

110<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION

# H. R. 6382

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IN THE SENATE OF THE UNITED STATES

JULY 10 (legislative day, JULY 9), 2008

Received

AUGUST 1, 2008

Read twice and referred to the Committee on Health, Education, Labor, and  
Pensions

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## AN ACT

To make technical corrections related to the Pension  
Protection Act of 2006, 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,*

1 **SECTION 1. SHORT TITLE; REFERENCES TO ACTS.**

2 (a) IN GENERAL.—This Act may be cited as the  
3 “Pension Protection Technical Corrections Act of 2008”.

4 (b) REFERENCES TO ACTS.—For purposes of this  
5 Act:

6 (1) AMENDMENT OF 1986 CODE.—The term  
7 “1986 Code” means the Internal Revenue Code of  
8 1986.

9 (2) AMENDMENT OF ERISA.—The term  
10 “ERISA” means the Employee Retirement Income  
11 Security Act of 1974.

12 (3) 2006 ACT.—The term “2006 Act” means  
13 the Pension Protection Act of 2006.

14 **TITLE I—TECHNICAL CORREC-**  
15 **TIONS RELATED TO THE PEN-**  
16 **SION PROTECTION ACT OF**  
17 **2006**

18 **SEC. 101. AMENDMENTS RELATED TO TITLE I.**

19 (a) AMENDMENTS RELATED TO SECTIONS 101 AND  
20 111.—

21 (1) AMENDMENTS TO ERISA.—

22 (A) Clause (i) of section 302(c)(1)(A) of  
23 ERISA is amended by striking “the plan is”  
24 and inserting “the plan are”.

25 (B) Section 302(c)(7) of ERISA is amend-  
26 ed by inserting “which reduces the accrued ben-

1           efit of any participant” after “subsection  
2           (d)(2)” in subparagraph (A).

3           (C) Section 302(d)(1) of ERISA is amend-  
4           ed by striking “, the valuation date,”.

5           (2) AMENDMENTS TO 1986 CODE.—

6           (A) Clause (i) of section 412(c)(1)(A) of  
7           the 1986 Code is amended by striking “the plan  
8           is” and inserting “the plan are”.

9           (B) Section 412(c)(7) of the 1986 Code is  
10          amended by inserting “which reduces the ac-  
11          crued benefit of any participant” after “sub-  
12          section (d)(2)” in subparagraph (A).

13          (C) Section 412(d)(1) of the 1986 Code is  
14          amended by striking “, the valuation date,”.

15          (b) AMENDMENTS RELATED TO SECTIONS 102 AND  
16          112.—

17          (1) AMENDMENTS TO ERISA.—

18                 (A) Section 303(b) of ERISA is amended  
19                 to read as follows:

20                 “(b) TARGET NORMAL COST.—For purposes of this  
21                 section:

22                         “(1) IN GENERAL.—Except as provided in sub-  
23                         section (i)(2) with respect to plans in at-risk status,  
24                         the term ‘target normal cost’ means, for any plan  
25                         year, the excess of—

1 “(A) the sum of—

2 “(i) the present value of all benefits  
3 which are expected to accrue or to be  
4 earned under the plan during the plan  
5 year, plus

6 “(ii) the amount of plan-related ex-  
7 penses expected to be paid from plan as-  
8 sets during the plan year, over

9 “(B) the amount of mandatory employee  
10 contributions expected to be made during the  
11 plan year.

12 “(2) SPECIAL RULE FOR INCREASE IN COM-  
13 PENSATION.—For purposes of this subsection, if any  
14 benefit attributable to services performed in a pre-  
15 ceding plan year is increased by reason of any in-  
16 crease in compensation during the current plan year,  
17 the increase in such benefit shall be treated as hav-  
18 ing accrued during the current plan year.”.

19 (B) Section 303(c)(5)(B)(iii) of ERISA is  
20 amended by inserting “beginning” before “after  
21 2008”.

22 (C) Section 303(c)(5)(B)(iv)(II) of ERISA  
23 is amended by inserting “for such year” after  
24 “beginning in 2007”).

1           (D) Section 303(f)(4)(A) of ERISA is  
2 amended by striking “paragraph (2)” and in-  
3 serting “paragraph (3)”.

4           (E) Section 303(h)(2)(F) of ERISA is  
5 amended—

6                 (i) by striking “section  
7 205(g)(3)(B)(iii)(I) for such month” and  
8 inserting “section 205(g)(3)(B)(iii)(I) for  
9 such month)”, and

10                (ii) by striking “subparagraph (B)”  
11 and inserting “subparagraph (C)”.

12           (F) Section 303(i) of ERISA is amended—

13                 (i) in paragraph (2)—

14                         (I) by striking subparagraph (A)  
15 and inserting the following new sub-  
16 paragraph:

17                         “(A) the excess of—

18                                 “(i) the sum of—

19   “(I) the present value of all bene-  
20 fits which are expected to accrue or to  
21 be earned under the plan during the  
22 plan year, determined using the addi-  
23 tional actuarial assumptions described  
24 in paragraph (1)(B), plus

1                   “(II) the amount of plan-related  
2                   expenses expected to be paid from  
3                   plan assets during the plan year, over  
4                   “(ii) the amount of mandatory em-  
5                   ployee contributions expected to be made  
6                   during the plan year, plus”, and

7                   (II) in subparagraph (B), by  
8                   striking “the target normal cost (de-  
9                   termined without regard to this para-  
10                  graph) of the plan for the plan year”  
11                  and inserting “the amount determined  
12                  under subsection (b)(1)(A)(i) with re-  
13                  spect to the plan for the plan year”,  
14                  and

15                  (ii) by striking “subparagraph (A)(ii)”  
16                  in the last sentence of paragraph (4)(B)  
17                  and inserting “subparagraph (A)”.

18                  (G) Section 303(j)(3) of ERISA—

19                  (i) is amended by adding at the end of  
20                  subparagraph (A) the following new sen-  
21                  tence: “In the case of plan years beginning  
22                  in 2008, the funding shortfall for the pre-  
23                  ceding plan year may be determined using  
24                  such methods of estimation as the Sec-  
25                  retary of the Treasury may provide.”,

1 (ii) by adding at the end of subpara-  
2 graph (E) the following new clause:

3 “(iii) PLAN WITH ALTERNATE VALU-  
4 ATION DATE.—The Secretary of the Treas-  
5 ury shall prescribe regulations for the ap-  
6 plication of this paragraph in the case of  
7 a plan which has a valuation date other  
8 than the first day of the plan year.”, and

9 (iii) by striking “AND SHORT YEARS”  
10 in the heading of subparagraph (E) and  
11 inserting “, SHORT YEARS, AND YEARS  
12 WITH ALTERNATE VALUATION DATE”.

13 (H) Section 303(k)(6)(B) of ERISA is  
14 amended by striking “, except” and all that fol-  
15 lows and inserting a period.

16 (2) AMENDMENTS TO 1986 CODE.—

17 (A) Section 430(b) of the 1986 Code is  
18 amended to read as follows:

19 “(b) TARGET NORMAL COST.—For purposes of this  
20 section:

21 “(1) IN GENERAL.—Except as provided in sub-  
22 section (i)(2) with respect to plans in at-risk status,  
23 the term ‘target normal cost’ means, for any plan  
24 year, the excess of—

25 “(A) the sum of—

1           “(i) the present value of all benefits  
2           which are expected to accrue or to be  
3           earned under the plan during the plan  
4           year, plus

5           “(ii) the amount of plan-related ex-  
6           penses expected to be paid from plan as-  
7           sets during the plan year, over

8           “(B) the amount of mandatory employee  
9           contributions expected to be made during the  
10          plan year.

11          “(2) SPECIAL RULE FOR INCREASE IN COM-  
12          PENSATION.—For purposes of this subsection, if any  
13          benefit attributable to services performed in a pre-  
14          ceding plan year is increased by reason of any in-  
15          crease in compensation during the current plan year,  
16          the increase in such benefit shall be treated as hav-  
17          ing accrued during the current plan year.”.

18                 (B) Section 430(c)(5)(B)(iii) of the 1986  
19                 Code is amended by inserting “beginning” be-  
20                 fore “after 2008”.

21                 (C) Section 430(c)(5)(B)(iv)(II) of the  
22                 1986 Code is amended by inserting “for such  
23                 year” after “beginning in 2007”.

24                 (D) Section 430(f) of the 1986 Code is  
25                 amended—

1 (i) by striking “as of the first day of  
2 the plan year” the second place it appears  
3 in the first sentence of paragraph (3)(A),

4 (ii) by striking “paragraph (2)” in  
5 paragraph (4)(A) and inserting “para-  
6 graph (3)”,

7 (iii) by striking “paragraph (1), (2),  
8 or (4) of section 206(g)” in paragraph  
9 (6)(B)(iii) and inserting “subsection (b),  
10 (c), or (e) of section 436”,

11 (iv) by striking “the sum of” in para-  
12 graph (6)(C), and

13 (v) by striking “of the Treasury” in  
14 paragraph (8).

15 (E) Section 430(h)(2) of the 1986 Code is  
16 amended—

17 (i) by inserting “and target normal  
18 cost” after “funding target” in subpara-  
19 graph (B),

20 (ii) by striking “liabilities” and insert-  
21 ing “benefits” in subparagraph (B),

22 (iii) by striking “section  
23 417(e)(3)(D)(i) for such month” in sub-  
24 paragraph (F) and inserting “section  
25 417(e)(3)(D)(i) for such month”, and

1 (iv) by striking “subparagraph (B)”  
2 in subparagraph (F) and inserting “sub-  
3 paragraph (C)”.

