

plan, on the first day of the first plan year beginning on or after the earlier of—

“(1) the date on which the last collective-bargaining agreement providing for employer contributions under the plan, which was in effect on the date of the enactment of this Act [Sept. 26, 1980], expires, without regard to extensions agreed to after such date of enactment, or

“(2) 3 years after the date of the enactment of this Act [Sept. 26, 1980].

“(c) The amendments made by section 209 [enacting section 194 of this title, and amending sections 501 and 4975 of this title] shall apply to taxable years ending after the date of the enactment of this Act [Sept. 26, 1980].”

#### § 418A. Notice of reorganization and funding requirements

##### (a) Notice requirement

###### (1) In general

If—

(A) a multiemployer plan is in reorganization for a plan year, and

(B) section 418B would require an increase in contributions for such plan year,

the plan sponsor shall notify the persons described in paragraph (2) that the plan is in reorganization and that, if contributions to the plan are not increased, accrued benefits under the plan may be reduced or an excise tax may be imposed (or both such reduction and imposition may occur).

###### (2) Persons to whom notice is to be given

The persons described in this paragraph are—

(A) each employer who has an obligation to contribute under the plan (within the meaning of section 4212(a) of the Employee Retirement Income Security Act of 1974), and

(B) each employee organization which, for purposes of collective bargaining, represents plan participants employed by such an employer.

###### (3) Overburden credit not taken into account

The determination under paragraph (1)(B) shall be made without regard to the overburden credit provided by section 418C.

##### (b) Additional requirements

The Pension Benefit Guaranty Corporation may prescribe additional or alternative requirements for assuring, in the case of a plan with respect to which notice is required by subsection (a)(1), that the persons described in subsection (a)(2)—

(1) receive appropriate notice that the plan is in reorganization,

(2) are adequately informed of the implications of reorganization status, and

(3) have reasonable access to information relevant to the plan's reorganization status.

(Added Pub. L. 96-364, title II, §202(a), Sept. 26, 1980, 94 Stat. 1274.)

#### REFERENCES IN TEXT

Section 4212(a) of the Employee Retirement Income Security Act of 1974, referred to in subsec. (a)(2)(A), is classified to section 1392(a) of Title 29, Labor.

#### § 418B. Minimum contribution requirement

##### (a) Accumulated funding deficiency in reorganization

###### (1) In general

For any plan year in which a multiemployer plan is in reorganization—

(A) the plan shall continue to maintain its funding standard account, and

(B) the plan's accumulated funding deficiency under section 412(a)<sup>1</sup> for such plan year shall be equal to the excess (if any) of—

(i) the sum of the minimum contribution requirement for such plan year (taking into account any overburden credit under section 418C(a)) plus the plan's accumulated funding deficiency for the preceding plan year (determined under this section if the plan was in reorganization during such plan year or under section 412(a)<sup>1</sup> if the plan was not in reorganization), over

(ii) amounts considered contributed by employers to or under the plan for the plan year (increased by any amount waived under subsection (f) for the plan year).

###### (2) Treatment of withdrawal liability payments

For purposes of paragraph (1), withdrawal liability payments (whether or not received) which are due with respect to withdrawals before the end of the base plan year shall be considered amounts contributed by the employer to or under the plan if, as of the adjustment date, it was reasonable for the plan sponsor to anticipate that such payments would be made during the plan year.

##### (b) Minimum contribution requirement

###### (1) In general

Except as otherwise provided in this section for purposes of this subpart the minimum contribution requirement for a plan year in which a plan is in reorganization is an amount equal to the excess of—

(A) the sum of—

(i) the plan's vested benefits charge for the plan year; and

(ii) the increase in normal cost for the plan year determined under the entry age normal funding method which is attributable to plan amendments adopted while the plan was in reorganization, over

(B) the amount of the overburden credit (if any) determined under section 418C for the plan year.

###### (2) Adjustment for reductions in contribution base units

If the plan's current contribution base for the plan year is less than the plan's valuation contribution base for the plan year, the minimum contribution requirement for such plan year shall be equal to the product of the amount determined under paragraph (1) (after any adjustment required by this subpart other than this paragraph) multiplied by a fraction—

(A) the numerator of which is the plan's current contribution base for the plan year, and

<sup>1</sup> See References in Text note below.