

110TH CONGRESS  
1ST SESSION

# H. R. 4222

To amend title I of the Employee Retirement Income Security Act of 1974, the Internal Revenue Code of 1986, and title XXII of the Public Health Service Act to extend COBRA benefits for certain TAA-eligible individuals and PBGC recipients.

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## IN THE HOUSE OF REPRESENTATIVES

NOVEMBER 15, 2007

Mr. FORTENBERRY introduced the following bill; which was referred to the Committee on Education and Labor, and in addition to the Committees on Ways and Means and Energy and Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

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## A BILL

To amend title I of the Employee Retirement Income Security Act of 1974, the Internal Revenue Code of 1986, and title XXII of the Public Health Service Act to extend COBRA benefits for certain TAA-eligible individuals and PBGC recipients.

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

1 **SECTION 1. EXTENSION OF COBRA BENEFITS FOR CERTAIN**  
2 **TAA-ELIGIBLE INDIVIDUALS AND PBGC RE-**  
3 **CIPIENTS.**

4 (a) ERISA AMENDMENTS.—Section 602(2)(A) of the  
5 Employee Retirement Income Security Act of 1974 (29  
6 U.S.C. 1162(2)(A)) is amended—

7 (1) by moving clause (v) to after clause (iv) and  
8 before the flush left sentence beginning with “In the  
9 case of a qualified beneficiary”;

10 (2) by striking “In the case of a qualified bene-  
11 ficiary” and inserting the following:

12 “(vi) SPECIAL RULE FOR DIS-  
13 ABILITY.—In the case of a qualified bene-  
14 ficiary”; and

15 (3) by redesignating clauses (v) and (vi), as  
16 amended by paragraphs (1) and (2), as clauses (viii)  
17 and (ix) and by inserting after clause (iv) the fol-  
18 lowing new clauses:

19 “(v) SPECIAL RULE FOR PBGC RECIPI-  
20 ENTS.—In the case of a qualifying event  
21 described in section 603(2) with respect to  
22 a covered employee who (as of such quali-  
23 fying event) has a nonforfeitable right to a  
24 benefit any portion of which is to be paid  
25 by the Pension Benefit Guaranty Corpora-  
26 tion under title IV, notwithstanding clause

1 (i) or (ii), the date of the death of the cov-  
2 ered employee, or in the case of the sur-  
3 viving spouse or dependent children of the  
4 covered employee, 36 months after the  
5 date of the death of the covered employee.

6 “(vi) SPECIAL RULE FOR TAA-ELIGI-  
7 BLE INDIVIDUALS.—In the case of a quali-  
8 fying event described in section 603(2)  
9 with respect to a covered employee who is  
10 (as of the date that the period of coverage  
11 would, but for this clause or clause (vii),  
12 otherwise terminate under clause (i) or  
13 (ii)) a TAA-eligible individual (as defined  
14 in section 605(b)(4)(B)), the period of cov-  
15 erage shall not terminate by reason of  
16 clause (i) or (ii), as the case may be, be-  
17 fore the later of the date specified in such  
18 clause or the date on which such individual  
19 ceases to be such a TAA-eligible individual.

20 “(vii) SPECIAL RULE FOR CERTAIN  
21 TAA-ELIGIBLE INDIVIDUALS.—In the case  
22 of a qualifying event described in section  
23 603(2) with respect to a covered employee  
24 who is (as of the date that the period of  
25 coverage would, but for this clause or

1 clause (vi), otherwise terminate under  
 2 clause (i) or (ii)) a TAA-eligible individual  
 3 (as defined in section 605(b)(4)(B)) and  
 4 who (as of such qualifying event) has at-  
 5 tained age 55 or has completed 10 or more  
 6 years of service with the employer, clauses  
 7 (i) and (ii) shall not apply.”.

