

110TH CONGRESS
1ST SESSION

H. R. 3361

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

IN THE HOUSE OF REPRESENTATIVES

AUGUST 3, 2007

Mr. RANGEL (for himself, Mr. GEORGE MILLER of California, Mr. MCCRERY, and Mr. MCKEON) introduced the following bill; which was referred to the Committee on Ways and Means, and in addition to the Committee on Education and Labor, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

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

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; REFERENCES TO ACTS.**

4 (a) IN GENERAL.—This Act may be cited as the
5 “Pension Protection Technical Corrections Act of 2007”.

6 (b) REFERENCES TO ACTS.—For purposes of this
7 Act—

1 (1) AMENDMENT OF 1986 CODE.—The term
2 “1986 Code” means the Internal Revenue Code of
3 1986.

4 (2) AMENDMENT OF ERISA.—The term
5 “ERISA” means the Employee Retirement Income
6 Security Act of 1974.

7 (3) 2006 ACT.—The term “2006 Act” means
8 the Pension Protection Act of 2006.

9 **SEC. 2. AMENDMENTS RELATED TO TITLE I.**

10 (a) AMENDMENTS RELATED TO SECTIONS 101 AND
11 111.—

12 (1) AMENDMENTS TO ERISA.—

13 (A) Clause (i) of section 302(c)(1)(A) of
14 ERISA is amended by striking “the plan is”
15 and inserting “the plan are”.

16 (B) Section 302(c)(7) of ERISA is amend-
17 ed by inserting “which reduces the accrued ben-
18 efit of any participant” after “subsection
19 (d)(2)” in subparagraph (A).

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

22 (2) AMENDMENTS TO 1986 CODE.—

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

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

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

7 (b) AMENDMENTS RELATED TO SECTIONS 102 AND
8 112.—

9 (1) AMENDMENTS TO ERISA.—

10 (A) Section 303(c)(5)(B)(iii) of ERISA is
11 amended by inserting “beginning” before “after
12 2008”.

13 (B) Section 303(c)(5)(B)(iv)(II) of ERISA
14 is amended by inserting “for such year” after
15 “beginning in 2007”).

16 (C) Section 303(f)(4)(A) of ERISA is
17 amended by striking “paragraph (2)” and in-
18 serting “paragraph (3)”.

19 (D) Section 303(h)(2)(F) of ERISA is
20 amended—

21 (i) by striking “section
22 205(g)(3)(B)(iii)(I) for such month” and
23 inserting “section 205(g)(3)(B)(iii)(I) for
24 such month)”, and

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

3 (E) The last sentence of section
4 303(i)(4)(B) of ERISA is amended by striking
5 “subparagraph (A)(ii)” and inserting “subpara-
6 graph (A)”.

7 (F) Section 303(j)(3) of ERISA—

8 (i) is amended by adding at the end of
9 subparagraph (A) the following new sen-
10 tence: “In the case of plan years beginning
11 in 2008, the funding shortfall for the pre-
12 ceding plan year may be determined using
13 such methods of estimation as the Sec-
14 retary of the Treasury may provide.”,

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

17 “(iii) PLAN WITH ALTERNATE VALU-
18 ATION DATE.—The Secretary of the Treas-
19 ury shall prescribe regulations for the ap-
20 plication of this paragraph in the case of
21 a plan which has a valuation date other
22 than the first day of the plan year.”, and

23 (iii) by striking “AND SHORT YEARS”
24 in the heading of subparagraph (E) and

1 inserting “, SHORT YEARS, AND YEARS
2 WITH ALTERNATE VALUATION DATE”.

3 (G) Section 303(k)(6)(B) of ERISA is
4 amended by striking “, except” and all that fol-
5 lows and inserting a period.

6 (2) AMENDMENTS TO 1986 CODE.—

7 (A) Section 430(c)(5)(B)(iii) of the 1986
8 Code is amended by inserting “beginning” be-
9 fore “after 2008”.

10 (B) Section 430(c)(5)(B)(iv)(II) of the
11 1986 Code is amended by inserting “for such
12 year” after “beginning in 2007”.

