by striking paragraphs (1) and (2) and inserting the following:

“(1) the aggregate unpaid minimum required contributions (within the meaning of section 4971(c)(4) of the Internal Revenue Code of 1986) of the plan (if any) for the plan year in which the termination date occurs and for all preceding plan
years, including, for purposes of this paragraph, the
amount of any increase in such aggregate unpaid
minimum required contributions that would result
if—

“(A) all pending applications for waivers of
the minimum funding standard under section
302(c) of this Act and section 412(c) of such
Code with respect to such plan were denied,
and

“(B) no additional contributions (other
than those already made by the termination
date) were made for the plan year in which the
termination date occurs or for any previous
plan year, and

“(2) the unamortized portion (if any) of any
amounts waived for the plan under section 302(c) of
this Act and section 412(c) of such Code for—

“(A) the plan year in which the termi-
nation date occurs, and

“(B) all preceding plan years,”.

(b) EFFECTIVE DATE.—The amendments made by
this section shall take effect as if included in section 107
of the Pension Protection Act of 2006 (Public Law 109–
280; 120 Stat. 816).
SEC. 312. PAYMENT OF LUMP SUM DISTRIBUTIONS IN BANKRUPTCY.

(a) Amendments to ERISA.—The second sentence of section 206(g)(3)(B) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1056(g)(3)) is amended to read as follows: “The preceding sentence shall not apply on or after the date on which the enrolled actuary of the plan certifies that the adjusted funding target attainment percentage of such plan (determined by not taking into account any adjustment of segment rates under section 303(h)(2)(C)(iv)) is not less than 100 percent.”

(b) Amendments to 1986 Code.—The second sentence of section 436(d)(2) of the Internal Revenue Code of 1986 is amended to read as follows: “The preceding sentence shall not apply on or after the date on which the enrolled actuary of the plan certifies that the adjusted funding target attainment percentage of such plan (determined by not taking into account any adjustment of segment rates under section 430(h)(2)(C)(iv)) is not less than 100 percent.”

SEC. 313. TRUSTEESHIP CLARIFICATIONS.

(a) Appointment of Trustees in Plan Termination Instituted by PBGC.—
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(1) In general.—Subsections (a) and (b) of section 4002 (29 U.S.C. 1342) are amended to read as follows:

“(a) Authority to institute proceedings to terminate a plan.—

“(1) In general.—The corporation may institute proceedings under this section to terminate a plan whenever it determines that the plan must be terminated in order to protect the interests of the participants or to avoid any unreasonable deterioration of the financial condition of the plan or any unreasonable increase in the liability of the corporation, as shown by one or more of the following conditions:

“(A) The plan has not met the minimum funding standard required under section 412 of the Internal Revenue Code of 1986, or has been notified by the Secretary of the Treasury that a notice of deficiency under section 6212 of such Code has been mailed with respect to the tax imposed under section 4971(a) of such Code.

“(B) The plan will be unable to pay benefits when due.
“(C) The reportable event described in section 4043(e)(7) has occurred.

“(D) The possible long-run loss of the corporation with respect to the plan may reasonably be expected to increase unreasonably if the plan is not terminated.

“(2) REQUIREMENT.—The corporation shall, as soon as practicable, institute proceedings under this section to terminate a single-employer plan whenever the corporation determines that the plan does not have assets available to pay benefits which are currently due under the terms of the plan. Notwithstanding any other provision of this subchapter, the corporation shall, to the extent practicable, pool assets of terminated plans for purposes of administration, investment, payment of liabilities of all such terminated plans, and such other purposes as the corporation determines to be appropriate in the administration of this title.

“(b) APPOINTMENT OF THE CORPORATION TO ADMINISTER PLAN.—

“(1) IN GENERAL.—Whenever the corporation makes a determination under subsection (a) with respect to a plan or is required under subsection (a) to institute proceedings under this section, the cor-
poration may, upon notice to the plan, apply to the appropriate United States district court to appoint the corporation as the person to administer the plan with respect to which the determination is made pending the issuance of a decree under subsection (c) ordering the termination of the plan. If, within 3 business days after the filing of an application under this subsection (or such other period as the court may order), the administrator of the plan consents to the appointment of the corporation to administer the plan, or fails to show why the corporation should not be so appointed, the court may grant the application and appoint the corporation to administer the plan in accordance with its terms until the corporation determines that the plan should be terminated or that termination is unnecessary.

