

110TH CONGRESS  
1ST SESSION

# S. 1974

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## AN ACT

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,*

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 2007”.

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

15 (a) AMENDMENTS RELATED TO SECTIONS 101 AND  
16 111.—

17 (1) AMENDMENTS TO ERISA.—

18 (A) Clause (i) of section 302(c)(1)(A) of  
19 ERISA is amended by striking “the plan is”  
20 and inserting “the plan are”.

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

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

1 (2) AMENDMENTS TO 1986 CODE.—

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

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

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

11 (b) AMENDMENTS RELATED TO SECTIONS 102 AND  
12 112.—

13 (1) AMENDMENTS TO ERISA.—

14 (A) Section 303(b) of ERISA is amended  
15 to read as follows:

16 “(b) TARGET NORMAL COST.—For purposes of this  
17 section—

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

22 “(A) the sum of—

23 “(i) the present value of all benefits  
24 which are expected to accrue or to be

1           earned under the plan during the plan  
2           year, plus

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

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

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

16                   (B) Section 303(c)(5)(B)(iii) of ERISA is  
17                   amended by inserting “beginning” before “after  
18                   2008”.

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

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

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

3 (i) by striking “section  
4 205(g)(3)(B)(iii)(I) for such month” and  
5 inserting “section 205(g)(3)(B)(iii)(I) for  
6 such month)”, and

7 (ii) by striking “subparagraph (B)”  
8 and inserting “subparagraph (C)”.

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

10 (i) in paragraph (2)—

11 (I) by striking subparagraph (A)  
12 and inserting the following new sub-  
13 paragraph:

14 “(A) the excess of—

15 “(i) the sum of—

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

22 “(II) the amount of plan-related  
23 expenses expected to be paid from  
24 plan assets during the plan year, over

1 “(ii) the amount of mandatory em-  
2 ployee contributions expected to be made  
3 during the plan year, plus”, and

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

12 (ii) by striking “subparagraph (A)(ii)”  
13 in the last sentence of paragraph (4)(B)  
14 and inserting “subparagraph (A)”.

15 (G) Section 303(j)(3) of ERISA—

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

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

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

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

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

14          (2) AMENDMENTS TO 1986 CODE.—

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

17          “(b) TARGET NORMAL COST.—For purposes of this  
 18          section—

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

23                         “(A) the sum of—

24                                 “(i) the present value of all benefits  
 25                                 which are expected to accrue or to be

1           earned under the plan during the plan  
2           year, plus

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

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

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

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

19                   (C) Section 430(c)(5)(B)(iv)(II) of the  
20                   1986 Code is amended by inserting “for such  
21                   year” after “beginning in 2007”.

22                   (D) Section 430(f) of the 1986 Code is  
23                   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. 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(g) of ERISA is amended  
19 by inserting “under subsection (c)” after “fund-  
20 ing improvement plan” the first place it ap-  
21 pears.

22 (F) Section 302(b)(3) of ERISA is amend-  
23 ed by striking “the plan adopts” and inserting  
24 “the plan sponsor adopts”.

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

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

7 (2) AMENDMENTS TO 1986 CODE.—

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

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

15 (C) Section 432(c) of the 1986 Code is  
16 amended—

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

20 (ii) in paragraph (7)—

21 (I) by striking “to agree on” and  
22 all that follows in subparagraph  
23 (A)(ii) and inserting “to adopt a con-  
24 tribution schedule with terms con-  
25 sistent with the funding improvement

1 plan and a schedule from the plan  
2 sponsor,” and

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

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.”.

11 (D) Section 432(e) of the 1986 Code is  
12 amended—

13 (i) in paragraph (3)(C)—

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

21 (II) by striking clause (ii) and in-  
22 serting the following new clause:

23 “(ii) DATE OF IMPLEMENTATION.—  
24 The date specified in this clause is the date  
25 which is 180 days after the date on which

1 the collective bargaining agreement de-  
2 scribed in clause (i) expires.”,  
3 (ii) in paragraph (4)—  
4 (I) by striking “the date of” in  
5 subparagraph (A)(ii), and  
6 (II) by striking “and taking” in  
7 subparagraph (B) and inserting “but  
8 taking”,  
9 (iii) in paragraph (6)—  
10 (I) by striking “paragraph  
11 (1)(B)(i)” and inserting “the last sen-  
12 tence of paragraph (1)”, and  
13 (II) by striking “established” and  
14 inserting “establish”,  
15 (iv) in paragraph (8)—  
16 (I) by striking “section 204(g)”  
17 in subparagraph (A)(i) and inserting  
18 “section 411(d)(6)”,  
19 (II) by inserting “of the Em-  
20 ployee Retirement Income Security  
21 Act of 1974” after “4212(a)” in sub-  
22 paragraph (C)(i)(II),  
23 (III) by striking “the Secretary  
24 of Labor” in subparagraph (C)(iii)(I)  
25 and inserting “the Secretary, in con-