4 (F) Section 430(i) of the 1986 Code is  
5 amended—

6 (i) in paragraph (2)—

7 (I) by striking subparagraph (A)  
8 and inserting the following new sub-  
9 paragraph:

10 “(A) the excess of—

11 “(i) the sum of—

12 “(I) the present value of all bene-  
13 fits which are expected to accrue or to  
14 be earned under the plan during the  
15 plan year, determined using the addi-  
16 tional actuarial assumptions described  
17 in paragraph (1)(B), plus

18 “(II) the amount of plan-related  
19 expenses expected to be paid from  
20 plan assets during the plan year, over

21 “(ii) the amount of mandatory em-  
22 ployee contributions expected to be made  
23 during the plan year, plus”, and

24 (II) in subparagraph (B), by  
25 striking “the target normal cost (de-

1           terminated without regard to this para-  
2           graph) of the plan for the plan year”  
3           and inserting “the amount determined  
4           under subsection (b)(1)(A)(i) with re-  
5           spect to the plan for the plan year”,  
6           and

7           (ii) by striking “subparagraph (A)(ii)”  
8           in the last sentence of paragraph (4)(B)  
9           and inserting “subparagraph (A)”.

10          (G) Section 430(j)(3) of the 1986 Code is  
11          amended—

12                 (i) by adding at the end of subpara-  
13                 graph (A) the following new sentence: “In  
14                 the case of plan years beginning in 2008,  
15                 the funding shortfall for the preceding plan  
16                 year may be determined using such meth-  
17                 ods of estimation as the Secretary may  
18                 provide.”,

19                 (ii) by striking “section 302(c)” in  
20                 subparagraph (D)(ii)(II) and inserting  
21                 “section 412(c)”,

22                 (iii) by adding at the end of subpara-  
23                 graph (E) the following new clause:

24                         “(iii) PLAN WITH ALTERNATE VALU-  
25                         ATION DATE.—The Secretary shall pre-

1           scribe regulations for the application of  
2           this paragraph in the case of a plan which  
3           has a valuation date other than the first  
4           day of the plan year.”, and

5                   (iv) by striking “AND SHORT YEARS”  
6           in the heading of subparagraph (E) and  
7           inserting “, SHORT YEARS, AND YEARS  
8           WITH ALTERNATE VALUATION DATE”.

9           (H) Section 430(k) of the 1986 Code is  
10          amended—

11                   (i) by inserting “(as provided under  
12           paragraph (2))” after “applies” in para-  
13           graph (1), and

14                   (ii) by striking “, except” and all that  
15           follows in paragraph (6)(B) and inserting  
16           a period.

17          (c) AMENDMENTS RELATED TO SECTIONS 103 AND  
18          113.—

19                  (1) AMENDMENTS TO ERISA.—

20                   (A) Section 101(j) of ERISA is amended—

21                           (i) in paragraph (2), by striking “sec-  
22                   tion 206(g)(4)(B)” and inserting “section  
23                   206(g)(4)(A)”;

24                           (ii) by adding at the end the fol-  
25                   lowing: “The Secretary of the Treasury, in

1           consultation with the Secretary, shall have  
2           the authority to prescribe rules applicable  
3           to the notices required under this sub-  
4           section.”.

5           (B) Section 206(g)(1)(B)(ii) of ERISA is  
6           amended by striking “a funding” and inserting  
7           “an adjusted funding”.

8           (C) The heading for section 206(g)(1)(C)  
9           of ERISA is amended by inserting “BENEFIT”  
10          after “EVENT”.

11          (D) Section 206(g)(3)(E) of ERISA is  
12          amended by adding at the end the following  
13          new flush sentence:

14          “Such term shall not include the payment of a  
15          benefit which under section 203(e) may be im-  
16          mediately distributed without the consent of the  
17          participant.”.

18          (E) Section 206(g)(5)(A)(iv) of ERISA is  
19          amended by inserting “adjusted” before “fund-  
20          ing”.

21          (F) Section 206(g)(9)(C) of ERISA is  
22          amended—

23                  (i) by striking “without regard to this  
24                  subparagraph and” in clause (i), and

25                  (ii) in clause (iii)—

1 (I) by striking “without regard to  
2 this subparagraph” and inserting  
3 “without regard to the reduction in  
4 the value of assets under section  
5 303(f)(4)”, and

6 (II) by inserting “beginning” be-  
7 fore “after” each place it appears.

8 (G) Section 206(g) of ERISA is amended  
9 by redesignating paragraph (10) as paragraph  
10 (11) and by inserting after paragraph (9) the  
11 following new paragraph:

12 “(10) SECRETARIAL AUTHORITY FOR PLANS  
13 WITH ALTERNATE VALUATION DATE.—In the case of  
14 a plan which has designated a valuation date other  
15 than the first day of the plan year, the Secretary of  
16 the Treasury may prescribe rules for the application  
17 of this subsection which are necessary to reflect the  
18 alternate valuation date.”.

19 (H) Section 502(c)(4) of ERISA is amend-  
20 ed by striking “by any person” and all that fol-  
21 lows through the period and inserting “by any  
22 person of subsection (j), (k), or (l) of section  
23 101 or section 514(e)(3).”.

24 (2) AMENDMENTS TO 1986 CODE.—

1 (A) Section 436(b)(2) of the 1986 Code is  
2 amended—

3 (i) by striking “section 303” and in-  
4 sserting “section 430” in the matter pre-  
5 ceding subparagraph (A), and

6 (ii) by striking “a funding” and in-  
7 sserting “an adjusted funding” in subpara-  
8 graph (B).

9 (B) Section 436(b)(3) of the 1986 Code is  
10 amended—

11 (i) by inserting “BENEFIT” after  
12 “EVENT” in the heading, and

13 (ii) by striking “any event” in sub-  
14 paragraph (B) and inserting “an event”.

15 (C) Section 436(d)(5) of the 1986 Code is  
16 amended by adding at the end the following  
17 new flush sentence:

18 “Such term shall not include the payment of a ben-  
19 efit which under section 411(a)(11) may be imme-  
20 diately distributed without the consent of the partici-  
21 pant.”.

22 (D) Section 436(f) of the 1986 Code is  
23 amended—

24 (i) by inserting “adjusted” before  
25 “funding” in paragraph (1)(D), and

1 (ii) by striking “prefunding balance  
2 under section 430(f) or funding standard  
3 carryover balance” in paragraph (2) and  
4 inserting “prefunding balance or funding  
5 standard carryover balance under section  
6 430(f)”.

7 (E) Section 436(j)(3) of the 1986 Code is  
8 amended—

9 (i) in subparagraph (A)—

10 (I) by striking “without regard to  
11 this paragraph and”,

12 (II) by striking “section  
13 430(f)(4)(A)” and inserting “section  
14 430(f)(4)”, and

15 (III) by striking “paragraph (1)”  
16 and inserting “paragraphs (1) and  
17 (2)”, and

18 (ii) in subparagraph (C)—

19 (I) by striking “without regard to  
20 this paragraph” and inserting “with-  
21 out regard to the reduction in the  
22 value of assets under section  
23 430(f)(4)”, and

24 (II) by inserting “beginning” be-  
25 fore “after” each place it appears.

1 (F) Section 436 of the 1986 Code is  
2 amended by redesignating subsection (k) as  
3 subsection (m) and by inserting after subsection  
4 (j) the following new subsections:

5 “(k) SECRETARIAL AUTHORITY FOR PLANS WITH  
6 ALTERNATE VALUATION DATE.—In the case of a plan  
7 which has designated a valuation date other than the first  
8 day of the plan year, the Secretary may prescribe rules  
9 for the application of this section which are necessary to  
10 reflect the alternate valuation date.

11 “(l) SINGLE-EMPLOYER PLAN.—For purposes of this  
12 section, the term ‘single-employer plan’ means a plan  
13 which is not a multiemployer plan.”.

14 (3) AMENDMENTS TO 2006 ACT.—Sections  
15 103(c)(2)(A)(ii) and 113(b)(2)(A)(ii) of the 2006  
16 Act are each amended—

17 (A) by striking “subsection” and inserting  
18 “section”, and

19 (B) by striking “subparagraph” and in-  
20 serting “paragraph”.

21 (d) AMENDMENTS RELATED TO SECTIONS 107 AND  
22 114.—

23 (1) AMENDMENTS TO ERISA.—

24 (A) Section 103(d) of ERISA is amend-  
25 ed—

1 (i) in paragraph (3), by striking “the  
2 normal costs, the accrued liabilities” and  
3 inserting “the normal costs or target nor-  
4 mal costs, the accrued liabilities or funding  
5 target”, and

6 (ii) by striking paragraph (7) and in-  
7 serting the following new paragraph:

8 “(7) A certification of the contribution nec-  
9 essary to reduce the minimum required contribution  
10 determined under section 303, or the accumulated  
11 funding deficiency determined under section 304, to  
12 zero.”.

13 (B) Section 4071 of ERISA is amended by  
14 striking “as section 303(k)(4) or 307(e)” and  
15 inserting “or section 303(k)(4),”.

16 (2) AMENDMENTS TO 1986 CODE.—

17 (A) Section 401(a)(29) of the 1986 Code  
18 is amended by striking “ON PLANS IN AT-RISK  
19 STATUS” in the heading.

