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(Original Signature of Member)

119TH CONGRESS
1ST SESSION

H. R. _____

To increase the benefits guaranteed in connection with certain pension plans,
and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

Mrs. SPARTZ introduced the following bill; which was referred to the
Committee on _____

A BILL

To increase the benefits guaranteed in connection with
certain pension plans, and for other purposes.

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. SHORT TITLE.**

4 This Act may be cited as the “Delphi Retirees Pen-
5 sion Restoration Act”.

6 **SEC. 2. GUARANTEED BENEFIT CALCULATION FOR CER-**
7 **TAIN PLANS.**

8 (a) IN GENERAL.—

1 (1) INCREASE TO FULL VESTED PLAN BEN-
2 EFIT.—

3 (A) IN GENERAL.—For purposes of deter-
4 mining what benefits are guaranteed under sec-
5 tion 4022 of the Employee Retirement Income
6 Security Act of 1974 (in this section referred to
7 as “ERISA”) with respect to an eligible partici-
8 pant or beneficiary under a covered plan speci-
9 fied in paragraph (4) in connection with the
10 termination of such plan, the amount of month-
11 ly benefits shall be equal to the full vested plan
12 benefit with respect to the participant.

13 (B) NO EFFECT ON PREVIOUS DETER-
14 MINATIONS.—Nothing in this Act shall be con-
15 strued to change the allocation of assets and re-
16 coveries under sections 4044(a) and 4022(c) of
17 ERISA as previously determined by the Pension
18 Benefit Guaranty Corporation (in the section
19 referred to as the “corporation”) for the cov-
20 ered plans specified in paragraph (4), and the
21 corporation’s applicable rules, practices, and
22 policies on benefits payable in terminated sin-
23 gle-employer plans shall, except as otherwise
24 provided in this section, continue to apply with
25 respect to such covered plans.

1 (2) RECALCULATION OF CERTAIN BENEFITS.—

2 (A) IN GENERAL.—In any case in which
3 the amount of monthly benefits with respect to
4 an eligible participant or beneficiary described
5 in paragraph (1) was calculated prior to the
6 date of enactment of this Act, the corporation
7 shall recalculate such amount pursuant to para-
8 graph (1), and shall adjust any subsequent pay-
9 ments of such monthly benefits accordingly, as
10 soon as practicable after such date.

11 (B) LUMP-SUM PAYMENTS OF PAST-DUE
12 BENEFITS.—Not later than 180 days after the
13 date of enactment of this Act, the corporation,
14 in consultation with the Secretary of the Treas-
15 ury and the Secretary of Labor, shall make a
16 lump-sum payment to each eligible participant
17 or beneficiary whose guaranteed benefits are re-
18 calculated under subparagraph (A) in an
19 amount equal to—

20 (i) in the case of an eligible partici-
21 pant, the excess of—

22 (I) the total of the full vested
23 plan benefits of the participant for all
24 months for which such guaranteed

1 benefits were paid prior to such recal-
2 culation, over

3 (II) the sum of any applicable
4 payments made to the eligible partici-
5 pant; and

6 (ii) in the case of an eligible bene-
7 ficiary, the sum of—

8 (I) the amount that would be de-
9 termined under clause (i) with respect
10 to the participant of which the eligible
11 beneficiary is a beneficiary if such
12 participant were still in pay status;
13 plus

14 (II) the excess of—

15 (aa) the total of the full
16 vested plan benefits of the eligi-
17 ble beneficiary for all months for
18 which such guaranteed benefits
19 were paid prior to such recalcula-
20 tion, over

21 (bb) the sum of any applica-
22 ble payments made to the eligible
23 beneficiary.

24 Notwithstanding the previous sentence, the cor-
25 poration shall increase each lump-sum payment

1 made under this subparagraph to account for
2 foregone interest in an amount determined by
3 the corporation designed to reflect a 6 percent
4 annual interest rate on each past-due amount
5 attributable to the underpayment of guaranteed
6 benefits for each month prior to such recalcula-
7 tion.

8 (C) ELIGIBLE PARTICIPANTS AND BENE-
9 FICIARIES.—

10 (i) IN GENERAL.—For purposes of
11 this section, an eligible participant or bene-
12 ficiary is a participant or beneficiary
13 who—

14 (I) as of the date of the enact-
15 ment of this Act, is in pay status
16 under a covered plan or is eligible for
17 future payments under such plan;

18 (II) has received or will receive
19 applicable payments in connection
20 with such plan (within the meaning of
21 clause (ii)) that does not exceed the
22 full vested plan benefits of such par-
23 ticipant or beneficiary; and

24 (III) is not covered by the 1999
25 agreements between General Motors

1 and various unions providing a top-up
2 benefit to certain hourly employees
3 who were transferred from the Gen-
4 eral Motors Hourly-Rate Employees
5 Pension Plan to the Delphi Hourly-
6 Rate Employees Pension Plan.

7 (ii) APPLICABLE PAYMENTS.—For
8 purposes of this paragraph, applicable pay-
9 ments to a participant or beneficiary in
10 connection with a plan consist of the fol-
11 lowing:

12 (I) Payments under the plan
13 equal to the normal benefit guarantee
14 of the participant or beneficiary.

