

(A) as of the commencement of liquidation or dissolution, and

(B) after reducing the liquidation or dissolution value of the employer by the amount determined under paragraph (1).

**(c) Property not subject to enforcement of liability; precondition**

To the extent that the withdrawal liability of an employer is attributable to his obligation to contribute to or under a plan as an individual (whether as a sole proprietor or as a member of a partnership), property which may be exempt from the estate under section 522 of title 11 or under similar provisions of law, shall not be subject to enforcement of such liability.

**(d) Insolvency of employer; liquidation or dissolution value of employer**

For purposes of this section—

(1) an employer is insolvent if the liabilities of the employer, including withdrawal liability under the plan (determined without regard to subsection (b)), exceed the assets of the employer (determined as of the commencement of the liquidation or dissolution), and

(2) the liquidation or dissolution value of the employer shall be determined without regard to such withdrawal liability.

**(e) One or more withdrawals of employer attributable to same sale, liquidation, or dissolution**

In the case of one or more withdrawals of an employer attributable to the same sale, liquidation, or dissolution, under regulations prescribed by the corporation—

(1) all such withdrawals shall be treated as a single withdrawal for the purpose of applying this section, and

(2) the withdrawal liability of the employer to each plan shall be an amount which bears the same ratio to the present value of the withdrawal liability payments to all plans (after the application of the preceding provisions of this section) as the withdrawal liability of the employer to such plan (determined without regard to this section) bears to the withdrawal liability of the employer to all such plans (determined without regard to this section).

(Pub. L. 93-406, title IV, §4225, as added Pub. L. 96-364, title I, §104(2), Sept. 26, 1980, 94 Stat. 1243; amended Pub. L. 109-280, title II, §204(a)(1), (2), Aug. 17, 2006, 120 Stat. 886, 887.)

**Editorial Notes**

AMENDMENTS

2006—Subsec. (a)(1)(B). Pub. L. 109-280, §204(a)(2), amended subpar. (B) generally. Prior to amendment, subpar. (B) read as follows: “the unfunded vested benefits attributable to employees of the employer.”

Subsec. (a)(2). Pub. L. 109-280, §204(a)(1), added table and struck out former table which provided for a portion of: 30 percent of the amount if the liquidation or dissolution value of the employer after the sale or exchange is not more than \$2,000,000; \$600,000, plus 35 percent of the amount in excess of \$2,000,000, if the employer's liquidation or dissolution value is more than \$2,000,000, but not more than \$4,000,000; \$1,300,000, plus 40 percent of the amount in excess of \$4,000,000, if the employer's liquidation or dissolution value is more than

\$4,000,000, but not more than \$6,000,000; \$2,100,000, plus 45 percent of the amount in excess of \$6,000,000, if the employer's liquidation or dissolution value is more than \$6,000,000, but not more than \$7,000,000; \$2,550,000, plus 50 percent of the amount in excess of \$7,000,000, if the employer's liquidation or dissolution value is more than \$7,000,000, but not more than \$8,000,000; \$3,050,000, plus 60 percent of the amount in excess of \$8,000,000, if the employer's liquidation or dissolution value is more than \$8,000,000, but not more than \$9,000,000; \$3,650,000, plus 70 percent of the amount in excess of \$9,000,000, if the employer's liquidation or dissolution value is more than \$9,000,000, but not more than \$10,000,000; and \$4,350,000, plus 80 percent of the amount in excess of \$10,000,000, if the employer's liquidation or dissolution value is more than \$10,000,000.

**Statutory Notes and Related Subsidiaries**

EFFECTIVE DATE OF 2006 AMENDMENT

Pub. L. 109-280, title II, §204(a)(3), Aug. 17, 2006, 120 Stat. 887, provided that: “The amendments made by this subsection [amending this section] shall apply to sales occurring on or after January 1, 2007.”

PART 2—MERGER OR TRANSFER OF PLAN ASSETS OR LIABILITIES

**§ 1411. Mergers and transfers between multiemployer plans**

**(a) Authority of plan sponsor**

Unless otherwise provided in regulations prescribed by the corporation, a plan sponsor may not cause a multiemployer plan to merge with one or more multiemployer plans, or engage in a transfer of assets and liabilities to or from another multiemployer plan, unless such merger or transfer satisfies the requirements of subsection (b).

**(b) Criteria**

A merger or transfer satisfies the requirements of this section if—

(1) in accordance with regulations of the corporation, the plan sponsor of a multiemployer plan notifies the corporation of a merger with or transfer of plan assets or liabilities to another multiemployer plan at least 120 days before the effective date of the merger or transfer;

(2) no participant's or beneficiary's accrued benefit will be lower immediately after the effective date of the merger or transfer than the benefit immediately before that date;

(3) the benefits of participants and beneficiaries are not reasonably expected to be subject to suspension under section 1426 of this title; and

(4) an actuarial valuation of the assets and liabilities of each of the affected plans has been performed during the plan year preceding the effective date of the merger or transfer, based upon the most recent data available as of the day before the start of that plan year, or other valuation of such assets and liabilities performed under such standards and procedures as the corporation may prescribe by regulation.