20 (B) Section 401(a)(32)(C) of the 1986  
21 Code is amended—

22 (i) by striking “section 430(j)” and  
23 inserting “section 430(j)(3)”, and

24 (ii) by striking “paragraph (5)(A)”  
25 and inserting “section 430(j)(4)(A)”.

1 (C) Section 401(a)(33) of the 1986 Code is  
2 amended—

3 (i) by striking “section 412(c)(2)” in  
4 subparagraph (B)(iii) and inserting “sec-  
5 tion 412(d)(2)”, and

6 (ii) by striking “section 412(b)(2)  
7 (without regard to subparagraph (B)  
8 thereof)” in subparagraph (D) and insert-  
9 ing “section 412(b)(1), without regard to  
10 section 412(b)(2)”.

11 (D) Section 411 of the 1986 Code is  
12 amended—

13 (i) by striking “section 412(c)(2)” in  
14 subsection (a)(3)(C) and inserting “section  
15 412(d)(2)”, and

16 (ii) by striking “section 412(e)(2)” in  
17 subsection (d)(6)(A) and inserting “section  
18 412(d)(2)”.

19 (E) Section 414(l)(2)(B)(i)(I) of the 1986  
20 Code is amended to read as follows:

21 “(I) the sum of the funding tar-  
22 get and target normal cost determined  
23 under section 430, over”.

24 (F) Section 4971 of the 1986 Code is  
25 amended—

1 (i) by striking “required minimum” in  
2 subsection (b)(1) and inserting “minimum  
3 required”,

4 (ii) by inserting “or unpaid minimum  
5 required contribution, whichever is applica-  
6 ble” after “accumulated funding defi-  
7 ciency” each place it appears in sub-  
8 sections (c)(3) and (d)(1), and

9 (iii) by striking “section  
10 412(a)(1)(A)” in subsection (e)(1) and in-  
11 serting “section 412(a)(2)”.

12 (3) AMENDMENT TO 2006 ACT.—Section 114 of  
13 the 2006 Act is amended by adding at the end the  
14 following new subsection:

15 “(g) EFFECTIVE DATES.—

16 “(1) IN GENERAL.—The amendments made by  
17 this section shall apply to plan years beginning after  
18 2007.

19 “(2) EXCISE TAX.—The amendments made by  
20 subsection (e) shall apply to taxable years beginning  
21 after 2007, but only with respect to plan years de-  
22 scribed in paragraph (1) which end with or within  
23 any such taxable year.”.

24 (e) AMENDMENT RELATED TO SECTION 116.—Sec-  
25 tion 409A(b)(3)(A)(ii) of the 1986 Code is amended by

1 inserting “to an applicable covered employee” after  
2 “under the plan”.

3 **SEC. 102. AMENDMENTS RELATED TO TITLE II.**

4 (a) AMENDMENT RELATED TO SECTIONS 201 AND  
5 211.—Section 201(b)(2)(A) of the 2006 Act is amended  
6 by striking “has not used” and inserting “has not adopt-  
7 ed, or ceased using,”.

8 (b) AMENDMENTS RELATED TO SECTIONS 202 AND  
9 212.—

10 (1) AMENDMENTS TO ERISA.—

11 (A) Section 302(b)(3) of ERISA is amend-  
12 ed by striking “the plan adopts” and inserting  
13 “the plan sponsor adopts”.

14 (B) Section 305(b)(3)(C) of ERISA is  
15 amended by striking “section 101(b)(4)” and  
16 inserting “section 101(b)(1)”.

17 (C) Section 305(b)(3)(D) of ERISA is  
18 amended by striking “The Secretary” in clause  
19 (iii) and inserting “The Secretary of the Treas-  
20 ury, in consultation with the Secretary”.

21 (D) Section 305(c)(7) of ERISA is amend-  
22 ed—

23 (i) by striking “to agree on” and all  
24 that follows in subparagraph (A)(ii) and  
25 inserting “to adopt a contribution schedule

1 with terms consistent with the funding im-  
2 provement plan and a schedule from the  
3 plan sponsor,” and

4 (ii) by striking subparagraph (B) and  
5 inserting the following new subparagraph:

6 “(B) DATE OF IMPLEMENTATION.—The  
7 date specified in this subparagraph is the date  
8 which is 180 days after the date on which the  
9 collective bargaining agreement described in  
10 subparagraph (A) expires.” and

11 (iii) by adding at the end the fol-  
12 lowing new subparagraph:

13 “(C) FAILURE TO MAKE SCHEDULED CON-  
14 TRIBUTIONS.—Any failure to make a contribu-  
15 tion under a schedule of contribution rates pro-  
16 vided under this paragraph shall be treated as  
17 a delinquent contribution under section 515 and  
18 shall be enforceable as such.”.

19 (E) Section 305(e) of ERISA is amend-  
20 ed—

21 (i) in paragraph (3)(C)—

22 (I) by striking all that follows “to  
23 adopt a” in clause (i)(II) and insert-  
24 ing “to adopt a contribution schedule  
25 with terms consistent with the reha-

1                   bilitation plan and a schedule from  
2                   the plan sponsor under paragraph  
3                   (1)(B)(i),”

4                   (II) by striking clause (ii) and in-  
5                   serting the following new clause:

6                   “(ii) DATE OF IMPLEMENTATION.—  
7                   The date specified in this clause is the date  
8                   which is 180 days after the date on which  
9                   the collective bargaining agreement de-  
10                  scribed in clause (i) expires.”, and

11                  (III) by adding at the end the  
12                  following new clause:

13                  “(iii) FAILURE TO MAKE SCHEDULED  
14                  CONTRIBUTIONS.—Any failure to make a  
15                  contribution under a schedule of contribu-  
16                  tion rates provided under this subsection  
17                  shall be treated as a delinquent contribu-  
18                  tion under section 515 and shall be en-  
19                  forceable as such.”,

20                  (ii) in paragraph (4)—

21                  (I) by striking “the date of” in  
22                  subparagraph (A)(ii), and

23                  (II) by striking “and taking” in  
24                  subparagraph (B) and inserting “but  
25                  taking”,

1 (iii) in paragraph (6)—

2 (I) by striking “paragraph  
3 (1)(B)(i)” and inserting “the last sen-  
4 tence of paragraph (1)”, and

5 (II) by striking “established” and  
6 inserting “establish”,

7 (iv) in paragraph (8)(C)(iii)—

8 (I) by striking “the Secretary” in  
9 subclause (I) and inserting “the Sec-  
10 retary of the Treasury, in consultation  
11 with the Secretary”, and

12 (II) by striking “Secretary” in  
13 the last sentence and inserting “Sec-  
14 retary of the Treasury”, and

15 (v) by striking “an employer’s with-  
16 drawal liability” in paragraph (9)(B) and  
17 inserting “the allocation of unfunded vest-  
18 ed benefits to an employer”.

19 (F) Section 305(f)(2)(A)(i) of ERISA is  
20 amended by adding at the end the following:  
21 “to a participant or beneficiary whose annuity  
22 starting date (as defined in section 205(h)(2))  
23 occurs after the date such notice is sent,”.

24 (G) Section 305(g) of ERISA is amended  
25 by inserting “under subsection (c)” after “fund-

1           ing improvement plan” the first place it ap-  
2           pears.

3           (H) Section 502(c)(2) of ERISA is amend-  
4           ed by striking “101(b)(4)” and inserting  
5           “101(b)(1)”.

6           (I) Section 502(c)(8)(A) of ERISA is  
7           amended by inserting “plan” after “multiem-  
8           ployer”.

9           (2) AMENDMENTS TO 1986 CODE.—

10           (A) Section 432(b)(3)(C) of the 1986 Code  
11           is amended by striking “section 101(b)(4)” and  
12           inserting “section 101(b)(1)”.

13           (B) Section 432(b)(3)(D)(iii) of the 1986  
14           Code is amended by striking “The Secretary of  
15           Labor” and inserting “The Secretary, in con-  
16           sultation with the Secretary of Labor”.

17           (C) Section 432(e) of the 1986 Code is  
18           amended—

19           (i) in paragraph (3), by striking “sec-  
20           tion 304(d)” in subparagraph (A)(ii) and  
21           inserting “section 431(d)”, and

22           (ii) in paragraph (7)—

23           (I) by striking “to agree on” and  
24           all that follows in subparagraph  
25           (A)(ii) and inserting “to adopt a con-

1                   tribution schedule with terms con-  
2                   sistent with the funding improvement  
3                   plan and a schedule from the plan  
4                   sponsor,” and

5                   (II) by striking subparagraph (B)  
6                   and inserting the following new sub-  
7                   paragraph:

8                   “(B) DATE OF IMPLEMENTATION.—The  
9                   date specified in this subparagraph is the date  
10                  which is 180 days after the date on which the  
11                  collective bargaining agreement described in  
12                  subparagraph (A) expires.”.