15 (II) Payments to the participant
16 or beneficiary made pursuant to sec-
17 tion 4022(c) or otherwise received
18 from the corporation in connection
19 with the termination of the plan.

20 (3) DEFINITIONS.—For purposes of this sub-
21 section—

22 (A) FULL VESTED PLAN BENEFIT.—The
23 term “full vested plan benefit” means the
24 amount of monthly benefits that would be guar-
25 anteed under section 4022 of ERISA as of the

1 date of plan termination with respect to an eli-
2 gible participant or beneficiary if such section
3 were applied without regard to the phase-in
4 limit in subsection (b)(1) of such Act and the
5 maximum guaranteed benefit limitation in sub-
6 section (b)(3) of such Act (including the ac-
7 crued-at-normal limitation).

8 (B) NORMAL BENEFIT GUARANTEE.—The
9 term “normal benefit guarantee” means the
10 amount of monthly benefits guaranteed under
11 such section with respect to an eligible partici-
12 pant or beneficiary without regard to this Act.

13 (4) COVERED PLANS.—The covered plans speci-
14 fied in this paragraph are the following:

15 (A) The Delphi Hourly-Rate Employees
16 Pension Plan.

17 (B) The Delphi Retirement Program for
18 Salaried Employees.

19 (C) The PHI Non-Bargaining Retirement
20 Plan.

21 (D) The ASEC Manufacturing Retirement
22 Program.

23 (E) The PHI Bargaining Retirement Plan.

24 (F) The Delphi Mechatronic Systems Re-
25 tirement Program.

1 (5) TREATMENT OF PBGC DETERMINATIONS.—

2 Any determination made by the corporation under
3 this section concerning a recalculation of benefits or
4 lump-sum payment of past-due benefits shall be sub-
5 ject to administrative review by the corporation. Any
6 new determination made by the corporation under
7 this section shall be governed by the same adminis-
8 trative review process as any other benefit deter-
9 mination by the corporation.

10 (b) FUNDING FOR PAYMENT OF INCREASED BENE-
11 FITS.—The costs of any payment for the portion of
12 monthly benefits guaranteed to a participant or bene-
13 ficiary pursuant to subsection (a) and necessary adminis-
14 trative and operating expenses of the corporation relating
15 to such payment shall be paid using amounts derived from
16 the unobligated balance of the fund established under sec-
17 tion 4005 of ERISA with respect to basic benefits guaran-
18 teed under section 4022 of ERISA.

19 (c) REGULATIONS.—The corporation, in consultation
20 with the Secretary of the Treasury and the Secretary of
21 Labor, may issue such regulations as necessary to carry
22 out this section.

23 (d) TAX TREATMENT OF LUMP-SUM PAYMENTS.—

24 (1) IN GENERAL.—Unless the taxpayer elects
25 (at such time and in such manner as the Secretary

1 may provide) to have this paragraph not apply with
2 respect to any lump-sum payment under subsection
3 (a)(2)(B), the amount of such payment shall be in-
4 cluded in the taxpayer's gross income ratably over
5 the 3-taxable-year period beginning with the taxable
6 year in which such payment is received.

7 (2) SPECIAL RULES RELATED TO DEATH.—

8 (A) IN GENERAL.—If the taxpayer dies be-
9 fore the end of the 3-taxable-year period de-
10 scribed in paragraph (1), any amount to which
11 paragraph (1) applies which has not been in-
12 cluded in gross income for a taxable year end-
13 ing before the taxable year in which such death
14 occurs shall be included in gross income for
15 such taxable year.

16 (B) SPECIAL ELECTION FOR SURVIVING
17 SPOUSES OF ELIGIBLE PARTICIPANTS.—If—

18 (i) a taxpayer with respect to whom
19 paragraph (1) applies dies,

20 (ii) such taxpayer is an eligible partic-
21 ipant,

22 (iii) the surviving spouse of such eligi-
23 ble participant is entitled to a survivor
24 benefit from the corporation with respect
25 to such eligible participant, and

1 (iv) such surviving spouse elects (at
2 such time and in such manner as the Sec-
3 retary may provide) the application of this
4 subparagraph,
5 subparagraph (A) shall not apply and any
6 amount which would have (but for such tax-
7 payer's death) been included in the gross in-
8 come of such taxpayer under paragraph (1) for
9 any taxable year beginning after the date of
10 such death shall be included in the gross in-
11 come of such surviving spouse for the taxable
12 year of such surviving spouse ending with or
13 within such taxable year of the taxpayer.

14 (e) AMENDMENT TO SECTION 4005 OF ERISA.—
15 Section 4005(b)(2)(A) of the Employee Retirement In-
16 come Security Act of 1974 (29 U.S.C. 1305(b)(2)(A)) is
17 amended by inserting after “4022” the following: “(in-
18 cluding any portion of monthly benefits guaranteed pursu-
19 ant to section 2(a) of the Delphi Retirees Pension Restora-
20 tion Act)”.