“(2) APPOINTMENT.—Notwithstanding any other provision of this title—

“(A) upon the petition of a plan administrator or the corporation, the appropriate United States district court may appoint the corporation to administer the plan in accordance with the provisions of this section if the interests of the plan participants would be better served by such appointment, and
“(B) upon the petition of the corporation, the appropriate United States district court shall appoint a trustee proposed by the corporation for a multiemployer plan which is in reorganization to which section 4041A(d) applies, unless such appointment would be adverse to the interests of the plan participants and beneficiaries in the aggregate.

“(3) AGREEMENT TO APPOINTMENT.—The corporation and plan administrator may agree to the appointment of the corporation to administer the plan without proceeding in accordance with the requirements of paragraphs (1) and (2).”;

(2) CONFORMING AMENDMENTS.—

(A) Subsection (c) of such section 4042 is amended—

(i) by striking “(c)(1)” and all that follows through the end of paragraph (1) and inserting the following:

“(c) DECREES ENFORCING DETERMINATION THAT PLAN MUST BE TERMINATED.—

“(1) COURT DECREES.—

“(A) APPLICATION.—If the corporation is required under subsection (a) to commence proceedings under this section with respect to a
plan or, after issuing a notice under this section
to a plan administrator, has determined that
the plan should be terminated, the corporation
may, upon notice to the plan administrator,
apply to the appropriate United States district
court for a decree enforcing the corporation’s
determination that the plan be terminated.

“(B) DECREES.—

“(i) IN GENERAL.—The district court
shall issue the decree under subparagraph
(A) unless such court finds, upon review of
the administrative record of the corpora-
tion’s determination under subsection (a),
that such determination was arbitrary, ca-
pricious, an abuse of discretion, or other-
wise not in accordance with law.

“(ii) EFFECT OF DECREES.—Upon
granting a decree for which the corpora-
tion has applied under this subsection, the
court shall authorize the corporation if ap-
pointed under subsection (b) (or appoint
the corporation if such corporation has not
been appointed under such subsection and
authorize the corporation) to terminate the
plan in accordance with the provisions of this subtitle.

“(C) Waiver of Application.—If the corporation and the plan administrator agree that a plan should be terminated and agree to the appointment of the corporation to carry out the termination of the plan without proceeding in accordance with the requirements of this subsection (other than this subparagraph), the corporation shall have the power described in subsection (d)(1) and shall be subject to the duties described in subsection (d)(3) and any other duties imposed on the corporation under any other provision of law or by agreement between the corporation and the plan administrator.”; and

(ii) in paragraph (2), by striking “(2) In the case of” and inserting “(2) Providing of Information,—In the case of”.

(B) Subsection (d) of such section 4042 is amended—

(i) in paragraph (1)(A)—

(I) by striking “A trustee appointed under subsection (b)” and in-
serting “If the corporation is appointed to administer a plan under subsection (b), the corporation”;

   (II) in clause (ii), by striking “himself as trustee” and inserting “the corporation”;

   (III) in clause (iii), by striking “he” and inserting “the corporation”;

   (IV) in clause (iv), by striking “his appointment” and inserting “the appointment of the corporation”;

   (V) in clause (vi), by striking “he” and inserting “the corporation”;

   (VI) in clause (vii), by striking “trustee” and inserting “corporation”;

   and

   (VII) by striking the flush language after clause (vii) and inserting the following:

“If the court to which application is made under subsection (c) dismisses the application with prejudice, or if the corporation fails to apply for a decree under subsection (c), within 30 days after the date on which the corporation is appointed under subsection (b), the corpora-
tion shall transfer all assets and records of the plan held by such corporation to the plan administrator not later than 3 business days after such dismissal or the expiration of such 30-day period, and shall not be liable to the plan or any other person for the acts of the corporation in administering the plan except for willful misconduct or gross negligence. The 30-day period described in the preceding sentence may be extended as provided by agreement between the plan administrator and the corporation or by court order.”;

(ii) in paragraph (1)(B)—

(I) in the matter preceding clause (i), by striking “trustee” and inserting “corporation”;

(II) by striking clauses (iii) and (v);

(III) by redesignating clause (iv) as clause (iii); and

(IV) by redesignating clauses (vi) through (viii) as clauses (iv) through (vi), respectively;

