

# **Pension Conference Agreement on H.R. 3108**

## **Interest Rate Fix**

- Conferees agreed to replace the current standard that employers must use to determine their pension liabilities – the 30-year Treasury bond interest rate – with a corporate bond rates for two years through December 31, 2005.

## **Relief from Deficit Reduction Contributions (DRC)**

- Conferees agreed to provide DRC relief for airlines, steel companies, and the Transportation Communications Union plan, reducing these contributions by 80 percent, for two years only.
- Conferees agreed to drop provisions that provide DRC waivers for all other single employer plans.

## **Multiemployer Plan Relief**

- Conferees agreed to allow multiemployer plans to defer the amortization of 80 percent of the plan's 2002 net experience losses for two years.
- Plans would qualify if they meet the following thresholds:
  - the plan had a net investment loss of 10 percent or more for 2002;
  - the plan's actuary certifies that the plans is expected to have a funding deficiency in 2004, 2005, or 2006. The certification must be based on the same actuarial assumptions used in the 2003 plan year;
  - the plan had not failed to timely pay any excise tax imposed by the IRS;
  - the plan had not had a funding holiday for contributions in excess of 10 cents per hour; and
  - the plan had not previously received waivers from the IRS.
- Conferees agreed to specify that multiemployers could not increase benefits during the deferral period, unless the benefit increase was already negotiated under an existing collective bargaining agreement or if contributions to the plan exceed the annual charges attributable to the benefit change. The plan's actuary must certify that the contributions to the plan did in fact exceed the charges to the plan.
- Conferees agreed to include Senate-passed notice provisions requiring multiemployer plans to provide participating employers and workers annual, written notice about the status of their pension plan.

## **Rifle Shots**

- Conferees agreed to accept Senate provision on CNF withdrawal liability payments.
- Conferees agreed to accept Senate provision on Greyhound funded status.
- Conferees agreed to anti-trust provision for medical school application process.