8 (b) IRC AMENDMENTS.—Clause (i) of section  
 9 4980B(f)(2)(B) of the Internal Revenue Code of 1986 is  
 10 amended—

11 (1) by striking “In the case of a qualified bene-  
 12 ficiary” and inserting the following:

13 “(VI) SPECIAL RULE FOR DIS-  
 14 ABILITY.—In the case of a qualified  
 15 beneficiary”, and

16 (2) by redesignating subclauses (V) and (VI),  
 17 as amended by paragraph (1), as subclauses (VIII)  
 18 and (IX) and by inserting after clause (IV) the fol-  
 19 lowing new subclauses:

20 “(V) SPECIAL RULE FOR PBGC  
 21 RECIPIENTS.—In the case of a quali-  
 22 fying event described in paragraph  
 23 (3)(B) with respect to a covered em-  
 24 ployee who (as of such qualifying  
 25 event) has a nonforfeitable right to a

1 benefit any portion of which is to be  
2 paid by the Pension Benefit Guaranty  
3 Corporation under title IV of the Em-  
4 ployee Retirement Income Security  
5 Act of 1974, notwithstanding sub-  
6 clause (I) or (II), the date of the  
7 death of the covered employee, or in  
8 the case of the surviving spouse or de-  
9 pendent children of the covered em-  
10 ployee, 36 months after the date of  
11 the death of the covered employee.

12 “(VI) SPECIAL RULE FOR TAA-  
13 ELIGIBLE INDIVIDUALS.—In the case  
14 of a qualifying event described in  
15 paragraph (3)(B) with respect to a  
16 covered employee who is (as of the  
17 date that the period of coverage  
18 would, but for this subclause or sub-  
19 clause (VII), otherwise terminate  
20 under subclause (I) or (II)) a TAA-el-  
21 igible individual (as defined in para-  
22 graph (5)(C)(iv)(II)), the period of  
23 coverage shall not terminate by reason  
24 of subclause (I) or (II), as the case  
25 may be, before the later of the date

1 specified in such subclause or the date  
 2 on which such individual ceases to be  
 3 such a TAA-eligible individual.

4 “(VII) SPECIAL RULE FOR CER-  
 5 TAIN TAA-ELIGIBLE INDIVIDUALS.—In  
 6 the case of a qualifying event de-  
 7 scribed in paragraph (3)(B) with re-  
 8 spect to a covered employee who is (as  
 9 of the date that the period of coverage  
 10 would, but for this subclause or sub-  
 11 clause (VI), otherwise terminate under  
 12 subclause (I) or (II)) a TAA-eligible  
 13 individual (as defined in paragraph  
 14 (5)(C)(iv)(II)) and who (as of such  
 15 qualifying event) has attained age 55  
 16 or has completed 10 or more years of  
 17 service with the employer, subclauses  
 18 (I) and (II) shall not apply.”.

19 (c) PHSA AMENDMENTS.—Section 2202(2)(A) of  
 20 the Public Health Service Act (42 U.S.C. 300bb–2(2)(A))  
 21 is amended—

22 (1) by striking “In the case of a qualified bene-  
 23 ficiary” and inserting the following:

1 “(v) SPECIAL RULE FOR DIS-  
2 ABILITY.—In the case of a qualified bene-  
3 ficiary”; and

4 (2) by redesignating clauses (iv) and (v), as  
5 amended by paragraph (1), as clauses (vi) and (vii)  
6 and by inserting after clause (iii) the following new  
7 clauses:

8 “(iv) SPECIAL RULE FOR TAA-ELIGI-  
9 BLE INDIVIDUALS.—In the case of a quali-  
10 fying event described in section 2203(2)  
11 with respect to a covered employee who is  
12 (as of the date that the period of coverage  
13 would, but for this clause or clause (v),  
14 otherwise terminate under clause (i) or  
15 (ii)) a TAA-eligible individual (as defined  
16 in section 2205(b)(4)(B)), the period of  
17 coverage shall not terminate by reason of  
18 clause (i) or (ii), as the case may be, be-  
19 fore the later of the date specified in such  
20 clause or the date on which such individual  
21 ceases to be such a TAA-eligible individual.

22 “(v) SPECIAL RULE FOR CERTAIN  
23 TAA-ELIGIBLE INDIVIDUALS.—In the case  
24 of a qualifying event described in section  
25 2203(2) with respect to a covered employee

1           who is (as of the date that the period of  
2           coverage would, but for this clause or  
3           clause (iv), otherwise terminate under  
4           clause (i) or (ii)) a TAA-eligible individual  
5           (as defined in section 2205(b)(4)(B)) and  
6           who (as of such qualifying event) has at-  
7           tained age 55 or has completed 10 or more  
8           years of service with the employer, clauses  
9           (i) and (ii) shall not apply.”.

10       (d) EFFECTIVE DATE.—The amendments made by  
11 this section shall apply to periods of coverage which would  
12 (without regard to the amendments made by this section)  
13 end on or after January 1, 2008.

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