(iii) in paragraph (2)—
(I) in the matter preceding subparagraph (A) by striking “his appointment, the trustee” and inserting “the appointment of the corporation to administer the plan, the corporation”; and

(II) in subparagraph (D) by striking “section”; and

(iv) by striking paragraph (3) and inserting the following:

“(3) Except to the extent inconsistent with the provisions of this Act, the corporation, as appointed under this section, shall be subject to the same duties as those of a trustee under section 704 of title 11, United States Code, and shall be, with respect to the plan, a fiduciary within the meaning of section 3(21) (except to the extent that the provisions of this title are inconsistent with the requirements applicable under part 4 of subtitle B of title I). Notwithstanding any references in this section to administering a plan, the corporation shall not be considered a plan administrator within the meaning of section 3 and shall not be subject to the duties of a plan administrator under title I, including the duty to file reports on behalf of the plan.
“(4) When appointed under subsection (b) to administer a plan or granted a decree to terminate a plan under subsection (c), the corporation shall, within 30 days of the receipt of a written request from any participant or beneficiary of the plan (or as soon as practicable thereafter), furnish a copy of the plan document, summary plan description, and other instruments under which the plan is established or operated that relate to the participant’s or beneficiary’s benefit under the plan. The corporation may charge a reasonable fee to cover the cost of furnishing complete copies.”.

(C) Subsection (f) of such section 4042 is amended to read as follows:

“(f) Upon the filing of an application for the appointment of the corporation to administer a plan or the issuance of a decree under this section, the court to which an application is made shall have exclusive jurisdiction of the plan involved and property of the plan, wherever located, with the powers, to the extent consistent with the purposes of this section, of a court of the United States having jurisdiction over cases under chapter 11 of title 11, United States Code. Pending an adjudication under subsection (c), such court shall stay, and upon appointment of the corporation to carry out the termination of the plan...
under this section, such court shall continue the stay of any pending mortgage foreclosure, equity receivership, or other proceeding to reorganize, conserve, or liquidate the plan or the property of the plan and any other suit against any receiver, conservator, or trustee of the plan or property of the plan. Pending such adjudication and upon the appointment of the corporation to carry out the termination of the plan, the court may stay any proceeding to enforce a lien against property of the plan or any other suit against the plan.”.

(D) Such section 4042 is amended by striking subsection (h).

(b) Other Conforming and Technical Amendments.—

(1) Section 4002(h)(1) of such Act (29 U.S.C. 1302(h)(1)) is amended—

(A) in the first sentence—

(i) in subparagraph (A), by striking “the appointment of trustees in termination proceedings” and inserting “the appointment of the corporation to administer or carry out a termination of a plan under section 4042”; and
(ii) in subparagraph (C), by striking “under a trustee” and inserting “under the corporation”; and

(B) in the second sentence—

(i) by striking “recommend persons for appointment as trustees in termination proceedings,”;

(ii) by striking the comma after “funds”; and

(iii) by striking “under a trustee” and inserting “under the corporation”.

(2) Section 4003 of such Act (29 U.S.C. 1303) is amended—

(A) in subsection (e)(6)(B), by amending clause (ii) to read as follows:

“(ii) If the corporation brings the action on behalf of a plan that the corporation was appointed to administer or terminate under section 4042, the applicable date specified in this subparagraph is the date on which the corporation was so appointed if such date is later than the date described in clause (i).”; and

(B) in subsection (f)(4), by striking “the corporation in its capacity as a trustee under section 4042 or 4049” and inserting “the cor-
poration in its capacity as a trustee under section 4049 or in its capacity in administering a plan pursuant to its appointment under section 4042(b) or carrying out the termination of a plan pursuant to its appointment under section 4042(c)”.

(3) Section 4004(b) of such Act (29 U.S.C. 1304(b)) is amended—

(A) in paragraph (1), by striking “pension plans trusteed by the corporation” and inserting “pension plans for which the corporation has been appointed under section 4042 to carry out their termination”; and

(B) in paragraph (2), by striking “plans trusteed by the corporation” and inserting “plans for which the corporation has been appointed under section 4042 to carry out their termination”.

(4) Section 4005(b)(1)(B) of such Act (29 U.S.C. 1305(b)(1)(B)) is amended by striking “a plan administered under section 4042 by a trustee” and inserting “a plan that the corporation has been appointed to terminate under section 4042”.

