

107TH CONGRESS  
2D SESSION

# S. 2563

To amend the Internal Revenue Code of 1986 and the Employee Retirement Income Security Act of 1974 with respect to the interest rate range for additional funding requirements, and for other purposes.

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IN THE SENATE OF THE UNITED STATES

MAY 23, 2002

Mr. GRASSLEY (for himself, Mr. KERRY, and Mr. TORRICELLI) introduced the following bill; which was read twice and referred to the Committee on Finance

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## A BILL

To amend the Internal Revenue Code of 1986 and the Employee Retirement Income Security Act of 1974 with respect to the interest rate range for additional funding requirements, and for other purposes.

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. INTEREST RATE RANGE FOR ADDITIONAL**  
4 **FUNDING REQUIREMENTS.**

5 (a) IN GENERAL.—Subclause (III) of section  
6 412(l)(7)(C)(i) of the Internal Revenue Code of 1986 is  
7 amended—

1 (1) by striking “2002 or 2003” in the text and  
 2 inserting “2001, 2002, or 2003”, and

3 (2) by striking “2002 AND 2003” in the heading  
 4 and inserting “2001, 2002, AND 2003”.

5 (b) SPECIAL RULE.—Subclause (III) of section  
 6 302(d)(7)(C)(i) of the Employee Retirement Income Secu-  
 7 rity Act of 1974 (29 U.S.C. 1082(d)(7)(C)(i)) is  
 8 amended—

9 (1) by striking “2002 or 2003” in the text and  
 10 inserting “2001, 2002, or 2003”, and

11 (2) by striking “2002 AND 2003” in the heading  
 12 and inserting “2001, 2002, AND 2003”.

13 (c) PBGC.—Subclause (IV) of section  
 14 4006(a)(3)(E)(iii) of such Act (29 U.S.C.  
 15 1306(a)(3)(E)(iii)) is amended to read as follows—

16 “(IV) In the case of plan years beginning after  
 17 December 31, 2001, and before January 1, 2004,  
 18 subclause (II) shall be applied by substituting ‘100  
 19 percent’ for ‘85 percent’ and by substituting ‘115  
 20 percent’ for ‘100 percent’. Subclause (III) shall be  
 21 applied for such years without regard to the pre-  
 22 ceding sentence. Any reference to this clause or this  
 23 subparagraph by any other sections or subsections  
 24 (other than sections 4005, 4010, 4011 and 4043)

1 shall be treated as a reference to this clause or this  
 2 subparagraph without regard to this subclause.”.

3 (d) EFFECTIVE DATE.—The amendments made by  
 4 this section shall take effect as if included in the amend-  
 5 ments made by section 405 of the Job Creation and Work-  
 6 er Assistance Act of 2002.

7 **SEC. 2. AMENDMENTS TO RETIREMENT PROTECTION ACT**  
 8 **OF 1994.**

9 (a) TRANSITION RULE MADE PERMANENT.—Para-  
 10 graph (1) of section 769(c) of the Retirement Protection  
 11 Act of 1994 is amended—

12 (1) by striking “transition” each place it ap-  
 13 pears in the heading and the text, and

14 (2) by striking “for any plan year beginning  
 15 after 1996 and before 2010”.

16 (b) SPECIAL RULES.—Paragraph (2) of section  
 17 769(c) of the Retirement Protection Act of 1994 is amend-  
 18 ed to read as follows:

19 “(2) SPECIAL RULES.—The rules described in  
 20 this paragraph are as follows:

21 “(A) For purposes of section 412(l)(9)(A)  
 22 of the Internal Revenue Code of 1986 and sec-  
 23 tion 302(d)(9)(A) of the Employee Retirement  
 24 Income Security Act of 1974, the funded cur-

1           rent liability percentage for any plan year shall  
2           be treated as not less than 90 percent.

3           “(B) For purposes of section 412(m) of  
4           the Internal Revenue Code of 1986 and section  
5           302(e) of the Employee Retirement Income Se-  
6           curity Act of 1974, the funded current liability  
7           percentage for any plan year shall be treated as  
8           not less than 100 percent.

9           “(C) For purposes of determining un-  
10          funded vested benefits under section  
11          4006(a)(3)(E)(iii) of the Employee Retirement  
12          Income Security Act of 1974, the mortality  
13          table shall be the mortality table used by the  
14          plan.”.

15          (c) EFFECTIVE DATE.—The amendments made by  
16          this section shall apply to plan years beginning after De-  
17          cember 31, 2001.

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