H. R. 6929

To increase the benefits guaranteed in connection with certain pension plans, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

March 3, 2022

Mr. Kildee (for himself, Mr. Ryan, Mr. Turner, Ms. Kaptur, Mr. Johnson of Ohio, Mrs. Dingell, Mr. Davidson, Ms. Moore of Wisconsin, and Mr. Morelle) introduced the following bill; which was referred to the Committee on Education and Labor, and in addition to the Committee on Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To increase the benefits guaranteed in connection with certain pension plans, 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.

This Act may be cited as the “Susan Muffley Act of 2022”.

SEC. 2. GUARANTEED BENEFIT CALCULATION FOR CERTAIN PLANS.

(a) IN GENERAL.—
(1) INCREASE TO FULL VESTED PLAN BENEFIT.—

(A) IN GENERAL.—For purposes of determining what benefits are guaranteed under section 4022 of the Employee Retirement Income Security Act of 1974 (in this section referred to as “ERISA”) with respect to an eligible participant or beneficiary under a covered plan specified in paragraph (4) in connection with the termination of such plan, the amount of monthly benefits shall be equal to the full vested plan benefit with respect to the participant.

(B) NO EFFECT ON PREVIOUS DETERMINATIONS.—Nothing in this Act shall be construed to change the allocation of assets and recoveries under sections 4044(a) and 4022(c) of ERISA as previously determined by the Pension Benefit Guaranty Corporation (in the section referred to as the “corporation”) for the covered plans specified in paragraph (4), and the corporation’s applicable rules, practices, and policies on benefits payable in terminated single-employer plans shall, except as otherwise provided in this section, continue to apply with respect to such covered plans.
(2) Recalculation of certain benefits.—

(A) In general.—In any case in which the amount of monthly benefits with respect to an eligible participant or beneficiary described in paragraph (1) was calculated prior to the date of enactment of this Act, the corporation shall recalculate such amount pursuant to paragraph (1), and shall adjust any subsequent payments of such monthly benefits accordingly, as soon as practicable after such date.

(B) Lump-sum payments of past-due benefits.—Not later than 180 days after the date of enactment of this Act, the corporation, in consultation with the Secretary of the Treasury and the Secretary of Labor, shall make a lump-sum payment to each eligible participant or beneficiary whose guaranteed benefits are recalculated under subparagraph (A) in an amount equal to—

(i) in the case of an eligible participant, the excess of—

(I) the total of the full vested plan benefits of the participant for all months for which such guaranteed
benefits were paid prior to such recalculation, over

(II) the sum of any applicable payments made to the eligible participant; and

(ii) in the case of an eligible beneficiary, the sum of—

(I) the amount that would be determined under clause (i) with respect to the participant of which the eligible beneficiary is a beneficiary if such participant were still in pay status; plus

(II) the excess of—

(aa) the total of the full vested plan benefits of the eligible beneficiary for all months for which such guaranteed benefits were paid prior to such recalculation, over

(bb) the sum of any applicable payments made to the eligible beneficiary.

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

(C) Eligible Participants and Beneficiaries.—

(i) In General.—For purposes of
this section, an eligible participant or benefi-
ciary is a participant or beneficiary who—

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

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

(III) is not covered by the 1999
agreements between General Motors
and various unions providing a top-up benefit to certain hourly employees who were transferred from the General Motors Hourly-Rate Employees Pension Plan to the Delphi Hourly-Rate Employees Pension Plan.

(ii) Applicable Payments.—For purposes of this paragraph, applicable payments to a participant or beneficiary in connection with a plan consist of the following:

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

(II) Payments to the participant or beneficiary made pursuant to section 4022(c) or otherwise received from the corporation in connection with the termination of the plan.

(3) Definitions.—For purposes of this subsection—

(A) Full vested plan benefit.—The term “full vested plan benefit” means the amount of monthly benefits that would be guaranteed under section 4022 of ERISA as of the
date of plan termination with respect to an eli-
gible participant or beneficiary if such section
were applied without regard to the phase-in
limit in subsection (b)(1) of such Act and the
maximum guaranteed benefit limitation in sub-
section (b)(3) of such Act (including the ac-
crued-at-normal limitation).

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

(4) COVERED PLANS.—The covered plans speci-
fied in this paragraph are the following:

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

(B) The Delphi Retirement Program for
Salaried Employees.

(C) The PHI Non-Bargaining Retirement
Plan.

(D) The ASEC Manufacturing Retirement
Program.

(E) The PHI Bargaining Retirement Plan.

(F) The Delphi Mechatronic Systems Re-
tirement Program.
(5) **TREATMENT OF PBGC DETERMINATIONS.**—
Any determination made by the corporation under this section concerning a recalculation of benefits or lump-sum payment of past-due benefits shall be subject to administrative review by the corporation. Any new determination made by the corporation under this section shall be governed by the same administrative review process as any other benefit determination by the corporation.

(b) **TRUST FUND FOR PAYMENT OF INCREASED BENEFITS.**—

(1) **ESTABLISHMENT.**—There is established in the Treasury of the United States a trust fund to be known as the “Delphi Full Vested Plan Benefit Trust Fund” (hereafter in this subsection referred to as the “Fund”), consisting of such amounts as may be appropriated or credited to the Fund as provided in this section.

(2) **FUNDING.**—There is appropriated from the general fund such amounts as are necessary for the costs of the payment of the portion of monthly benefits guaranteed to a participant or beneficiary pursuant to subsection (a) and for necessary administrative and operating expenses of the corporation relating to such payment. The Fund shall be credited
with amounts from time to time as the Secretary of
the Treasury, in conjunction with the Director of the
corporation, determines appropriate, from the gen-
eral fund of the Treasury.

(3) EXPENDITURES FROM FUND.—Amounts in
the Fund shall be available for the payment of the
portion of monthly benefits guaranteed to a partici-
pant or beneficiary pursuant to subsection (a) and
for necessary administrative and operating expenses
of the corporation relating to such payment.

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

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

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

(2) SPECIAL RULES RELATED TO DEATH.—
(A) IN GENERAL.—If the taxpayer dies before the end of the 3-taxable-year period described in paragraph (1), any amount to which paragraph (1) applies which has not been included in gross income for a taxable year ending before the taxable year in which such death occurs shall be included in gross income for such taxable year.

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

(i) a taxpayer with respect to whom paragraph (1) applies dies,

(ii) such taxpayer is an eligible participant,

(iii) the surviving spouse of such eligible participant is entitled to a survivor benefit from the corporation with respect to such eligible participant, and

(iv) such surviving spouse elects (at such time and in such manner as the Secretary may provide) the application of this subparagraph,

subparagraph (A) shall not apply and any amount which would have (but for such taxpayer’s death) been included in the gross in-
come of such taxpayer under paragraph (1) for any taxable year beginning after the date of such death shall be included in the gross income of such surviving spouse for the taxable year of such surviving spouse ending with or within such taxable year of the taxpayer.