(5) Section 4007(a) of such Act (29 U.S.C. 1307(a)) is amended by striking “a trustee” and inserting “the corporation”.

(6) Section 4044 of such Act (29 U.S.C. 1344) is amended—

(A) in subsection (c), by striking “the date a trustee is appointed under section 4042(b)” and inserting “the date the corporation is appointed under section 4042(b) to administer the plan”; and

(B) in subsection (f)—

(i) in paragraph (2)(C)(ii), by striking “the trustee appointed under section 4042(b) or (c)” and inserting “the corporation, for the account of the plan”; and

(ii) in paragraph (3), by amending subparagraph (B) to read as follows:

“(B) the amount of any liability to the corporation under section 4062(b) or (c).”.

(7) Section 4045 of such Act (29 U.S.C. 1345) is amended by striking “trustee” each place such term appears in subsections (a) and (c) and inserting “corporation”.

(8)(A) Section 4046 of such Act (29 U.S.C. 1346) is repealed.
(B) The table of sections for subtitle C of title IV of such Act is amended by striking the item relating to section 4046.

(9) Section 4048 of such Act (29 U.S.C. 1348) is amended—

(A) in subsection (a)(4), by striking “(or the trustee)”; and

(B) in subsection (b)(2), by striking “(or the trustee appointed under section 4042(b)(2), if any)”.

(10) Section 4050(a)(2) of such Act (29 U.S.C. 1350(a)(2)) is amended by striking “to the corporation as trustee, and shall be held with assets of terminated plans for which the corporation is trustee under section 4042” and inserting “to the corporation, as appointed under section 4042 to carry out the termination of a plan, and shall be held with assets of terminated plans that the corporation has been appointed to terminate under section 4042”.

(11) Section 4062 of such Act (29 U.S.C. 1362), as amended by sections 303 and 321, is amended—

(A) in subsection (a), by striking paragraphs (1) and (2) and inserting the following:
“(1) liability to the corporation, for the account of the corporation, to the extent provided in subsection (b), and

“(2) liability to the corporation, for the account of the plan, to the extent provided in subsection (c).”;

(B) in the heading of subsection (b), by inserting “FOR ITS OWN ACCOUNT” after “CORPORATION”; and

(C) in subsection (c)—

(i) in the heading, by striking “SECTION 4042 TRUSTEE” and inserting “THE CORPORATION FOR THE ACCOUNT OF THE PLAN.”;

(ii) in the matter preceding paragraph (1), by striking “the trustee appointed under subsection (b) or (c) of section 4042” and inserting “the corporation, for the account of the plan, as appointed under section 4042 to carry out the termination of the plan”.

SEC. 314. RECORDKEEPING FOR TERMINATING PLANS.

(a) SINGLE-EMPLOYER PLAN BENEFITS GUARANTEED.—Section 4022 of the Employee Retirement Income
Security Act of 1974 (29 U.S.C. 1322) is amended by adding at the end the following:

“(i) Recordkeeping.—The Corporation may issue regulations to require plan sponsors or plan administrators to maintain records necessary to enable the to determine benefits as of the termination date. Such regulations may require plan sponsors or plan administrators to certify to the corporation that such records are being maintained.”.

(b) Allocation of Assets.—Section 4044 of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1344) is amended by adding at the end the following:

“(g) Recordkeeping.—The Corporation may issue regulations to require plan sponsors or plan administrators to maintain records necessary to enable the Corporation to determine benefits as of the termination date. Such regulations may require plan sponsors or plan administrators to certify to the corporation that such records are being maintained.”.

SEC. 315. TERMINATION DATE IN BANKRUPTCY.

Sections 4022(g) and 4044(e) of the Employee Retirement Income Security Act of 1974, as added by section 404 of the Pension Protection Act of 2006 (Public Law 109–280; 120 Stat. 928), are repealed as of December 31,
2014, and shall not apply with respect to proceedings initiated under title 11, United States Code, or under any similar Federal law or law of a State or political subdivision, on or after such date.