13 (C) Section 430(f) of the 1986 Code is
14 amended—

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

18 (ii) by striking “paragraph (2)” in
19 paragraph (4)(A) and inserting “para-
20 graph (3)”,

21 (iii) by striking “paragraph (1), (2),
22 or (4) of section 206(g)” in paragraph
23 (6)(B)(iii) and inserting “subsection (b),
24 (c), or (e) of section 436”,

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

3 (v) by striking “of the Treasury” in
4 paragraph (8).

5 (D) Section 430(h)(2) of the 1986 Code is
6 amended—

7 (i) by inserting “and target normal
8 cost” after “funding target” in subpara-
9 graph (B),

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

12 (iii) by striking “section
13 417(e)(3)(D)(i) for such month” in sub-
14 paragraph (F) and inserting “section
15 417(e)(3)(D)(i) for such month”, and

16 (iv) by striking “subparagraph (B)”
17 in subparagraph (F) and inserting “sub-
18 paragraph (C)”.

19 (E) The last sentence of section
20 430(i)(4)(B) of the 1986 Code is amended by
21 striking “subparagraph (A)(ii)” and inserting
22 “subparagraph (A)”.

23 (F) Section 430(j)(3) of the 1986 Code is
24 amended—

1 (i) by adding at the end of subpara-
2 graph (A) the following new sentence: “In
3 the case of plan years beginning in 2008,
4 the funding shortfall for the preceding plan
5 year may be determined using such meth-
6 ods of estimation as the Secretary may
7 provide.”,

8 (ii) by striking “section 302(c)” in
9 subparagraph (D)(ii)(II) and inserting
10 “section 412(c)”,

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

13 “(iii) PLAN WITH ALTERNATE VALU-
14 ATION DATE.—The Secretary shall pre-
15 scribe regulations for the application of
16 this paragraph in the case of a plan which
17 has a valuation date other than the first
18 day of the plan year.”, and

19 (iv) by striking “AND SHORT YEARS”
20 in the heading of subparagraph (E) and
21 inserting “, SHORT YEARS, AND YEARS
22 WITH ALTERNATE VALUATION DATE”.

23 (G) Section 430(k) of the 1986 Code is
24 amended—

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

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

7 (c) AMENDMENTS RELATED TO SECTIONS 103 AND
8 113.—

9 (1) AMENDMENTS TO ERISA.—

10 (A) Section 206(g)(1)(B)(ii) of ERISA is
11 amended by striking “a funding” and inserting
12 “an adjusted funding”.

13 (B) The heading for section 206(g)(1)(C)
14 of ERISA is amended by inserting “BENEFIT”
15 after “EVENT”.

16 (C) Section 206(g)(3)(E) of ERISA is
17 amended by adding at the end the following
18 new flush sentence:

19 “Such term shall not include the payment of a
20 benefit which under section 203(e) may be im-
21 mediately distributed without the consent of the
22 participant.”.

23 (D) Section 206(g)(5)(A)(iv) of ERISA is
24 amended by inserting “adjusted” before “fund-
25 ing”.

1 (E) Section 206(g)(9)(C) of ERISA is
2 amended—

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

5 (ii) in clause (iii)—

6 (I) by striking “without regard to
7 this subparagraph” and inserting
8 “without regard to the reduction in
9 the value of assets under section
10 303(f)(4)”, and

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

13 (F) Section 206(g) of ERISA is amended
14 by redesignating paragraph (10) as paragraph
15 (11) and by inserting after paragraph (9) the
16 following new paragraph:

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

1 (G) Section 101(j)(2) of ERISA is amend-
2 ed by striking “section 206(g)(4)(B)” and in-
3 serting “section 206(g)(4)(A)”.

4 (H) Section 502(c)(4) of ERISA is amend-
5 ed by striking “subsection (j) or (k) of section
6 101 or 302(b)(7)(F)(iv)” and inserting “sub-
7 section (j), (k), or (l) of section 101 or section
8 514(e)(3)”.

9 (2) AMENDMENTS TO 1986 CODE.—

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

12 (i) by striking “section 303” and in-
13 serting “section 430” in the matter pre-
14 ceding subparagraph (A), and

15 (ii) by striking “a funding” and in-
16 serting “an adjusted funding” in subpara-
17 graph (B).

