

107TH CONGRESS
2D SESSION

H. R. 5664

To amend title 11 of the United States Code to provide fair treatment of employee benefits.

IN THE HOUSE OF REPRESENTATIVES

OCTOBER 16, 2002

Mr. FORD introduced the following bill; which was referred to the Committee on the Judiciary

A BILL

To amend title 11 of the United States Code to provide fair treatment of employee benefits.

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 “Employee Retirement
5 Preservation Act”.

6 SEC. 2. FAIR TREATMENT OF EMPLOYEE BENEFITS.

7 (a) DEFINITION OF CLAIM.—Section 101(5) of title
8 11, United States Code, is amended—

9 (1) in subparagraph (A), by striking “or” at
10 the end;

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

4 “(C) right or interest in equity securities
5 of the debtor, or an affiliate of the debtor, held
6 in a pension plan (within the meaning of sec-
7 tion 3(2) of the Employee Retirement Income
8 Security Act of 1974 (29 U.S.C. 1002(2))) for
9 the benefit of an individual who is not an offi-
10 cer or director of the debtor, if such securities
11 were attributable to—

24 except that this subparagraph shall not apply to
25 any such securities during any period during

which the individual or any beneficiary has the right to direct the plan to divest such securities and to reinvest an equivalent amount in other investment options of the plan;”.

5 (b) PRIORITIES.—Section 507(a)(4) of title 11,
6 United States Code, is amended—

11 (2) by indenting the left margin of subparagraphs (A) and (B) 2 ems to the right and redesignating such subparagraphs as clauses (i) and (ii),
12 respectively;

19 “(A) allowed unsecured claims for con-
20 tributions to an employee benefit plan—”;

21 (4) by striking the period at the end and insert-
22 ing the following: "or"; and

23 (5) by adding at the end the following:

1 debtor, or an affiliate of the debtor, that are
2 held in a pension plan (within the meaning of
3 section 3(2) of the Employee Retirement In-
4 come Security Act of 1974), without regard to
5 when services were rendered or limitation in
6 amount, and measured by the market value of
7 the stock at the time the stock was contributed
8 to, or purchased by, the plan.”.

9 **SEC. 3. WAGE PRIORITY AND EMPLOYEE BENEFIT CAP.**

10 Section 507(a) of title 11, United States Code, is
11 amended—

12 (1) in paragraph (3), by striking “\$4,000” and
13 inserting “\$13,500”; and
14 (2) in paragraph (4)(B)(i), by striking
15 “\$4,000” and inserting “\$13,500”.

16 **SEC. 4. SUBORDINATION.**

17 Section 510(b) of title 11, United States Code, is
18 amended by inserting “, other than a claim described in
19 section 105(5)(C).” after “claim” the 1st place it appears.

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