13                  (D) Section 432(e) of the 1986 Code is  
14                  amended—

15                  (i) in paragraph (3)(C)—

16                  (I) by striking all that follows “to  
17                  adopt a” in clause (i)(II) and insert-  
18                  ing “to adopt a contribution schedule  
19                  with terms consistent with the reha-  
20                  bilitation plan and a schedule from  
21                  the plan sponsor under paragraph  
22                  (1)(B)(i),” and

23                  (II) by striking clause (ii) and in-  
24                  serting the following new clause:

1                   “(ii) DATE OF IMPLEMENTATION.—

2                   The date specified in this clause is the date  
3                   which is 180 days after the date on which  
4                   the collective bargaining agreement de-  
5                   scribed in clause (i) expires.”,

6                   (ii) in paragraph (4)—

7                   (I) by striking “the date of” in  
8                   subparagraph (A)(ii), and

9                   (II) by striking “and taking” in  
10                  subparagraph (B) and inserting “but  
11                  taking”,

12                  (iii) in paragraph (6)—

13                  (I) by striking “paragraph  
14                  (1)(B)(i)” and inserting “the last sen-  
15                  tence of paragraph (1)”, and

16                  (II) by striking “established” and  
17                  inserting “establish”,

18                  (iv) in paragraph (8)—

19                  (I) by striking “section 204(g)”  
20                  in subparagraph (A)(i) and inserting  
21                  “section 411(d)(6)”,

22                  (II) by inserting “of the Em-  
23                  ployee Retirement Income Security  
24                  Act of 1974” after “4212(a)” in sub-  
25                  paragraph (C)(i)(II),

1 (III) by striking “the Secretary  
2 of Labor” in subparagraph (C)(iii)(I)  
3 and inserting “the Secretary, in con-  
4 sultation with the Secretary of  
5 Labor”, and

6 (IV) by striking “the Secretary of  
7 Labor” in the last sentence of sub-  
8 paragraph (C)(iii) and inserting “the  
9 Secretary”, and

10 (v) by striking “an employer’s with-  
11 drawal liability” in paragraph (9)(B) and  
12 inserting “the allocation of unfunded vest-  
13 ed benefits to an employer”.

14 (E) Section 432(f)(2)(A)(i) of the 1986  
15 Code is amended—

16 (i) by striking “section 411(b)(1)(A)”  
17 and inserting “section 411(a)(9)”; and

18 (ii) by inserting at the end the fol-  
19 lowing: “to a participant or beneficiary  
20 whose annuity starting date (as defined in  
21 section 417(f)(2)) occurs after the date  
22 such notice is sent,”.

23 (F) Section 432(g) of the 1986 Code is  
24 amended by inserting “under subsection (c)”

1 after “funding improvement plan” the first  
2 place it appears.

3 (G) Section 432(i) of the 1986 Code is  
4 amended—

5 (i) by striking “section 412(a)” in  
6 paragraph (3) and inserting “section  
7 431(a)”, and

8 (ii) by striking paragraph (9) and in-  
9 serting the following new paragraph:

10 “(9) PLAN SPONSOR.—For purposes of this sec-  
11 tion, section 431, and section 4971(g):

12 “(A) IN GENERAL.—The term ‘plan spon-  
13 sor’ means, with respect to any multiemployer  
14 plan, the association, committee, joint board of  
15 trustees, or other similar group of representa-  
16 tives of the parties who establish or maintain  
17 the plan.

18 “(B) SPECIAL RULE FOR SECTION 404(c)  
19 PLANS.—In the case of a plan described in sec-  
20 tion 404(c) (or a continuation of such plan),  
21 such term means the bargaining parties de-  
22 scribed in paragraph (1).”.

23 (H) Section 412(b)(3) of the 1986 Code is  
24 amended by striking “the plan adopts” and in-  
25 serting “the plan sponsor adopts”.

1 (I) Section 4971(g)(4) of the 1986 Code is  
2 amended—

3 (i) in subparagraph (B)(ii), by strik-  
4 ing “first day of” and inserting “day fol-  
5 lowing the close of”, and

6 (ii) by striking clause (ii) of subpara-  
7 graph (C) and inserting the following new  
8 clause:

9 “(ii) PLAN SPONSOR.—For purposes  
10 of clause (i), the term ‘plan sponsor’ has  
11 the meaning given such term by section  
12 432(i)(9).”.

13 (3) AMENDMENTS TO 2006 ACT.—

14 (A) Section 212(b)(2) of the 2006 Act is  
15 amended by striking “Section 4971(c)(2) of  
16 such Code” and inserting “Section 4971(e)(2)  
17 of such Code”.

18 (B) Section 212(e)(1) of the 2006 Act is  
19 amended by inserting “, except that the amend-  
20 ments made by subsection (b) shall apply to  
21 taxable years beginning after 2007, but only  
22 with respect to plan years beginning after 2007  
23 which end with or within any such taxable  
24 year” before the period at the end.

1           (C) Section 212(e)(2) of the 2006 Act is  
2           amended by striking “section 305(b)(3) of the  
3           Employee Retirement Income Security Act of  
4           1974” and inserting “section 432(b)(3) of the  
5           Internal Revenue Code of 1986”.

6 **SEC. 103. AMENDMENTS RELATED TO TITLE III.**

7           (a) AMENDMENT RELATED TO SECTION 301.—  
8           Clause (ii) of section 101(c)(2)(A) of the Pension Funding  
9           Equity Act of 2004, as amended by section 301(c) of the  
10          2006 Act, is amended by striking “2008” and inserting  
11          “2009”.

12          (b) AMENDMENTS RELATED TO SECTION 302.—

13           (1) AMENDMENT TO ERISA.—Section  
14          205(g)(3)(B)(iii)(II) of ERISA is amended by strik-  
15          ing “section 205(g)(3)(B)(iii)(II)” and inserting  
16          “section 205(g)(3)(A)(ii)(II)”.

17           (2) AMENDMENTS TO 1986 CODE.—

18           (A) Section 417(e)(3)(D)(i) of the 1986  
19          Code is amended by striking “clause (ii)” and  
20          inserting “subparagraph (C)”.

21           (B)(i) Section 415(b)(2)(E)(v) of the 1986  
22          Code is amended to read as follows:

23                   “(v) For purposes of adjusting any  
24                   benefit or limitation under subparagraph  
25                   (B), (C), or (D), the mortality table used

1 shall be the applicable mortality table  
2 (within the meaning of section  
3 417(e)(3)(B)).”.

4 (ii)(I) Except as provided in subclause (II),  
5 the amendment made by clause (i) shall apply  
6 to years beginning after December 31, 2008.

7 (II) A plan sponsor may elect to have the  
8 amendment made by clause (i) apply to any  
9 year beginning after December 31, 2007, and  
10 before January 1, 2009, or to any portion of  
11 any such year.

12 **SEC. 104. AMENDMENTS RELATED TO TITLE IV.**

13 (a) AMENDMENT RELATED TO SECTION 401.—Sec-  
14 tion 4006(a)(3)(A)(i) of ERISA is amended by striking  
15 “1990” and inserting “2005”.

16 (b) AMENDMENT RELATED TO SECTION 402.—Sec-  
17 tion 402(c)(1)(A) of the 2006 Act is amended by striking  
18 “commercial airline” and inserting “commercial”.

19 (c) AMENDMENT RELATED TO SECTION 408.—Sec-  
20 tion 4044(e) of ERISA, as added by section 408(b)(2) of  
21 the 2006 Act, is redesignated as subsection (f).

22 (d) AMENDMENTS RELATED TO SECTION 409.—Sec-  
23 tion 4041(b)(5)(A) of ERISA is amended by striking  
24 “subparagraph (B)” and inserting “subparagraphs (B)  
25 and (D)”.

1 (e) AMENDMENTS RELATED TO SECTION 410.—Sec-  
2 tion 4050(d)(4)(A) of ERISA is amended—

3 (1) by striking “and” at the end of clause (i),  
4 and

5 (2) by striking clause (ii) and inserting the fol-  
6 lowing new clauses:

7 “(ii) which is not a plan described in  
8 paragraph (2), (3), (4), (6), (7), (8), (9),  
9 (10), or (11) of section 4021(b), and

10 “(iii) which, was a plan described in  
11 section 401(a) of the Internal Revenue  
12 Code of 1986 which includes a trust ex-  
13 empt from tax under section 501(a) of  
14 such Code, and”.

15 **SEC. 105. AMENDMENTS RELATED TO TITLE V.**

16 (a) AMENDMENT RELATED TO SECTION 501.—Sec-  
17 tion 101(f)(2)(B)(ii) of ERISA is amended—

18 (1) by striking “for which the latest annual re-  
19 port filed under section 104(a) was filed” in sub-  
20 clause (I)(aa) and inserting “to which the notice re-  
21 lates”, and

22 (2) by striking subclause (II) and inserting the  
23 following new subclause:

24 “(II) in the case of a multiem-  
25 ployer plan, a statement, for the plan

1 year to which the notice relates and  
2 the preceding 2 plan years, of the  
3 value of the plan assets (determined  
4 both in the same manner as under  
5 section 304 and under the rules of  
6 subclause (I)(bb)) and the value of the  
7 plan liabilities (determined in the  
8 same manner as under section 304 ex-  
9 cept that the method specified in sec-  
10 tion 305(i)(8) shall be used),”.

11 (b) AMENDMENTS RELATED TO SECTION 502.—

12 (1) Section 101(k)(2) of ERISA is amended by  
13 filing at the end the following new flush sentence:

14 “Subparagraph (C)(i) shall not apply to individually  
15 identifiable information with respect to any plan in-  
16 vestment manager or adviser, or with respect to any  
17 other person (other than an employee of the plan)  
18 preparing a financial report required to be included  
19 under paragraph (1)(B).”.

20 (2) Section 4221 of ERISA is amended by  
21 striking subsection (e) and by redesignating sub-  
22 sections (f) and (g) as subsections (e) and (f), re-  
23 spectively.