18 (B) Section 436(b)(3) of the 1986 Code is
19 amended—

20 (i) by inserting “BENEFIT” after
21 “EVENT” in the heading, and

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

1 (C) Section 436(d)(5) of the 1986 Code is
2 amended by adding at the end the following
3 new flush sentence:

4 “Such term shall not include the payment of a ben-
5 efit which under section 411(a)(11) may be imme-
6 diately distributed without the consent of the partici-
7 pant.”.

8 (D) Section 436(f) of the 1986 Code is
9 amended—

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

12 (ii) by striking “prefunding balance
13 under section 430(f) or funding standard
14 carryover balance” in paragraph (2) and
15 inserting “prefunding balance or funding
16 standard carryover balance under section
17 430(f)”.

18 (E) Section 436(j)(3) of the 1986 Code is
19 amended—

20 (i) in subparagraph (A)—

21 (I) by striking “without regard to
22 this paragraph and”,

23 (II) by striking “section
24 430(f)(4)(A)” and inserting “section
25 430(f)(4)”, and

1 (III) by striking “paragraph (1)”
2 and inserting “paragraphs (1) and
3 (2)”, and

4 (ii) in subparagraph (C)—

5 (I) by striking “without regard to
6 this paragraph” and inserting “with-
7 out regard to the reduction in the
8 value of assets under section
9 430(f)(4)”, and

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

12 (F) Section 436 of the 1986 Code is
13 amended by redesignating subsection (k) as
14 subsection (m) and by inserting after subsection
15 (j) the following new subsections:

16 “(k) SECRETARIAL AUTHORITY FOR PLANS WITH
17 ALTERNATE VALUATION DATE.—In the case of a plan
18 which has designated a valuation date other than the first
19 day of the plan year, the Secretary may prescribe rules
20 for the application of this section which are necessary to
21 reflect the alternate valuation date.

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

25 (3) AMENDMENTS TO 2006 ACT.—

1 (A) Section 103(b) of the 2006 Act is
2 amended by adding at the end the following:

3 “(3) ADMINISTRATIVE PROVISION.—The Sec-
4 retary of the Treasury, in consultation with the Sec-
5 retary of Labor, shall have the authority to prescribe
6 rules applicable to the notices required under section
7 101(j) of the Employee Retirement Income Security
8 Act of 1974 (as added by this section).”.

9 (B) Sections 103(c)(2)(A)(ii) and
10 113(b)(2)(A)(ii) of the 2006 Act are each
11 amended—

12 (i) by striking “subsection” and in-
13 serting “section”, and

14 (ii) by striking “subparagraph” and
15 inserting “paragraph”.

16 (C) Section 502(b)(2) of the 2006 Act, and
17 the amendment made by such section, are re-
18 pealed.

19 (D) Section 902(f)(2) of the 2006 Act, and
20 the amendment made by such section, are re-
21 pealed.

22 (d) AMENDMENTS RELATED TO SECTIONS 107 AND
23 114.—

24 (1) AMENDMENTS TO ERISA.—Section 103(d)
25 of ERISA is amended—

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

5 (B) by striking paragraph (7) and insert-
6 ing the following new paragraph:

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

12 (2) AMENDMENTS TO 1986 CODE.—

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

16 (B) Section 401(a)(32)(C) of the 1986
17 Code is amended—

18 (i) by striking “section 430(j)” and
19 inserting “section 430(j)(3)”, and

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

22 (C) Section 401(a)(33) of the 1986 Code is
23 amended—

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

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

9 (D) Section 411 of the 1986 Code is
10 amended—

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

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

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

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

22 (F) Section 4971 of the 1986 Code is
23 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. 3. 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 305(b)(3)(C) of ERISA is
12 amended by striking “section 101(b)(4)” and
13 inserting “section 101(b)(1)”.

14 (B) Section 305(b)(3)(D) of ERISA is
15 amended by striking “The Secretary” in clause
16 (iii) and inserting “The Secretary of the Treas-
17 ury, in consultation with the Secretary”.