**TITLE IV—OTHER SYSTEMIC REFORMS**

**SEC. 401. PLAN AUDIT QUALITY IMPROVEMENT.**

(a) **ANNUAL REPORTS.**—Section 103(a)(3) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1023(a)(3)) is amended—

(1) in subparagraph (A), by striking “in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year. Such examination shall be conducted in accordance with generally accepted auditing standards, and shall involve such tests of the books and records of the plan as are considered necessary by the independent qualified public accountant.” and inserting “in conformity with generally accepted accounting principles, as superseded or modified by the Secretary in regulations, applied on a basis consistent with that of the preceding year. Such examination shall be conducted in accordance with generally accepted auditing standards, except as superseded or modified by the Secretary in regulations,
and shall involve such tests of the books and records
of the plan as are considered necessary by the inde-
pendent qualified public accountant.”; and
(2) by adding at the end the following:
“(E) Persons described in subparagraphs
(i) through (iii) of subparagraph (D) shall be
subject to such additional standards regarding
conflicts of interest, qualifications, and direct
reporting of certain events such as fraud and
other irregularities as the Secretary may pre-
scribe in regulations.”.

(b) CIVIL ENFORCEMENT.—Section 502(c)(2) of the
Employee Retirement Income Security Act of 1974 (29
U.S.C. 1132(c)(2)) is amended by adding at the end the
following new sentence: “If the Secretary rejects an an-
nual report in whole or in part due to the failure to comply
with a requirement of section 103 imposed on an account-
ant, actuary, or other person, the Secretary may assess
all or part of the civil penalty against such person. The
Secretary may require remediation in place of assessing
all or part of a penalty.”.

(c) DEBARMENT FOR DEFICIENT AUDITS OR FOR
FAILING TO MEET QUALIFICATION STANDARDS.—

(1) IN GENERAL.—Part 5 of subtitle B of title
I of the Employee Retirement Income Security Act
of 1974 (29 U.S.C. 1131 et seq.) is amended by
adding at the end the following:

“SEC. 522. DEBARMENT FOR DEFICIENT AUDITS OR FOR FAILING TO MEET QUALIFICATION STANDARDS.

“(a) IN GENERAL.—If the Secretary finds, after notice and opportunity for a hearing, that an accountant or accounting firm has engaged in any act or practice, or failed to act, in violation of section 103 relating to the preparation and issuance of audit reports, or with professional standards, the Secretary may issue an order to bar an accountant or accounting firm (or division or component of such firm), on a temporary or permanent basis, from directly or indirectly engaging in specified activities relating to performing or supervising plan audits required under section 103.

“(b) HEARINGS.—The subject of a debarment order may request a hearing and file an answer not later than 30 days after the date of service of the notice of the debarment order, in accordance with regulations prescribed by the Secretary. Failure to request a hearing within such 30-day period shall constitute a waiver of the right to appear and contest the facts alleged in the debarment order and an admission of the facts alleged in the order for purposes of any related proceedings under this part. Such
order shall then become a final agency action under section 704 of title 5, United States Code.

“(c) MODIFICATION OR TERMINATION OF ORDERS.—The Secretary may modify or terminate an order issued under this section, upon the request of the subject of the order and pursuant to procedures established by the Secretary, if the Secretary determines that such modification or termination is in the interest of plan participants and beneficiaries.

“(d) PUBLICITY OF ORDERS.—The Secretary shall make all final orders under this section (including modified orders) public and shall notify applicable State regulatory organizations upon the issuance of such final orders (including modified orders).

“(e) JURISDICTION.—Lawsuits by the subject of an order to review the final order of the Secretary may be brought only in the district court of the United States for the district where the subject of the order has its principal office or in the United States District Court for the District of Columbia.

“(f) REGULATIONS.—The Secretary may promulgate such regulations or other guidance as may be necessary or appropriate to carry out this section.”.

(2) CLERICAL AMENDMENT.—The table of sections for part 5 of subtitle B of title I of the Em-
ployee Retirement Income Security Act of 1974 is amended by adding at the end the following new item:

"522. Debarment for deficient audits or for failing to meet qualification standards."

(d) Exception.—

(1) In general.—Section 103(a)(3)(C) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1023(a)(3)(C)) is amended by striking “if such statements are certified by the bank, similar institution, or insurance carrier as accurate and are made part of the annual report.” and inserting “except to the extent required under regulations promulgated by the Secretary.”.

(2) Effective date.—The amendment made by paragraph (1) shall not become effective until the Secretary has promulgated final regulations with respect to such amendment.