24 (c) AMENDMENTS RELATED TO SECTION 503.—

25 (1) AMENDMENTS TO ERISA.—

1 (A) Section 104(b)(3) of ERISA is amend-  
2 ed by—

3 (i) striking “section 103(f)” and in-  
4 serting “section 101(f)”, and

5 (ii) striking “the administrators” and  
6 inserting “the administrator”.

7 (B) Section 104(d)(1)(E)(ii) of ERISA is  
8 amended by inserting “funding” after “plan’s”.

9 (2) AMENDMENTS TO 2006 ACT.—Section  
10 503(e) of the 2006 Act is amended by striking “sec-  
11 tion 101(f)” and inserting “section 104(d)”.

12 (d) AMENDMENT RELATED TO SECTION 505.—Sec-  
13 tion 4010(d)(2)(B) of ERISA is amended by striking “sec-  
14 tion 302(d)(2)” and inserting “section 303(d)(2)”.

15 (e) AMENDMENTS RELATED TO SECTION 506.—

16 (1) Section 4041(c)(2)(D)(i) of ERISA is  
17 amended by striking “subsection (a)(2)” the second  
18 place it appears and inserting “subparagraph (A) or  
19 the regulations under subsection (a)(2)”.

20 (2) Section 4042(c)(3)(C)(i) of ERISA is  
21 amended—

22 (A) by striking “and plan sponsor” and in-  
23 serting “, the plan sponsor, or the corporation”,  
24 and

1 (B) by striking “subparagraph (A)(i)” and  
2 inserting “subparagraph (A)”.

3 (f) AMENDMENTS RELATED TO SECTION 508.—Sec-  
4 tion 209(a) of ERISA is amended—

5 (1) in paragraph (1)—

6 (A) by striking “regulations prescribed by  
7 the Secretary” and inserting “such regulations  
8 as the Secretary may prescribe”, and

9 (B) by striking the last sentence and in-  
10 sserting “The report required under this para-  
11 graph shall be in the same form, and contain  
12 the same information, as periodic benefit state-  
13 ments under section 105(a).”, and

14 (2) by striking paragraph (2) and inserting the  
15 following:

16 “(2) If more than one employer adopts a plan,  
17 each such employer shall furnish to the plan admin-  
18 istrator the information necessary for the adminis-  
19 trator to maintain the records, and make the re-  
20 ports, required by paragraph (1). Such adminis-  
21 trator shall maintain the records, and make the re-  
22 ports, required by paragraph (1).”.

23 (g) AMENDMENT RELATED TO SECTION 509.—Sec-  
24 tion 101(i)(8)(B) of ERISA is amended to read as follows:

1           “(B) ONE-PARTICIPANT RETIREMENT  
2 PLAN.—For purposes of subparagraph (A), the  
3 term ‘one-participant retirement plan’ means a  
4 retirement plan that on the first day of the plan  
5 year—

6           “(i) covered only one individual (or  
7 the individual and the individual’s spouse)  
8 and the individual (or the individual and  
9 the individual’s spouse) owned 100 percent  
10 of the plan sponsor (whether or not incor-  
11 porated), or

12           “(ii) covered only one or more part-  
13 ners (or partners and their spouses) in the  
14 plan sponsor.”.

15 **SEC. 106. AMENDMENTS RELATED TO TITLE VI.**

16       (a) AMENDMENTS RELATED TO SECTION 601.—

17           (1) AMENDMENTS TO ERISA.—

18           (A) Section 408(g)(3)(D)(ii) of ERISA is  
19 amended by striking “subsection (b)(14)(B)(ii)”  
20 and inserting “subsection (b)(14)(A)(ii)”.

21           (B) Section 408(g)(6)(A)(i) of ERISA is  
22 amended by striking “financial adviser” and in-  
23 serting “fiduciary adviser”.

24           (C) Section 408(g)(11)(A) of ERISA is  
25 amended—

1 (i) by striking “the participant” each  
2 place it appears and inserting “a partici-  
3 pant”, and

4 (ii) by striking “section 408(b)(4)” in  
5 clause (ii) and inserting “subsection  
6 (b)(4)”.

7 (2) AMENDMENTS TO 1986 CODE.—

8 (A) Section 4975(d)(17) of the 1986 Code,  
9 in the matter preceding subparagraph (A), is  
10 amended by striking “and that permits” and in-  
11 serting “that permits”.

12 (B) Section 4975(f)(8) of the 1986 Code is  
13 amended—

14 (i) in subparagraph (A), by striking  
15 “subsection (b)(14)” and inserting “sub-  
16 section (d)(17)”,

17 (ii) in subparagraph (C)(iv)(II), by  
18 striking “subsection (b)(14)(B)(ii)” and in-  
19 serting “(d)(17)(A)(ii)”,

20 (iii) in subparagraph (F)(i)(I), by  
21 striking “financial adviser” and inserting  
22 “fiduciary adviser,”

23 (iv) in subparagraph (I), by striking  
24 “section 406” and inserting “subsection  
25 (c)”, and

1 (v) in subparagraph (J)(i)—

2 (I) by striking “the participant”  
3 each place it appears and inserting “a  
4 participant”,

5 (II) in the matter preceding sub-  
6 clause (I), by inserting “referred to in  
7 subsection (e)(3)(B)” after “invest-  
8 ment advice”, and

9 (III) in subclause (II), by strik-  
10 ing “section 408(b)(4)” and inserting  
11 “subsection (d)(4)”.

12 (3) AMENDMENT TO 2006 ACT.—Section  
13 601(b)(4) of the 2006 Act is amended by striking  
14 “section 4975(e)(3)(B)” and inserting “section  
15 4975(e)(3)(B)”.

16 (b) AMENDMENTS RELATED TO SECTION 611.—

17 (1) AMENDMENT TO ERISA.—Section  
18 408(b)(18)(C) of ERISA is amended by striking “or  
19 less”.

20 (2) AMENDMENTS TO 1986 CODE.—Section  
21 4975(d) of the 1986 Code is amended—

22 (A) in the matter preceding subparagraph  
23 (A) of paragraph (18)—

24 (i) by striking “party in interest” and  
25 inserting “disqualified person”, and

1 (ii) by striking “subsection (e)(3)(B)”  
2 and inserting “subsection (e)(3)”,  
3 (B) in paragraphs (19), (20), and (21), by  
4 striking “party in interest” each place it ap-  
5 pears and inserting “disqualified person”, and  
6 (C) by striking “or less” in paragraph  
7 (21)(C).

8 (c) AMENDMENTS RELATED TO SECTION 612.—Sec-  
9 tion 4975(f)(11)(B)(i) of the 1986 Code is amended by—

10 (1) inserting “of the Employee Retirement In-  
11 come Security Act of 1974” after “section  
12 407(d)(1)”, and

13 (2) inserting “of such Act” after “section  
14 407(d)(2)”.

15 (d) AMENDMENTS RELATED TO SECTION 624.—Sec-  
16 tion 404(c)(5) of ERISA is amended by striking “partici-  
17 pant” each place it appears and inserting “participant or  
18 beneficiary”.

19 **SEC. 107. AMENDMENTS RELATED TO TITLE VII.**

20 (a) AMENDMENTS TO ERISA.—

21 (1) Section 203(f)(1)(B) of ERISA is amended  
22 to read as follows:

23 “(B) the requirements of section 204(e) or  
24 205(g), or the requirements of subsection (e),

1 with respect to accrued benefits derived from  
2 employer contributions,”.

3 (2) Section 204(b)(5) of ERISA is amended—

4 (A) by striking “clause” in subparagraph  
5 (A)(iii) and inserting “subparagraph”, and

6 (B) by inserting “otherwise” before “allow-  
7 able” in subparagraph (C).

8 (3) Subclause (II) of section 204(b)(5)(B)(i) of  
9 ERISA is amended to read as follows:

10 “(II) PRESERVATION OF CAP-  
11 ITAL.—An applicable defined benefit  
12 plan shall be treated as failing to  
13 meet the requirements of paragraph  
14 (1)(H) unless the plan provides that  
15 an interest credit (or equivalent  
16 amount) of less than zero shall in no  
17 event result in the account balance or  
18 similar amount being less than the ag-  
19 gregate amount of contributions cred-  
20 ited to the account.”.

21 (b) AMENDMENTS TO 1986 CODE.—

22 (1) Section 411(b)(5) of the 1986 Code is  
23 amended—

24 (A) by striking “clause” in subparagraph  
25 (A)(iii) and inserting “subparagraph”, and

1 (B) by inserting “otherwise” before “allow-  
2 able” in subparagraph (C).

3 (2) Section 411(a)(13)(A) of the 1986 Code is  
4 amended—

5 (A) by striking “paragraph (2)” in clause  
6 (i) and inserting “subparagraph (B)”,

7 (B) by striking clause (ii) and inserting the  
8 following new clause:

9 “(ii) the requirements of subsection  
10 (a)(11) or (c), or the requirements of sec-  
11 tion 417(e), with respect to accrued bene-  
12 fits derived from employer contributions,”  
13 and

14 (C) by striking “paragraph (3)” in the  
15 matter following clause (ii) and inserting “sub-  
16 paragraph (C)”.