18 (C) Section 305(e)(7) of ERISA is amend-
19 ed—

20 (i) by striking “to agree on” and all
21 that follows in subparagraph (A)(ii) and
22 inserting “to adopt a contribution schedule
23 with terms consistent with the funding im-
24 provement plan and a schedule from the
25 plan sponsor,” and

1 (ii) by striking subparagraph (B) and
2 inserting the following new subparagraph:

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

8 (iii) by adding at the end the fol-
9 lowing new subparagraph:

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

16 (D) Section 305(e) of ERISA is amend-
17 ed—

18 (i) in paragraph (3)(C)—

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

1 (II) by striking clause (ii) and in-
2 serting the following new clause:

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

8 (III) by adding at the end the
9 following new clause:

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

17 (ii) in paragraph (4)—

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

20 (II) by striking “and taking” in
21 subparagraph (B) and inserting “but
22 taking”,

23 (iii) in paragraph (6)—

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

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

6 (iv) in paragraph (8)(C)(iii)—

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

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

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

18 (E) Section 305(f)(2)(A)(i) of ERISA is
19 amended by inserting “to a participant or bene-
20 ficiary whose annuity starting date (as defined
21 in section 205(h)(2)) occurs after such date,”
22 after the comma at the end.

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

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

3 (G) Section 302(b)(3) of ERISA is amend-
4 ed by striking “the plan adopts” and inserting
5 “the plan sponsor adopts”.

6 (H) Section 502(c)(2) of ERISA is amend-
7 ed by striking “101(b)(4)” and inserting
8 “101(b)(1)”.

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

12 (2) AMENDMENTS TO 1986 CODE.—

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

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

20 (C) Section 432(e) of the 1986 Code is
21 amended—

22 (i) in paragraph (3), by striking “sec-
23 tion 304(d)” in subparagraph (A)(ii) and
24 inserting “section 431(d)”, and

25 (ii) in paragraph (7)—

1 (I) by striking “to agree on” and
2 all that follows in subparagraph
3 (A)(ii) and inserting “to adopt a con-
4 tribution schedule with terms con-
5 sistent with the funding improvement
6 plan and a schedule from the plan
7 sponsor,” and

8 (II) by striking subparagraph (B)
9 and inserting the following new sub-
10 paragraph:

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

16 (D) Section 432(e) of the 1986 Code is
17 amended—

18 (i) in paragraph (3)(C)—

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

1 (II) by striking clause (ii) and in-
2 sserting the following new clause:

3 “(ii) DATE OF IMPLEMENTATION.—

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

8 (ii) in paragraph (4)—

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

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

14 (iii) in paragraph (6)—

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

18 (II) by striking “established” and
19 inserting “establish”,

20 (iv) in paragraph (8)—

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

24 (II) by inserting “of the Em-
25 ployee Retirement Income Security

1 Act of 1974” after “4212(a)” in sub-
2 paragraph (C)(i)(II),

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

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

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

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

18 (i) by striking “section 411(b)(1)(A)”
19 and inserting “section 411(a)(9)”, and

20 (ii) by inserting “to a participant or
21 beneficiary whose annuity starting date (as
22 defined in section 417(f)(2)) occurs after
23 such date,” after the comma at the end.

24 (F) Section 432(g) of the 1986 Code is
25 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. 4. 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) AMENDMENT TO 1986 CODE.—Section
18 417(e)(3)(D)(i) of the 1986 Code is amended by
19 striking “clause (ii)” and inserting “subparagraph
20 (C)”.

21 **SEC. 5. AMENDMENTS RELATED TO TITLE IV.**

22 (a) AMENDMENT RELATED TO SECTION 401.—Sec-
23 tion 4006(a)(3)(A)(i) of ERISA is amended by striking
24 “1990” and inserting “2005”.

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

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

7 (d) AMENDMENTS RELATED TO SECTION 409.—

8 (1) Section 4041(b)(5)(A) of ERISA is amend-
9 ed by striking “subparagraph (B)” and inserting
10 “subparagraphs (B) and (D)”.

11 (2) Section 4041(b)(5)(D) of ERISA is amend-
12 ed by striking “after” and inserting “before”.

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

15 (1) by striking “and” at the end of clause (i),
16 and

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

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

22 “(iii) which, was a plan described in
23 section 401(a) of the Internal Revenue
24 Code of 1986 which includes a trust ex-

1 empt from tax under section 501(a) of
2 such Code, and”.