1 sultation with the Secretary of  
2 Labor”, and

3 (IV) by striking “the Secretary of  
4 Labor” in the last sentence of sub-  
5 paragraph (C)(iii) and inserting “the  
6 Secretary”, and

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

11 (E) Section 432(f)(2)(A)(i) of the 1986  
12 Code is amended by striking “section  
13 411(b)(1)(A)” and inserting “section  
14 411(a)(9)”.

15 (F) Section 432(g) of the 1986 Code is  
16 amended by inserting “under subsection (c)”  
17 after “funding improvement plan” the first  
18 place it appears.

19 (G) Section 432(i) of the 1986 Code is  
20 amended—

21 (i) by striking “section 412(a)” in  
22 paragraph (3) and inserting “section  
23 431(a)”, and

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

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

3           “(A) IN GENERAL.—The term ‘plan spon-  
4           sor’ means, with respect to any multiemployer  
5           plan, the association, committee, joint board of  
6           trustees, or other similar group of representa-  
7           tives of the parties who establish or maintain  
8           the plan.

9           “(B) SPECIAL RULE FOR SECTION 404(c)  
10          PLANS.—In the case of a plan described in sec-  
11          tion 404(c) (or a continuation of such plan),  
12          such term means the bargaining parties de-  
13          scribed in paragraph (1).”.

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

17          (I) Section 4971(g)(4) of the 1986 Code is  
18          amended—

19                 (i) in subparagraph (B)(ii), by strik-  
20                 ing “first day of” and inserting “day fol-  
21                 lowing the close of”, and

22                 (ii) by striking clause (ii) of subpara-  
23                 graph (C) and inserting the following new  
24                 clause:

1                   “(ii) PLAN SPONSOR.—For purposes  
2                   of clause (i), the term ‘plan sponsor’ has  
3                   the meaning given such term by section  
4                   432(i)(9).”.

5                   (3) AMENDMENTS TO 2006 ACT.—

6                   (A) Section 212(b)(2) of the 2006 Act is  
7                   amended by striking “Section 4971(c)(2) of  
8                   such Code” and inserting “Section 4971(e)(2)  
9                   of such Code”.

10                  (B) Section 212(e)(1) of the 2006 Act is  
11                  amended by inserting “, except that the amend-  
12                  ments made by subsection (b) shall apply to  
13                  taxable years beginning after 2007, but only  
14                  with respect to plan years beginning after 2007  
15                  which end with or within any such taxable  
16                  year” before the period at the end.

17                  (C) Section 212(e)(2) of the 2006 Act is  
18                  amended by striking “section 305(b)(3) of the  
19                  Employee Retirement Income Security Act of  
20                  1974” and inserting “section 432(b)(3) of the  
21                  Internal Revenue Code of 1986”.

22 **SEC. 4. AMENDMENTS RELATED TO TITLE III.**

23                  (a) AMENDMENT RELATED TO SECTION 301.—  
24                  Clause (ii) of section 101(c)(2)(A) of the Pension Funding  
25                  Equity Act of 2004, as amended by section 301(c) of the

1 2006 Act, is amended by striking “2008” and inserting  
2 “2009”.

3 (b) AMENDMENTS RELATED TO SECTION 302.—

4 (1) AMENDMENT TO ERISA.—Section  
5 205(g)(3)(B)(iii)(II) of ERISA is amended by strik-  
6 ing “section 205(g)(3)(B)(iii)(II)” and inserting  
7 “section 205(g)(3)(A)(ii)(II)”.

8 (2) AMENDMENTS TO 1986 CODE.—

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

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

14 “(v) For purposes of adjusting any  
15 benefit or limitation under subparagraph  
16 (B), (C), or (D), the mortality table used  
17 shall be the applicable mortality table  
18 (within the meaning of section  
19 417(e)(3)(B)).”.