17 (3) Subclause (II) of section 411(b)(5)(B)(i) of  
18 the 1986 Code is amended to read as follows:

19 “(II) PRESERVATION OF CAP-  
20 ITAL.—An applicable defined benefit  
21 plan shall be treated as failing to  
22 meet the requirements of paragraph  
23 (1)(H) unless the plan provides that  
24 an interest credit (or equivalent  
25 amount) of less than zero shall in no

1 event result in the account balance or  
2 similar amount being less than the ag-  
3 gregate amount of contributions cred-  
4 ited to the account.”.

5 (c) AMENDMENTS TO 2006 ACT.—

6 (1) Section 701(d)(2) of the 2006 Act is  
7 amended by striking “204(g)” and inserting  
8 “205(g)”.

9 (2) Section 701(e) of the 2006 Act is amend-  
10 ed—

11 (A) by inserting “on or” after “period” in  
12 paragraph (3),

13 (B) in paragraph (4)—

14 (i) by inserting “the earlier of” after  
15 “before” in the matter preceding subpara-  
16 graph (A), and

17 (ii) by striking “earlier” and inserting  
18 “later” in subparagraph (A),

19 (C) by inserting “on or” before “after”  
20 each place it appears in paragraph (5), and

21 (D) by adding at the end the following new  
22 paragraph:

23 “(6) SPECIAL RULE FOR VESTING REQUIRE-  
24 MENTS.—The requirements of section 203(f)(2) of  
25 the Employee Retirement Income Security Act of

1 1974 and section 411(a)(13)(B) of the Internal Rev-  
2 enue Code of 1986 (as added by this Act)—

3 “(A) shall not apply to a participant who  
4 does not have an hour of service after the effec-  
5 tive date of such requirements (as otherwise de-  
6 termined under this subsection); and

7 “(B) in the case of a plan other than a  
8 plan described in paragraph (3) or (4), shall  
9 apply to plan years ending on or after June 29,  
10 2005.”.

11 **SEC. 108. AMENDMENTS RELATED TO TITLE VIII.**

12 (a) AMENDMENTS RELATED TO SECTION 801.—

13 (1) Section 404(o) of the 1986 Code is amend-  
14 ed—

15 (A) by striking “430(g)(2)” in paragraph  
16 (2)(A)(ii) and inserting “430(g)(3)”, and

17 (B) by striking “412(f)(4)” in paragraph  
18 (4)(B) and inserting “412(d)(3)”.

19 (2) Section 404(a)(7)(A) of the 1986 Code is  
20 amended—

21 (A) by striking the next to last sentence,  
22 and

23 (B) by striking “the plan’s funding short-  
24 fall determined under section 430” in the last  
25 sentence and inserting “the excess (if any) of

1           the plan’s funding target (as defined in section  
2           430(d)(1)) over the value of the plan’s assets  
3           (as determined under section 430(g)(3))”.

4           (b) AMENDMENT RELATED TO SECTION 802.—Sec-  
5           tion 404(a)(1)(D)(i) of the 1986 Code is amended by  
6           striking “431(c)(6)(C)” and inserting “431(c)(6)(D)”.

7           (c) AMENDMENT RELATED TO SECTION 803.—  
8           Clause (iii) of section 404(a)(7)(C) of the 1986 Code is  
9           amended to read as follows:

10                           “(iii) LIMITATION.—In the case of  
11                           employer contributions to 1 or more de-  
12                           fined contribution plans—

13   “(I) if such contributions do not  
14   exceed 6 percent of the compensation  
15   otherwise paid or accrued during the  
16   taxable year to the beneficiaries under  
17   such plans, this paragraph shall not  
18   apply to such contributions or to em-  
19   ployer contributions to the defined  
20   benefit plans to which this paragraph  
21   would otherwise apply by reason of  
22   contributions to the defined contribu-  
23   tion plans, and

24   “(II) if such contributions exceed  
25   6 percent of such compensation, this

1 paragraph shall be applied by only  
2 taking into account such contributions  
3 to the extent of such excess.

4 For purposes of this clause, amounts car-  
5 ried over from preceding taxable years  
6 under subparagraph (B) shall be treated  
7 as employer contributions to 1 or more de-  
8 fined contributions plans to the extent at-  
9 tributable to employer contributions to  
10 such plans in such preceding taxable  
11 years.”.

12 (d) AMENDMENTS RELATED TO SECTION 824.—

13 (1) Section 408A(c)(3)(B) of the 1986 Code, as  
14 in effect after the amendments made by section  
15 824(b)(1) of the 2006 Act, is amended—

16 (A) by striking the second “an” before “el-  
17 igible”,

18 (B) by striking “other than a Roth IRA”,  
19 and

20 (C) by adding at the end the following new  
21 flush sentence:

22 “This subparagraph shall not apply to a quali-  
23 fied rollover contribution from a Roth IRA or  
24 to a qualified rollover contribution from a des-

1           ignated Roth account which is a rollover con-  
2           tribution described in section 402A(c)(3)(A).”

3           (2) Section 408A(d)(3)(B), as in effect after  
4           the amendments made by section 824(b)(2)(B) of  
5           the 2006 Act, is amended by striking “(other than  
6           a Roth IRA)” and by inserting at the end the fol-  
7           lowing new sentence: “This paragraph shall not  
8           apply to a distribution which is a qualified rollover  
9           contribution from a Roth IRA or a qualified rollover  
10          contribution from a designated Roth account which  
11          is a rollover contribution described in section  
12          402A(c)(3)(A)”.

13          (e) AMENDMENT TO SECTION 827.—The first sen-  
14          tence of section 72(t)(2)(G)(iv) of the 1986 Code is  
15          amended by inserting “on or” before “before”.

16          (f) AMENDMENTS RELATED TO SECTION 829.—

17                 (1) Section 402(c)(11) of the 1986 Code is  
18                 amended—

19                         (A) by inserting “described in paragraph  
20                         (8)(B)(iii)” after “eligible retirement plan” in  
21                         subparagraph (A), and

22                         (B) by striking “trust” before “designated  
23                         beneficiary” in subparagraph (B).

24                 (2)(A) Section 402(f)(2)(A) of the 1986 Code is  
25                 amended by adding at the end the following new

1 sentence: “Such term shall include any distribution  
2 to a designated beneficiary which would be treated  
3 as an eligible rollover distribution by reason of sub-  
4 section (c)(11), or section 403(a)(4)(B),  
5 403(b)(8)(B), or 457(e)(16)(B), if the requirements  
6 of subsection (c)(11) were satisfied.”

7 (B) Clause (i) of section 402(c)(11)(A) of the  
8 1986 Code is amended by striking “for purposes of  
9 this subsection”.

10 (C) The amendments made by this paragraph  
11 shall apply with respect to plan years beginning  
12 after December 31, 2008.

13 (g) AMENDMENT RELATED TO SECTION 832.—Sec-  
14 tion 415(f) of the 1986 Code is amended by striking para-  
15 graph (2) and by redesignating paragraph (3) as para-  
16 graph (2).

17 (h) AMENDMENTS RELATED TO SECTION 833.—

18 (1) Section 408A(c)(3)(C) of the 1986 Code, as  
19 added by section 833(c) of the 2006 Act, is redesign-  
20 ated as subparagraph (E).

21 (2) In the case of taxable years beginning after  
22 December 31, 2009, section 408A(c)(3)(E) of the  
23 1986 Code (as redesignated by paragraph (1))—

24 (A) is redesignated as subparagraph (D),

25 and

1 (B) is amended by striking “subparagraph  
2 (C)(ii)” and inserting “subparagraph (B)(ii)”.

3 (i) AMENDMENTS RELATED TO SECTION 841.—

4 (1) Section 420(c)(1)(A) of the 1986 Code is  
5 amended by adding at the end the following new  
6 sentence: “In the case of a qualified future transfer  
7 or collectively bargained transfer to which subsection  
8 (f) applies, any assets so transferred may also be  
9 used to pay liabilities described in subsection  
10 (f)(2)(C).”

11 (2) Section 420(f)(2) of the 1986 Code is  
12 amended by striking “such” before “the applicable”  
13 in subparagraph (D)(i)(I).

14 (3) Section 4980(c)(2)(B) of the 1986 Code is  
15 amended by striking “or” at the end of clause (i),  
16 by striking the period at the end of clause (ii) and  
17 inserting “, or”, and by adding at the end the fol-  
18 lowing new clause:

19 “(iii) any transfer described in section  
20 420(f)(2)(B)(ii)(II).”

21 (j) AMENDMENTS RELATED TO SECTION 845.—

22 (1) Subsection (l) of section 402 of the 1986  
23 Code is amended—

24 (A) in paragraph (1)—

1 (i) by inserting “maintained by the  
2 employer described in paragraph (4)(B)”  
3 after “an eligible retirement plan”, and

4 (ii) by striking “of the employee, his  
5 spouse, or dependents (as defined in sec-  
6 tion 152)” ,

7 (B) in paragraph (4)(D), by—

8 (i) inserting “(as defined in section  
9 152)” after “dependents”, and

10 (ii) striking “health insurance plan”  
11 and inserting “health plan”, and

12 (C) in paragraph (5)(A), by striking  
13 “health insurance plan” and inserting “health  
14 plan”.

15 (2) Subparagraph (B) of section 402(l)(3) of  
16 the 1986 Code is amended by striking “all amounts  
17 distributed from all eligible retirement plans were  
18 treated as 1 contract for purposes of determining  
19 the inclusion of such distribution under section 72”  
20 and inserting “all amounts to the credit of the eligi-  
21 ble public safety officer in all eligible retirement  
22 plans maintained by the employer described in para-  
23 graph (4)(B) were distributed during such taxable  
24 year and all such plans were treated as 1 contract  
25 for purposes of determining under section 72 the ag-

1 gregate amount which would have been so includ-  
2 ible”.