3 **SEC. 6. AMENDMENTS RELATED TO TITLE V.**

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

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

10 (2) in subclause (II)—

11 (A) by inserting “, determined in the same
12 manner as under section 304 (and in the case
13 of assets, also in the same manner as under
14 subclause (I)(bb)),” after “assets and liabil-
15 ities”, and

16 (B) by striking “as the last day of such
17 plan year”.

18 (b) AMENDMENTS RELATED TO SECTION 502.—

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

21 “Subparagraph (C)(i) shall not apply to individually
22 identifiable information with respect to any plan in-
23 vestment manager or adviser, or any other person
24 preparing a financial report required to be included
25 under paragraph (1)(B).”.

1 (2) Section 4221 of ERISA is amended by
2 striking subsection (e) and by redesignating sub-
3 sections (f) and (g) as subsections (e) and (f), re-
4 spectively.

5 (c) AMENDMENTS RELATED TO SECTION 503.—

6 (1) AMENDMENTS TO ERISA.—

7 (A) Section 104(b)(3) of ERISA is amend-
8 ed by—

9 (i) striking “section 103(f)” and in-
10 sserting “section 101(f)”, and

11 (ii) striking “the administrators” and
12 inserting “the administrator”.

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

15 (2) AMENDMENTS TO 2006 ACT.—Section
16 503(e) of the 2006 Act is amended by striking “sec-
17 tion 101(f)” and inserting “section 104(d)”.

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

21 (e) AMENDMENTS RELATED TO SECTION 506.—

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

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

3 (A) by striking “and plan sponsor” and in-
4 sserting “, the plan sponsor, or the corporation”,
5 and

6 (B) by striking “subparagraph (A)(i)” and
7 inserting “subparagraph (A)”.

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

10 (1) in paragraph (1)—

11 (A) by striking “regulations prescribed by
12 the Secretary” and inserting “such regulations
13 as the Secretary may prescribe”, and

14 (B) by striking the last sentence and in-
15 sserting “The report required under this para-
16 graph shall be in the same form, and contain
17 the same information, as periodic benefit state-
18 ments under section 105(a).”, and

19 (2) by striking paragraph (2) and inserting the
20 following:

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

1 trator shall maintain the records, and make the re-
2 ports, required by paragraph (1).”

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

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

10 “(i) covered only one individual (or
11 the individual and the individual’s spouse)
12 and the individual (or the individual and
13 the individual’s spouse) owned 100 percent
14 of the plan sponsor (whether or not incor-
15 porated), or

16 “(ii) covered only one or more part-
17 ners (or partners and their spouses) in the
18 plan sponsor.”.

19 **SEC. 7. AMENDMENTS RELATED TO TITLE VI.**

20 (a) AMENDMENTS RELATED TO SECTION 601.—

21 (1) AMENDMENTS TO ERISA.—

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

1 (B) Section 408(g)(11)(A) of ERISA is
2 amended—

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

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

9 (2) AMENDMENTS TO 1986 CODE.—

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

14 (B) Section 4975(f)(8) of the 1986 Code is
15 amended—

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

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

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

25 (iv) in subparagraph (J)(i)—

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

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

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

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

15 (b) AMENDMENTS RELATED TO SECTION 611.—

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

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

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

23 (i) by striking “party in interest” and
24 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 621.—Sec-
16 tion 404(c)(1) of ERISA is amended—

17 (1) by inserting “(or any period that would be
18 a blackout period but for the fact that it is a period
19 of 3 consecutive business days or less)” after “black-
20 out period” in subparagraph (A)(ii), and

21 (2) by inserting the following new sentence at
22 the end of subparagraph (B): “In the case of any
23 period that would be a blackout period but for the
24 fact that it is a period of 3 consecutive business days
25 or less, the preceding sentence shall apply to such

1 period if the person referred to in subparagraph
2 (A)(ii) meets the requirements described in the pre-
3 ceding sentence with respect to such period in the
4 same manner as if it were a blackout period.”

5 (e) AMENDMENTS RELATED TO SECTION 624.—Sec-
6 tion 404(c)(5) of ERISA is amended by striking “partici-
7 pant” each place it appears and inserting “participant or
8 beneficiary”.

