

109TH CONGRESS  
1ST SESSION

# H. R. 2529

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

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IN THE HOUSE OF REPRESENTATIVES

MAY 23, 2005

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

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## 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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