3 (k) AMENDMENTS RELATED TO SECTION 854.—

4 (1) Section 3121(b)(5)(E) of the 1986 Code is  
5 amended by striking “or special trial judge”.

6 (2) Section 210(a)(5)(E) of the Social Security  
7 Act is amended by striking “or special trial judge”.

8 (l) AMENDMENTS RELATED TO SECTION 856.—Sec-  
9 tion 856 of the 2006 Act, and the amendments made by  
10 such section, are hereby repealed, and the Internal Rev-  
11 enue Code of 1986 shall be applied and administered as  
12 if such sections and amendments had not been enacted.

13 (m) AMENDMENT RELATED TO SECTION 864.—Sec-  
14 tion 864(a) of the 2006 Act is amended by striking “Rec-  
15 onciliation”.

16 **SEC. 109. AMENDMENTS RELATED TO TITLE IX.**

17 (a) AMENDMENT RELATED TO SECTION 901.—Sec-  
18 tion 401(a)(35)(E)(iv) of the 1986 Code is amended to  
19 read as follows:

20 “(iv) ONE-PARTICIPANT RETIREMENT  
21 PLAN.—For purposes of clause (iii), the  
22 term ‘one-participant retirement plan’  
23 means a retirement plan that on the first  
24 day of the plan year—

1                   “(I) covered only one individual  
2                   (or the individual and the individual’s  
3                   spouse) and the individual (or the in-  
4                   dividual and the individual’s spouse)  
5                   owned 100 percent of the plan spon-  
6                   sor (whether or not incorporated), or

7                   “(II) covered only one or more  
8                   partners (or partners and their  
9                   spouses) in the plan sponsor.”.

10           (b) AMENDMENTS RELATED TO SECTION 902.—

11                   (1) Section 401(k)(13)(D)(i)(I) of the 1986  
12                   Code is amended by striking “such compensation as  
13                   exceeds 1 percent but does not” and inserting “such  
14                   contributions as exceed 1 percent but do not”.

15                   (2) Sections 401(k)(8)(E) and 411(a)(3)(G) of  
16                   the 1986 Code are each amended—

17                           (A) by striking “an erroneous automatic  
18                           contribution” and inserting “a permissible with-  
19                           drawal”, and

20                           (B) by striking “ERRONEOUS AUTOMATIC  
21                           CONTRIBUTION” in the heading and inserting  
22                           “PERMISSIBLE WITHDRAWAL”.

23                   (3) Section 402(g)(2)(A)(ii) of the 1986 Code is  
24                   amended by inserting “through the end of such tax-  
25                   able year” after “such amount”.

1           (4) Section 414(w)(3) of the 1986 Code is  
2 amended—

3           (A) in subparagraph (B), by inserting  
4 “and” after the comma at the end,

5           (B) by striking subparagraph (C), and

6           (C) by redesignating subparagraph (D) as  
7 subparagraph (C).

8           (5) Section 414(w)(5) of the 1986 Code is  
9 amended by striking “and” at the end of subpara-  
10 graph (B), by striking the period at the end of sub-  
11 paragraph (C) and inserting a comma, and by add-  
12 ing at the end the following:

13           “(D) a simplified employee pension the  
14 terms of which provide for a salary reduction  
15 arrangement described in section 408(k)(6),  
16 and

17           “(E) a simple retirement account (as de-  
18 fined in section 408(p)).”.

19           (6) Section 414(w)(6) of the 1986 Code is  
20 amended by inserting “or for purposes of applying  
21 the limitation under section 402(g)(1)” before the  
22 period at the end.

23 (c) AMENDMENTS RELATED TO SECTION 903.—

24           (1) AMENDMENT OF 1986 CODE.—Section  
25 414(x)(1) of the 1986 Code is amended by adding

1 at the end of paragraph (1) the following new sen-  
2 tence: “In the case of a termination of the defined  
3 benefit plan and the applicable defined contribution  
4 plan forming part of an eligible combined plan, the  
5 plan administrator shall terminate each such plan  
6 separately.”

7 (2) AMENDMENTS OF ERISA.—Section 210(e)  
8 of ERISA is amended—

9 (A) by adding at the end of paragraph (1)  
10 the following new sentence: “In the case of a  
11 termination of the defined benefit plan and the  
12 applicable defined contribution plan forming  
13 part of an eligible combined plan, the plan ad-  
14 ministrator shall terminate each such plan sep-  
15 arately.”, and

16 (B) by striking paragraph (3) and by re-  
17 designating paragraphs (4), (5), and (6) as  
18 paragraphs (3), (4), and (5), respectively.

19 (d) AMENDMENTS RELATED TO SECTION 906.—

20 (1) Section 906(b)(1)(B)(ii) of the 2006 Act is  
21 amended by striking “paragraph (1)” and inserting  
22 “paragraph (10)”.

23 (2) Section 4021(b) of ERISA is amended by  
24 inserting “or” at the end of paragraph (12), by

1 striking “; or” at the end of paragraph (13) and in-  
2 serting a period, and by striking paragraph (14).

3 **SEC. 110. AMENDMENTS RELATED TO TITLE X.**

4 (a) AMENDMENTS TO RAILROAD RETIREMENT  
5 ACT.—

6 (1) Section 14(b) of the Railroad Retirement  
7 Act of 1974 (45 U.S.C. 231m(b)) is amended by  
8 adding at the end the following:

9 “(3)(A) Payments made pursuant to paragraph  
10 (2) of this subsection shall not require that the em-  
11 ployee be entitled to an annuity under section  
12 2(a)(1) of this Act: Provided, however, That where  
13 an employee is not entitled to such an annuity, pay-  
14 ments made pursuant to paragraph (2) may not  
15 begin before the month in which the following three  
16 conditions are satisfied:

17 “(i) The employee has completed ten years  
18 of service in the railroad industry or, five years  
19 of service all of which accrues after December  
20 31, 1995.

21 “(ii) The spouse or former spouse attains  
22 age 62.

23 “(iii) The employee attains age 62 (or if  
24 deceased, would have attained age 62).

1           “(B) Payments made pursuant to paragraph  
2           (2) of this subsection shall terminate upon the death  
3           of the spouse or former spouse, unless the court doc-  
4           ument provides for termination at an earlier date.  
5           Notwithstanding the language in a court order, that  
6           portion of payments made pursuant to paragraph  
7           (2) which represents payments computed pursuant  
8           to section 3(f)(2) of this Act shall not be paid after  
9           the death of the employee.

10           “(C) If the employee is not entitled to an annu-  
11           ity under section 2(a)(1) of this Act, payments made  
12           pursuant to paragraph (2) of this subsection shall be  
13           computed as though the employee were entitled to  
14           an annuity.”.

15           (2) Subsection (d) of section 5 of the Railroad  
16           Retirement Act (45 U.S.C. 231d) is repealed.

17           (b) EFFECTIVE DATES.—

18           (1) SUBSECTION (a)(1).—The amendment  
19           made by subsection (a)(1) shall apply with respect to  
20           payments due for months after August 2007. If,  
21           prior to the effective date of such amendment, pay-  
22           ment pursuant to paragraph (2) of section 14(b) of  
23           the Railroad Retirement Act of 1974 (45 U.S.C.  
24           231m(b)) was terminated because of the employee’s

1 death, payment to the former spouse may be rein-  
2 stated for months after August 2007.

3 (2) SUBSECTION (a)(2).—The amendment  
4 made by subsection (a)(2) shall take effect upon the  
5 date of the enactment of this Act.

6 **SEC. 111. AMENDMENTS RELATED TO TITLE XI.**

7 (a) AMENDMENT RELATED TO SECTION 1104.—Sec-  
8 tion 1104(d)(1) of the 2006 Act is amended by striking  
9 “Act” the first place it appears and inserting “section”.

10 (b) AMENDMENTS RELATED TO SECTION 1105.—  
11 Section 3304(a) of the 1986 Code is amended—

12 (1) in paragraph (15)—

13 (A) by redesignating clauses (i) and (ii) of  
14 subparagraph (A) as subclauses (I) and (II),

15 (B) by redesignating subparagraphs (A)  
16 and (B) as clauses (i) and (ii),

17 (C) by striking the semicolon at the end of  
18 clause (ii) (as so redesignated) and inserting “,  
19 and”,

20 (D) by striking “(15)” and inserting  
21 “(15)(A) subject to subparagraph (B),”, and

22 (E) by adding at the end the following:

23 “(B) the amount of compensation shall not  
24 be reduced on account of any payments of gov-  
25 ernmental or other pensions, retirement or re-

1           tired pay, annuity, or other similar payments  
2           which are not includible in the gross income of  
3           the individual for the taxable year in which it  
4           was paid because it was part of a rollover dis-  
5           tribution;”, and

6           (2) by striking the last sentence.

7           (c) AMENDMENTS RELATED TO SECTION 1106.—  
8           Section 3(37)(G) of ERISA is amended by—

9           (1) striking “paragraph” each place it appears  
10          in clauses (ii), (iii), and (v)(I) and inserting “sub-  
11          paragraph”,

12          (2) striking “subclause (i)(II)” in clause (iii)  
13          and inserting “clause (i)(II)”,

14          (3) striking “subparagraph” in clause (v)(II)  
15          and inserting “clause”, and

16          (4) by striking “section 101(b)(4)” in clause  
17          (v)(III) and inserting “section 101(b)(1)”.

