

108TH CONGRESS
2D SESSION

H. R. 4795

To amend the Employee Retirement Income Security Act of 1974 to exclude cooperative employing units from multiple employer welfare arrangements.

IN THE HOUSE OF REPRESENTATIVES

JULY 9, 2004

Mr. ANDREWS introduced the following bill; which was referred to the Committee on Education and the Workforce

A BILL

To amend the Employee Retirement Income Security Act of 1974 to exclude cooperative employing units from multiple employer welfare arrangements.

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. EXCLUSION OF COOPERATIVE EMPLOYING**
4 **UNITS FROM MULTIPLE EMPLOYER WELFARE**
5 **ARRANGEMENTS.**

6 (a) IN GENERAL.—Subparagraph (A) of section
7 3(40) of the Employee Retirement Income Security Act
8 of 1974 (29 U.S.C. 1002(40)) is amended—

9 (1) by striking “or” at the end of clause (ii);

1 (2) by striking the period at the end of clause
2 (iii) and inserting “, or”; and

3 (3) by inserting after clause (iii) the following
4 new clause:

5 “(iv) by a cooperative employing unit.”.

6 (b) COOPERATIVE EMPLOYING UNIT DEFINED.—

7 Subparagraph (B) of section 3(40) of such Act is amend-
8 ed—

9 (1) by striking “and” at the end of clause (iv);

10 (2) by striking the period at the end of clause
11 (v) and inserting “, and”; and

12 (3) by inserting after clause (v) the following
13 new clause:

14 “(vi) the term ‘cooperative employing unit’
15 means—

16 “(I) a corporation with at least 21 share-
17 holders operating on a cooperative basis subject
18 to the provisions of Subchapter T of chapter 1
19 of the Internal Revenue Code of 1986, all the
20 shareholders of which engage in business oper-
21 ations using the same four digit North Amer-
22 ican Industry Classification System (NAICS)
23 code root, and

24 “(II) where the corporation assumes re-
25 sponsibility pursuant to a written agreement

1 with each shareholder, with respect to all work-
2 site employees providing services to such share-
3 holder, for the payment of wages and the with-
4 holding, payment and reporting of taxes related
5 thereto, for the provision of employee benefits,
6 and for the hiring and termination of workers,
7 without regard to the receipt or adequacy of
8 payment from the shareholder for services.”.

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