9 **SEC. 8. AMENDMENTS RELATED TO TITLE VII.**

10 (1) AMENDMENTS TO ERISA.—

11 (A) Section 204(b)(5) of ERISA is amend-
12 ed—

13 (i) by striking “clause” in subpara-
14 graph (A)(iii) and inserting “subpara-
15 graph”, and

16 (ii) by inserting “otherwise” before
17 “allowable” in subparagraph (C).

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

20 “(B) the requirements of section 204(e) or
21 205(g), or the requirements of subsection (e),
22 with respect to accrued benefits derived from
23 employer contributions,”.

1 (C) Subclause (II) of section
2 204(b)(5)(B)(i) of ERISA is amended to read
3 as follows:

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

15 (2) AMENDMENTS TO 1986 CODE.—

16 (A) Section 411(b)(5) of the 1986 Code is
17 amended—

18 (i) by striking “clause” in subpara-
19 graph (A)(iii) and inserting “subpara-
20 graph”, and

21 (ii) by inserting “otherwise” before
22 “allowable” in subparagraph (C).

23 (B) Section 411(a)(13)(A) of the 1986
24 Code is amended—

1 (i) by striking “paragraph (2)” in
2 clause (i) and inserting “subparagraph
3 (B)”,

4 (ii) by striking clause (ii) and insert-
5 ing the following new clause:

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

11 (iii) by striking “paragraph (3)” in
12 the matter following clause (ii) and insert-
13 ing “subparagraph (C)”.

14 (C) Subclause (II) of section
15 411(b)(5)(B)(i) of the 1986 Code is amended to
16 read as follows:

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

1 gregate amount of contributions cred-
2 ited to the account.”.

3 (3) AMENDMENTS TO 2006 ACT.—

4 (A) Section 701(d)(2) of the 2006 Act is
5 amended by striking “204(g)” and inserting
6 “205(g)”.

7 (B) Section 701(e) of the 2006 Act is
8 amended—

9 (i) by inserting “on or” after “period”
10 in paragraph (3),

11 (ii) in paragraph (4)—

12 (I) by inserting “the earlier of”
13 after “before” in the matter preceding
14 subparagraph (A), and

15 (II) by striking “earlier” and in-
16 serting “later” in subparagraph (A),

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

20 (iv) by adding at the end the following
21 new paragraph:

22 “(6) SPECIAL RULE FOR VESTING REQUIRE-
23 MENTS.—The requirements of section 203(f)(2) of
24 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. 9. 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 803.—
5 Clause (iii) of section 404(a)(7)(C) of the 1986 Code is
6 amended to read as follows:

7 “(iii) LIMITATION.—In the case of
8 employer contributions to 1 or more de-
9 fined contribution plans—

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

21 “(II) if such contributions exceed
22 6 percent of such compensation, this
23 paragraph shall be applied by only
24 taking into account such contributions
25 to the extent of such excess.

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

9 (c) AMENDMENT RELATED TO SECTION 824.—Sec-
10 tion 408A(c)(3)(B) of the 1986 Code, as in effect after
11 the amendments made by section 824(b)(1) of the 2006
12 Act, is amended by striking the second “an” before “eligi-
13 ble”.

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

17 (e) AMENDMENTS RELATED TO SECTION 829.—

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

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

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

1 (2)(A) Section 401(a)(31)(D) of the 1986 Code
2 is amended by adding at the end the following new
3 sentence: “Such term shall include any distribution
4 which is treated as an eligible rollover distribution
5 by reason of section 402(c)(11), 403(a)(4)(B),
6 403(b)(8)(B), or 457(e)(16)(B).”

7 (B) The amendment made by subparagraph (A)
8 shall apply with respect to plan years beginning
9 after December 31, 2007.

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

14 (g) AMENDMENTS RELATED TO SECTION 833.—

15 (1) Section 408A(c)(3)(C) of the 1986 Code, as
16 added by section 833(c) of the 2006 Act, is redesign-
17 nated as subparagraph (E).

