

106TH CONGRESS
1ST SESSION

S. 1600

To amend the Employee Retirement Income Security Act of 1974 to prevent the wearing away of an employee's accrued benefit under a defined benefit plan by the adoption of a plan amendment reducing future accruals under the plan.

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 16, 1999

Mr. HARKIN (for himself, Mr. LEAHY, Mr. JEFFORDS, Mr. REID, Mr. KENNEDY, and Mr. WELLSTONE) introduced the following bill; which was read twice and referred to the Committee on Health, Education, Labor, and Pensions

A BILL

To amend the Employee Retirement Income Security Act of 1974 to prevent the wearing away of an employee's accrued benefit under a defined benefit plan by the adoption of a plan amendment reducing future accruals under the plan.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Older Workers Pension
5 Protection Act of 1999”.

1 **SEC. 2. PREVENTION OF WEARING AWAY OF EMPLOYEE'S**
 2 **ACCRUED BENEFIT.**

3 (a) IN GENERAL.—Section 204(g) of the Employee
 4 Retirement Income Security Act of 1974 (29 U.S.C.
 5 1054(g)) is amended by adding at the end the following
 6 new paragraph:

7 “(4)(A) For purposes of paragraph (1), a plan
 8 amendment adopted by a large defined benefit plan shall
 9 be treated as reducing accrued benefits of a participant
 10 if, under the terms of the plan after the adoption of the
 11 amendment, the accrued benefit of the participant may at
 12 any time be less than the sum of—

13 “(i) the participant’s accrued benefit for years
 14 of service before the effective date of the amend-
 15 ment, determined under the terms of the plan as in
 16 effect immediately before the effective date, plus

17 “(ii) the participant’s accrued benefit deter-
 18 mined under the formula applicable to benefit accru-
 19 als under the current plan as applied to years of
 20 service after such effective date.

21 “(B) For purposes of this paragraph, the term ‘large
 22 defined benefit plan’ means any defined benefit plan which
 23 had 100 or more participants who had accrued a benefit
 24 under the plan (whether or not vested) as of the last day
 25 of the plan year preceding the plan year in which the plan
 26 amendment becomes effective.

1 “(C) For purposes of this paragraph, an accrued ben-
2 efit shall include any early retirement benefit or retire-
3 ment-type subsidy (within the meaning of paragraph
4 (2)(A)), but only with respect to a participant who satis-
5 fies (either before or after the effective date of the amend-
6 ment) the conditions for the benefit or subsidy under the
7 terms of the plan as in effect immediately before such
8 date.”

9 (b) EFFECTIVE DATE.—The amendments made by
10 this section shall apply to plan amendments that go into
11 effect after June 29, 1999.

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