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

21 (a) AMENDMENT RELATED TO SECTION 401.—Sec-  
22 tion 4006(a)(3)(A)(i) of ERISA is amended by striking  
23 “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.—Sec-  
8 tion 4041(b)(5)(A) of ERISA is amended by striking  
9 “subparagraph (B)” and inserting “subparagraphs (B)  
10 and (D)”.

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

13 (1) by striking “and” at the end of clause (i),  
14 and

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

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

20 “(iii) which, was a plan described in  
21 section 401(a) of the Internal Revenue  
22 Code of 1986 which includes a trust ex-  
23 empt from tax under section 501(a) of  
24 such Code, and”.

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

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

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

8 (2) by striking subclause (II) and inserting the  
9 following new subclause:

10 “(II) in the case of a multiem-  
11 ployer plan, a statement, for the plan  
12 year to which the notice relates and  
13 the preceding 2 plan years, of the  
14 value of the plan assets (determined  
15 both in the same manner as under  
16 section 304 and under the rules of  
17 subclause (I)(bb)) and the value of the  
18 plan liabilities (determined in the  
19 same manner as under section 304 ex-  
20 cept that the method specified in sec-  
21 tion 305(i)(8) shall be used),”.

22 (b) AMENDMENTS RELATED TO SECTION 502.—

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

25 “Subparagraph (C)(i) shall not apply to individually  
26 identifiable information with respect to any plan in-

1 vestment manager or adviser, or with respect to any  
 2 other person (other than an employee of the plan)  
 3 preparing a financial report required to be included  
 4 under paragraph (1)(B).”.

5 (2) Section 4221 of ERISA is amended by  
 6 striking subsection (e) and by redesignating sub-  
 7 sections (f) and (g) as subsections (e) and (f), re-  
 8 spectively.

9 (c) AMENDMENTS RELATED TO SECTION 503.—

10 (1) AMENDMENTS TO ERISA.—

11 (A) Section 104(b)(3) of ERISA is amend-  
 12 ed by—

13 (i) striking “section 103(f)” and in-  
 14 serting “section 101(f)”, and

15 (ii) striking “the administrators” and  
 16 inserting “the administrator”.

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

19 (2) AMENDMENTS TO 2006 ACT.—Section  
 20 503(e) of the 2006 Act is amended by striking “sec-  
 21 tion 101(f)” and inserting “section 104(d)”.

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

25 (e) AMENDMENTS RELATED TO SECTION 506.—

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

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

7                 (A) by striking “and plan sponsor” and in-  
8 serting “, the plan sponsor, or the corporation”,  
9 and

10                (B) by striking “subparagraph (A)(i)” and  
11 inserting “subparagraph (A)”.

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

14                 (1) in paragraph (1)—

15                 (A) by striking “regulations prescribed by  
16 the Secretary” and inserting “such regulations  
17 as the Secretary may prescribe”, and

18                 (B) by striking the last sentence and in-  
19 serting “The report required under this para-  
20 graph shall be in the same form, and contain  
21 the same information, as periodic benefit state-  
22 ments under section 105(a).”, and

23                 (2) by striking paragraph (2) and inserting the  
24 following:

1           “(2) If more than one employer adopts a plan,  
 2           each such employer shall furnish to the plan admin-  
 3           istrator the information necessary for the adminis-  
 4           trator to maintain the records, and make the re-  
 5           ports, required by paragraph (1). Such adminis-  
 6           trator shall maintain the records, and make the re-  
 7           ports, required by paragraph (1).”

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

10                   “(B) ONE-PARTICIPANT RETIREMENT  
 11                   PLAN.—For purposes of subparagraph (A), the  
 12                   term ‘one-participant retirement plan’ means a  
 13                   retirement plan that on the first day of the plan  
 14                   year—

15                           “(i) covered only one individual (or  
 16                           the individual and the individual’s spouse)  
 17                           and the individual (or the individual and  
 18                           the individual’s spouse) owned 100 percent  
 19                           of the plan sponsor (whether or not incor-  
 20                           porated), or

21                           “(ii) covered only one or more part-  
 22                           ners (or partners and their spouses) in the  
 23                           plan sponsor.”.

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

25           (a) AMENDMENTS RELATED TO SECTION 601.—

## 1 (1) AMENDMENTS TO ERISA.—

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

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

8 (C) Section 408(g)(11)(A) of ERISA is  
9 amended—

10 (i) by striking “the participant” each  
11 place it appears and inserting “a partici-  
12 pant”, and

13 (ii) by striking “section 408(b)(4)” in  
14 clause (ii) and inserting “subsection  
15 (b)(4)”.