18 (2) In the case of taxable years beginning after
19 December 31, 2009, section 408A(c)(3)(E) of the
20 1986 Code (as redesignated by paragraph (1))—

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

22 and

23 (B) is amended by striking “subparagraph
24 (C)(ii)” and inserting “subparagraph (B)(ii)”.

25 (h) AMENDMENTS RELATED TO SECTION 841.—

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

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

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

16 “(iii) any transfer described in section
17 420(f)(2)(B)(ii)(II).”

18 (i) AMENDMENTS RELATED TO SECTION 845.—

19 (1) Subsection (l) of section 402 of the 1986
20 Code is amended—

21 (A) by striking “of the employee, his
22 spouse, or dependents (as defined in section
23 152)” in paragraph (1),

24 (B) in paragraph (4)(D), by—

1 (i) inserting “(as defined in section
2 152)” after “dependents”, and

3 (ii) striking “health insurance plan”
4 and inserting “health plan”, and

5 (C) in paragraph (5)(A), by striking
6 “health insurance plan” and inserting “health
7 plan”.

8 (2) Subparagraph (B) of section 402(l)(3) of
9 the 1986 Code is amended by striking “all amounts
10 distributed from all eligible retirement plans were
11 treated as 1 contract for purposes of determining
12 the inclusion of such distribution under section 72”
13 and inserting “all amounts to the credit of the eligi-
14 ble public safety officer in all eligible retirement
15 plans were distributed during such taxable year and
16 all such plans were treated as 1 contract for pur-
17 poses of determining under section 72 the aggregate
18 amount which would have been so includible”.

19 (j) AMENDMENTS RELATED TO SECTION 854.—

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

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

24 (k) AMENDMENTS RELATED TO SECTION 856.—Sec-
25 tion 856 of the 2006 Act, and the amendments made by

1 such section, are hereby repealed, and the Internal Rev-
2 enue Code of 1986 shall be applied and administered as
3 if such sections and amendments had not been enacted.

4 **SEC. 10. AMENDMENTS RELATED TO TITLE IX.**

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

8 “(iv) ONE-PARTICIPANT RETIREMENT
9 PLAN.—For purposes of clause (iii), the
10 term ‘one-participant retirement plan’
11 means a retirement plan that on the first
12 day of the plan year—

13 “(I) covered only one individual
14 (or the individual and the individual’s
15 spouse) and the individual (or the in-
16 dividual and the individual’s spouse)
17 owned 100 percent of the plan spon-
18 sor (whether or not incorporated), or

19 “(II) covered only one or more
20 partners (or partners and their
21 spouses) in the plan sponsor.”.

22 (b) AMENDMENTS RELATED TO SECTION 902.—

23 (1) Section 401(k)(13)(D)(i)(I) of the 1986
24 Code is amended by striking “such compensation as

1 exceeds 1 percent but does not” and inserting “such
2 contributions as exceed 1 percent but do not”.

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

5 (A) by striking “an erroneous automatic
6 contribution” and inserting “a permissible with-
7 drawal”, and

8 (B) by striking “ERRONEOUS AUTOMATIC
9 CONTRIBUTION” in the heading and inserting
10 “PERMISSIBLE WITHDRAWAL”.

11 (3) Section 402(g)(2)(A)(ii) is amended by in-
12 serting “through the end of such taxable year” after
13 “such amount”.

14 (4) Section 414(w)(3) of the 1986 Code is
15 amended—

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

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

19 (C) by redesignating subparagraph (D) as
20 subparagraph (C).

21 (5) Section 414(w)(5) of the 1986 Code is
22 amended by striking “and” at the end of subpara-
23 graph (B), by striking the period at the end of sub-
24 paragraph (C) and inserting a comma, and by add-
25 ing at the end the following:

1 “(D) a simplified employee pension the
2 terms of which provide for a salary reduction
3 arrangement described in section 408(k)(6),
4 and

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

7 (c) AMENDMENTS RELATED TO SECTION 903.—

8 (1) AMENDMENT OF 1986 CODE.—Section
9 414(x)(1) of the 1986 Code is amended by adding
10 at the end of paragraph (1) the following new sen-
11 tence: “In the case of a termination of the defined
12 benefit plan and the applicable defined contribution
13 plan forming part of an eligible combined plan, the
14 plan administrator shall terminate each such plan
15 separately.”