**(c) Actions not deemed violation of section 1106(a) or (b)(2) of this title**

The merger of multiemployer plans or the transfer of assets or liabilities between multi-

employer plans, shall be deemed not to constitute a violation of the provisions of section 1106(a) of this title or section 1106(b)(2) of this title if the corporation determines that the merger or transfer otherwise satisfies the requirements of this section.

**(d) Nature of plan to which liabilities are transferred**

A plan to which liabilities are transferred under this section is a successor plan for purposes of section 1322a(b)(2)(B) of this title.

**(e) Facilitated mergers**

**(1) In general**

When requested to do so by the plan sponsors, the corporation may take such actions as it deems appropriate to promote and facilitate the merger of two or more multiemployer plans if it determines, after consultation with the Participant and Plan Sponsor Advocate selected under section 1304 of this title, that the transaction is in the interests of the participants and beneficiaries of at least one of the plans and is not reasonably expected to be adverse to the overall interests of the participants and beneficiaries of any of the plans. Such facilitation may include training, technical assistance, mediation, communication with stakeholders, and support with related requests to other government agencies.

**(2) Financial assistance**

In order to facilitate a merger which it determines is necessary to enable one or more of the plans involved to avoid or postpone insolvency, the corporation may provide financial assistance (within the meaning of section 1431 of this title) to the merged plan if—

(A) one or more of the multiemployer plans participating in the merger is in critical and declining status (as defined in section 1085(b)(4) of this title);

(B) the corporation reasonably expects that—

(i) such financial assistance will reduce the corporation's expected long-term loss with respect to the plans involved; and

(ii) such financial assistance is necessary for the merged plan to become or remain solvent;

(C) the corporation certifies that its ability to meet existing financial assistance obligations to other plans will not be impaired by such financial assistance; and

(D) such financial assistance is paid exclusively from the fund for basic benefits guaranteed for multiemployer plans.

Not later than 14 days after the provision of such financial assistance, the corporation shall provide notice of such financial assistance to the Committee on Education and the Workforce of the House of Representatives, the Committee on Ways and Means of the House of Representatives, the Committee on Finance of the Senate, and the Committee on Health, Education, Labor, and Pensions of the Senate.

(Pub. L. 93-406, title IV, § 4231, as added Pub. L. 96-364, title I, § 104(2), Sept. 26, 1980, 94 Stat. 1244;

amended Pub. L. 113-235, div. O, title I, § 121(a), Dec. 16, 2014, 128 Stat. 2794.)

**Editorial Notes**

AMENDMENTS

2014—Subsec. (e). Pub. L. 113-235 added subsec. (e).

**Statutory Notes and Related Subsidiaries**

EFFECTIVE DATE OF 2014 AMENDMENT

Pub. L. 113-235, div. O, title I, § 121(b), Dec. 16, 2014, 128 Stat. 2794, provided that: "The amendments made by this section [amending this section] shall apply with respect to plan years beginning after December 31, 2014."

EFFECTIVE DATE

Part effective Sept. 26, 1980, except as specifically provided, see section 1461(e) of this title.

**§ 1412. Transfers between a multiemployer plan and a single-employer plan**

**(a) General authority**

A transfer of assets or liabilities between, or a merger of, a multiemployer plan and a single-employer plan shall satisfy the requirements of this section.

**(b) Accrued benefit of participant or beneficiary not lower immediately after effective date of transfer or merger**

No accrued benefit of a participant or beneficiary may be lower immediately after the effective date of a transfer or merger described in subsection (a) than the benefit immediately before that date.

**(c) Liability of multiemployer plan to corporation where single-employer plan terminates within 60 months after effective date of transfer; amount of liability, exemption, etc.**

(1) Except as provided in paragraphs (2) and (3), a multiemployer plan which transfers liabilities to a single-employer plan shall be liable to the corporation if the single-employer plan terminates within 60 months after the effective date of the transfer. The amount of liability shall be the lesser of—

(A) the amount of the plan asset insufficiency of the terminated single-employer plan, less 30 percent of the net worth of the employer who maintained the single-employer plan, determined in accordance with section 1362 or 1364 of this title, or

(B) the value, on the effective date of the transfer, of the unfunded benefits transferred to the single-employer plan which are guaranteed under section 1322 of this title.

(2) A multiemployer plan shall be liable to the corporation as provided in paragraph (1) unless, within 180 days after the corporation receives an application (together with such information as the corporation may reasonably require for purposes of such application) from the multiemployer plan sponsor for a determination under this paragraph—

(A) the corporation determines that the interests of the plan participants and beneficiaries and of the corporation are adequately protected, or