Section-by-Section Summary

Pomeroy-Tiberi -- "Preserve Benefits and Jobs Act of 2009"

TITLE II— MULTIEMPLOYER PLANS

SECTION 201. Adjustments to funding standard account rules

Allows multiemployer plans that meet solvency tests to elect one of two approaches, available for 2009 and 2010, to fund recent losses over a 30-year period; multiemployer plans using these amortization schedules will be restricted from increasing benefits for a two year period. Also strengthens and streamlines existing amortization extension provisions and allows 10-year smoothing and a 130% corridor for 2008 and 2009 asset losses.

SECTION 202. Multiemployer plans in endangered or critical status.

Extends the Rehabilitation Period and the Funding Improvement Period by 5 years, net of any extension in that period elected by the plan under section 205 of WRERA; exempts social security level income options from the benefit payment restrictions for plans in critical status; streamlines and clarifies certain technical rules for plans in endangered status.

SECTION 203. Multiemployer plan mergers and alliances.

Facilitates the merger of multiemployer pension funds though the creation of multiemployer pension "alliances." Authorizes the PBGC to facilitate alliances and other mergers by providing direct or indirect financial and technical assistance, when the PBGC determines the transaction is reasonably expected to reduce the PBGC's likely long-term loss. Provides fiduciary clarification and funding insulation for the stronger plan in the alliance, to avoid technical impediments to productive mergers and alliances.

SECTION 204. Strengthening participants' benefit protections.

Updates the level of PBGC guarantees for multiemployer plans that become insolvent, so that someone who had 30 years of service could be assured of receiving a maximum of roughly $20,000/year, up from roughly $13,000/year. Modifies existing provisions for multiemployer plan partitions so that eligible plans that have suffered substantial reductions in contributions due to employer bankruptcies and terminations to transfer liabilities attributable to those employers to the PBGC, if that would significantly reduce the likelihood that the eligible plan would become insolvent.