18   **SEC. 112. EFFECTIVE DATE.**

19           Except as otherwise provided in this title, the amend-  
20          ments made by this title shall take effect as if included  
21          in the provisions of the 2006 Act to which the amend-  
22          ments relate.

1     **TITLE II—OTHER PROVISIONS**

2     **SEC. 201. AMENDMENTS RELATED TO SECTIONS 102 AND**  
3                     **112 OF THE PENSION PROTECTION ACT OF**  
4                     **2006.**

5             (a) AMENDMENT OF ERISA.—The last sentence of  
6 section 303(g)(3)(B) of ERISA is amended to read as fol-  
7 lows: “Any such averaging shall be adjusted for contribu-  
8 tions, distributions, and expected earnings (as determined  
9 by the plan’s actuary on the basis of an assumed earnings  
10 rate specified by the actuary but not in excess of the third  
11 segment rate applicable under subsection (h)(2)(C)(iii)),  
12 as specified by the Secretary of the Treasury.”.

13             (b) AMENDMENT OF 1986 CODE.—The last sentence  
14 of section 430(g)(3)(B) of the 1986 Code is amended to  
15 read as follows: “Any such averaging shall be adjusted for  
16 contributions, distributions, and expected earnings (as de-  
17 termined by the plan’s actuary on the basis of an assumed  
18 earnings rate specified by the actuary but not in excess  
19 of the third segment rate applicable under subsection  
20 (h)(2)(C)(iii)), as specified by the Secretary.”.

21             (c) EFFECTIVE DATE.—The amendments made by  
22 this section shall take effect as if included in the provisions  
23 of the 2006 Act to which the amendments relate.

1 **SEC. 202. MODIFICATION OF INTEREST RATE ASSUMPTION**  
2 **REQUIRED WITH RESPECT TO CERTAIN**  
3 **SMALL EMPLOYER PLANS.**

4 (a) IN GENERAL.—Subparagraph (E) of section  
5 415(b)(2) of the 1986 Code (relating to limitation on cer-  
6 tain assumptions) is amended by adding at the end the  
7 following new clause:

8 “(vi) In the case of a plan maintained  
9 by an eligible employer (as defined in sec-  
10 tion 408(p)(2)(C)(i)), clause (ii) shall be  
11 applied without regard to subclause (II)  
12 thereof.”

13 (b) EFFECTIVE DATE.—The amendment made by  
14 this section shall apply to years beginning after December  
15 31, 2007.

16 **SEC. 203. DETERMINATION OF MARKET RATE OF RETURN**  
17 **FOR GOVERNMENTAL PLANS.**

18 (a) AMENDMENT OF ADEA.—Section  
19 4(i)(10)(B)(i)(III) of the Age Discrimination in Employ-  
20 ment Act of 1967 (29 U.S.C. 623(i)(10)(B)(i)(III)) is  
21 amended by adding at the end the following: “In the case  
22 of a governmental plan (as defined in the first sentence  
23 of section 414(d) of the Internal Revenue Code of 1986),  
24 a rate of return or a method of crediting interest estab-  
25 lished pursuant to any provision of Federal, State, or local  
26 law (including any administrative rule or policy adopted

1 in accordance with any such law) shall be treated as a  
2 market rate of return for purposes of subclause (I) and  
3 a permissible method of crediting interest for purposes of  
4 meeting the requirements of subclause (I), except that this  
5 sentence shall only apply to a rate of return or method  
6 of crediting interest if such rate or method does not violate  
7 any other requirement of this Act.”.

8 (b) EFFECTIVE DATE.—The amendment made by  
9 this section shall take effect as if included in the provisions  
10 of the Pension Protection Act of 2006 to which such  
11 amendment relates.

12 **SEC. 204. TREATMENT OF CERTAIN REIMBURSEMENTS**  
13 **FROM GOVERNMENTAL PLANS FOR MEDICAL**  
14 **CARE.**

15 (a) IN GENERAL.—Section 105 of the 1986 Code (re-  
16 lating to amounts received under accident and health  
17 plans) is amended by adding at the end the following new  
18 subsection:

19 “(j) SPECIAL RULE FOR CERTAIN GOVERNMENTAL  
20 PLANS.—

21 “(1) IN GENERAL.—For purposes of subsection  
22 (b), amounts paid (directly or indirectly) to the tax-  
23 payer from an accident or health plan described in  
24 paragraph (2) shall not fail to be excluded from  
25 gross income solely because such plan, on or before

1 January 1, 2008, provides for reimbursements of  
2 health care expenses of a deceased plan participant's  
3 beneficiary.

4 “(2) PLAN DESCRIBED.—An accident or health  
5 plan is described in this paragraph if such plan is  
6 funded by a medical trust that is established in con-  
7 nection with a public retirement system and that—

8 “(A) has been authorized by a State legis-  
9 lature, or

10 “(B) has received a favorable ruling from  
11 the Internal Revenue Service that the trust's in-  
12 come is not includible in gross income under  
13 section 115.”.

14 (b) EFFECTIVE DATE.—The amendment made by  
15 subsection (a) shall apply to payments before, on, or after  
16 the date of the enactment of this Act.

17 **SEC. 205. ROLLOVER OF AMOUNTS RECEIVED IN AIRLINE**  
18 **CARRIER BANKRUPTCY TO ROTH IRAS.**

19 (a) GENERAL RULE.—If a qualified airline employee  
20 receives any airline payment amount and transfers any  
21 portion of such amount to a Roth IRA within 180 days  
22 of receipt of such amount (or, if later, within 180 days  
23 of the date of the enactment of this Act), then such  
24 amount (to the extent so transferred) shall be treated as  
25 a qualified rollover contribution described in section

1 408A(e) of the Internal Revenue Code of 1986, and the  
2 limitations described in section 408A(c)(3) of such Code  
3 shall not apply to any such transfer.

4 (b) DEFINITIONS AND SPECIAL RULES.—For pur-  
5 poses of this section—

6 (1) AIRLINE PAYMENT AMOUNT.—

7 (A) IN GENERAL.—The term “airline pay-  
8 ment amount” means any payment of any  
9 money or other property which is payable by a  
10 commercial passenger airline carrier to a quali-  
11 fied airline employee—

12 (i) under the approval of an order of  
13 a Federal bankruptcy court in a case filed  
14 after September 11, 2001, and before Jan-  
15 uary 1, 2007, and

16 (ii) in respect of the qualified airline  
17 employee’s interest in a bankruptcy claim  
18 against the carrier, any note of the carrier  
19 (or amount paid in lieu of a note being  
20 issued), or any other fixed obligation of the  
21 carrier to pay a lump sum amount.

22 The amount of such payment shall be deter-  
23 mined without regard to any requirement to de-  
24 duct and withhold tax from such payment  
25 under sections 3102(a) and 3402(a).

1           (B) EXCEPTION.—An airline payment  
2           amount shall not include any amount payable  
3           on the basis of the carrier’s future earnings or  
4           profits.

5           (2) QUALIFIED AIRLINE EMPLOYEE.—The term  
6           “qualified airline employee” means an employee or  
7           former employee of a commercial passenger airline  
8           carrier who was a participant in a defined benefit  
9           plan maintained by the carrier which—

10           (A) is a plan described in section 401(a) of  
11           the Internal Revenue Code of 1986 which in-  
12           cludes a trust exempt from tax under section  
13           501(a) of such Code, and

14           (B) was terminated or became subject to  
15           the restrictions contained in paragraphs (2) and  
16           (3) of section 402(b) of the Pension Protection  
17           Act of 2006.

18           (3) REPORTING REQUIREMENTS.—If a commer-  
19           cial passenger airline carrier pays 1 or more airline  
20           payment amounts, the carrier shall, within 90 days  
21           of such payment (or, if later, within 90 days of the  
22           date of the enactment of this Act), report—

23           (A) to the Secretary of the Treasury, the  
24           names of the qualified airline employees to  
25           whom such amounts were paid, and

1 (B) to the Secretary and to such employ-  
2 ees, the years and the amounts of the pay-  
3 ments.

4 Such reports shall be in such form, and contain such  
5 additional information, as the Secretary may pre-  
6 scribe.

7 (c) EFFECTIVE DATE.—This section shall apply to  
8 transfers made after the date of the enactment of this Act  
9 with respect to airline payment amounts paid before, on,  
10 or after such date.

11 **SEC. 206. MODIFICATION OF PENALTY FOR FAILURE TO**  
12 **FILE PARTNERSHIP RETURNS.**

13 Section 6698 of the 1986 Code is amended by adding  
14 at the end the following new subsection:

15 “(e) MODIFICATIONS.—In the case of any return re-  
16 quired to be filed after December 31, 2008, the dollar  
17 amount in effect under subsection (b)(1) shall be increased  
18 by \$4.”.

19 **SEC. 207. MODIFICATION OF PENALTY FOR FAILURE TO**  
20 **FILE S CORPORATION RETURNS.**

21 Section 6699 of the 1986 Code is amended by adding  
22 at the end the following new subsection:

23 “(e) MODIFICATIONS.—In the case of any return re-  
24 quired to be filed after December 31, 2008, the dollar

1 amount in effect under subsection (b)(1) shall be increased  
2 by \$4.”.

Passed the House of Representatives July 9, 2008.

Attest:                   LORRAINE C. MILLER,  
*Clerk.*