SEC. 402. SPECIAL RULES RELATING TO TREATMENT OF QUALIFIED DOMESTIC RELATIONS ORDERS.

(a) Preservation of assets.—

(A) by redesignating subparagraph (N) as subparagraph (O); and

(B) by inserting after subparagraph (M) the following:

“(N) PRESERVATION OF ASSETS.—

“(i) In general.—If a spouse or former spouse of a participant—

“(I) notifies a plan in writing that—

“(aa) an action is pending pursuant to a State domestic relations law (including a community property law), and

“(bb) all or a portion of the benefits payable with respect to the participant under the plan are a subject of such action, and

“(II) includes with the notice evidence of the pendency of the action, the plan administrator shall, during the segregation period, separately account for 50 percent of such benefits. Any amounts so separately accounted for may not be distributed by the plan during the segregation period.
“(ii) Segregation period.—

“(I) In general.—For purposes of clause (i), the term ‘segregation period’ means the period—

“(aa) beginning on the date of receipt by the plan of the notice under clause (i), and

“(bb) ending on the earlier of—

“(AA) 90 days after the date of receipt of such notice, or

“(BB) the date of receipt of a domestic relations order with respect to the participant and the prospective alternate payee or the date on which the action is no longer pending.

“(II) Extension of segregation period.—The segregation period shall be extended for 1 or more additional periods described in subclause (I) upon notice by the spouse or former spouse that the action de-
scribed in clause (i)(I)(aa) is still pending as of the close of any prior segregation period.”.

(2) AMENDMENTS TO 1986 CODE.—Section 414(p) of the Internal Revenue Code of 1986 is amended—

(A) by redesignating paragraph (13) as paragraph (14); and

(B) by inserting after paragraph (12) the following:

“(13) PRESERVATION OF ASSETS.—

“(A) IN GENERAL.—If a spouse or former spouse of a participant—

“(i) notifies a plan in writing that—

“(I) an action is pending pursuant to a State domestic relations law (including a community property law), and

“(II) all or a portion of the benefits payable with respect to the participant under the plan are a subject of such action, and

“(ii) includes with the notice evidence of the pendency of the action,
the plan administrator shall, during the segregation period, separately account for 50 percent of such benefits. Any amounts so separately accounted for may not be distributed by the plan during the segregation period.”.

“(B) SEGREGATION PERIOD.—

“(i) IN GENERAL.—For purposes of subparagraph (A), the term ‘segregation period’ means the period—

“(I) beginning on the date of receipt by the plan of the notice under clause (i), and

“(II) ending on the earlier of—

“(aa) 90 days after the date of receipt of such notice, or

“(bb) the date of receipt of a domestic relations order with respect to the participant and the prospective alternate payee or the date on which the action is no longer pending.

“(ii) EXTENSION OF SEGREGATION PERIOD.—The segregation period shall be extended for 1 or more additional periods described in clause (i) upon notice by the
spouse or former spouse that the action described in subparagraph (A)(i)(I) is still pending as of the close of any prior segregation period.”.

(b) Penalty for Failure to Provide Information Regarding Alternate Payees.—

(1) In general.—Section 502(c), as amended by section 312, of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1132(c)) is amended—

(A) by redesignating paragraphs (8), (9), (10), (11), and (12) as paragraphs (9), (10), (11), (12), and (13) respectively; and

(B) by inserting after paragraph (7) the following:

“(8) Failure to provide information regarding alternate payees.—The plan administrator shall provide information regarding the benefit to prospective alternative payees under a domestic relations order under section 206(d)(3) or any representative of a prospective alternative payee in connection with such an order. The Secretary may assess a civil penalty against any plan administrator of up to $100 a day from the date of the plan ad-
ministrator’s failure or refusal to provide such information.”.

(2) CONFORMING AMENDMENT.—Section 502(a)(6) of such Act (29 U.S.C. 1132(a)(6)), as so amended, is amended by striking “or (11)” and inserting “(11), or (12)”.

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to plan years beginning after December 31, 2014.

SEC. 403. CORRECTION TO BONDING REQUIREMENT.


SEC. 404. RETALIATION PROTECTIONS.

Section 510 of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1140) is amended by inserting “, has filed or made any oral or written complaint (including to a fiduciary, an employer, or the Secretary),” after “given information”.