16 (2) AMENDMENTS OF ERISA.—Section 210(e)
17 of ERISA is amended—

18 (A) by adding at the end of paragraph (1)
19 the following new sentence: “In the case of a
20 termination of the defined benefit plan and the
21 applicable defined contribution plan forming
22 part of an eligible combined plan, the plan ad-
23 ministrator shall terminate each such plan sep-
24 arately.”, and

1 (B) by striking paragraph (3) and by re-
2 designating paragraphs (4), (5), and (6) as
3 paragraphs (3), (4), and (5), respectively.

4 (d) AMENDMENT RELATED TO SECTION 906.—Sec-
5 tion 906(b)(1)(B)(ii) of the 2006 Act is amended by strik-
6 ing “paragraph (1)” and inserting “paragraph (10)”.

7 **SEC. 11. AMENDMENTS RELATED TO TITLE X.**

8 (a) AMENDMENTS TO RAILROAD RETIREMENT
9 ACT.—

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

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

21 “(A) The employee has completed ten
22 years of service in the railroad industry or, five
23 years of service all of which accrues after De-
24 cember 31, 1995.

1 “(B) The spouse or former spouse attains
2 age 62.

3 “(C) The employee attains age 62 (or if
4 deceased, would have attained age 62).

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

14 “(iii) If the employee is not entitled to an annu-
15 ity under section 2(a)(1) of this Act, payments made
16 pursuant to paragraph (2) of this subsection shall be
17 computed as though the employee were entitled to
18 an annuity.”.

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

21 (b) EFFECTIVE DATES.—

22 (1) SUBSECTION (a)(1).—The amendment
23 made by subsection (a)(1) shall apply with respect to
24 payments due for months after August 2007. If,
25 prior to the effective date of such amendment, pay-

1 ment pursuant to paragraph (2) of section 14(b) of
2 the Railroad Retirement Act of 1974 (45 U.S.C.
3 231m(b)) was terminated because of the employee’s
4 death, payment to the former spouse may be rein-
5 stated for months after August 2007.

6 (2) SUBSECTION (a)(2).—The amendment
7 made by subsection (a)(2) shall take effect upon the
8 date of the enactment of this Act.

9 **SEC. 12. AMENDMENTS RELATED TO TITLE XI.**

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

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

15 (1) in paragraph (15)—

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

18 (B) by redesignating subparagraphs (A)
19 and (B) as clauses (i) and (ii),

20 (C) by striking the semicolon at the end of
21 clause (ii) (as so redesignated) and inserting “,
22 and”,

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

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

1 “(B) the amount of compensation shall not
2 be reduced on account of any payments of gov-
3 ernmental or other pensions, retirement or re-
4 tired pay, annuity, or other similar payments
5 which are not includible in the gross income of
6 the individual for the taxable year in which it
7 was paid because it was part of a rollover dis-
8 tribution;”, and

9 (2) by striking the last sentence.

10 (c) AMENDMENTS RELATED TO SECTION 1106.—

11 Section 3(37)(G) of ERISA is amended by—

12 (1) striking “paragraph” each place it appears
13 in clauses (ii), (iii), and (v)(I) and inserting “sub-
14 paragraph”,

15 (2) striking “subclause (i)(II)” in clause (iii)
16 and inserting “clause (i)(II)”,

17 (3) striking “subparagraph” in clause (v)(II)
18 and inserting “clause”, and

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

21 **SEC. 13. AMENDMENT RELATED TO TITLE XII.**

22 Section 408(d)(8)(D) of the 1986 Code is amended
23 by striking “all amounts distributed from all individual re-
24 tirement plans were treated as 1 contract under paragraph
25 (2)(A) for purposes of determining the inclusion of such

1 distribution under section 72” and inserting “all amounts
2 in all individual retirement plans of the individual were
3 distributed during such taxable year and all such plans
4 were treated as 1 contract for purposes of determining
5 under section 72 the aggregate amount which would have
6 been so includible”.

7 **SEC. 14. EFFECTIVE DATE.**

8 Except as otherwise provided in this Act, the amend-
9 ments made by this Act shall take effect as if included
10 in the provisions of the 2006 Act to which the amend-
11 ments relate.

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