## 16 (2) AMENDMENTS TO 1986 CODE.—

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

21 (B) Section 4975(f)(8) of the 1986 Code is  
22 amended—

23 (i) in subparagraph (A), by striking  
24 “subsection (b)(14)” and inserting “sub-  
25 section (d)(17)”.

1 (ii) in subparagraph (C)(iv)(II), by  
2 striking “subsection (b)(14)(B)(ii)” and in-  
3 sserting “(d)(17)(A)(ii),”

4 (iii) in subparagraph (F)(i)(I), by  
5 striking “financial adviser” and inserting  
6 “fiduciary adviser,”

7 (iv) in subparagraph (I), by striking  
8 “section 406” and inserting “subsection  
9 (c),” and

10 (v) in subparagraph (J)(i)—

11 (I) by striking “the participant”  
12 each place it appears and inserting “a  
13 participant”,

14 (II) in the matter preceding sub-  
15 clause (I), by inserting “referred to in  
16 subsection (e)(3)(B)” after “invest-  
17 ment advice”, and

18 (III) in subclause (II), by strik-  
19 ing “section 408(b)(4)” and inserting  
20 “subsection (d)(4)”.

21 (3) AMENDMENT TO 2006 ACT.—Section  
22 601(b)(4) of the 2006 Act is amended by striking  
23 “section 4975(e)(3)(B)” and inserting “section  
24 4975(e)(3)(B)”.

25 (b) AMENDMENTS RELATED TO SECTION 611.—

1           (1) AMENDMENT TO ERISA.—Section  
2           408(b)(18)(C) of ERISA is amended by striking “or  
3           less”.

4           (2) AMENDMENTS TO 1986 CODE.—Section  
5           4975(d) of the 1986 Code is amended—

6                   (A) in the matter preceding subparagraph  
7           (A) of paragraph (18)—

8                           (i) by striking “party in interest” and  
9                           inserting “disqualified person”, and

10                           (ii) by striking “subsection (e)(3)(B)”  
11                           and inserting “subsection (e)(3)”,

12                   (B) in paragraphs (19), (20), and (21), by  
13           striking “party in interest” each place it ap-  
14           pears and inserting “disqualified person”, and

15                   (C) by striking “or less” in paragraph  
16           (21)(C).

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

19                   (1) inserting “of the Employee Retirement In-  
20           come Security Act of 1974” after “section  
21           407(d)(1)”, and

22                   (2) inserting “of such Act” after “section  
23           407(d)(2)”.

24           (d) AMENDMENTS RELATED TO SECTION 621.—Sec-  
25           tion 404(c)(1) of ERISA is amended—

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

5           (2) by inserting the following new sentence at  
6 the end of subparagraph (B): “In the case of any  
7 period that would be a blackout period but for the  
8 fact that it is a period of 3 consecutive business days  
9 or less, the preceding sentence shall apply to such  
10 period if the person referred to in subparagraph  
11 (A)(ii) meets the requirements described in the pre-  
12 ceding sentence with respect to such period in the  
13 same manner as if it were a blackout period.”

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

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

19       (1) AMENDMENTS TO ERISA.—

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

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

1 (B) Section 204(b)(5) of ERISA is amend-  
2 ed—

3 (i) by striking “clause” in subpara-  
4 graph (A)(iii) and inserting “subpara-  
5 graph”, and

6 (ii) by inserting “otherwise” before  
7 “allowable” in subparagraph (C).

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

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

22 (2) AMENDMENTS TO 1986 CODE.—

23 (A) Section 411(b)(5) of the 1986 Code is  
24 amended—

1 (i) by striking “clause” in subpara-  
2 graph (A)(iii) and inserting “subpara-  
3 graph”, and

4 (ii) by inserting “otherwise” before  
5 “allowable” in subparagraph (C).

6 (B) Section 411(a)(13)(A) of the 1986  
7 Code is amended—

8 (i) by striking “paragraph (2)” in  
9 clause (i) and inserting “subparagraph  
10 (B)”,

11 (ii) by striking clause (ii) and insert-  
12 ing the following new clause:

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

18 (iii) by striking “paragraph (3)” in  
19 the matter following clause (ii) and insert-  
20 ing “subparagraph (C)”.

21 (C) Subclause (II) of section  
22 411(b)(5)(B)(i) of the 1986 Code is amended to  
23 read as follows:

24 “(II) PRESERVATION OF CAP-  
25 ITAL.—An applicable defined benefit

1 plan shall be treated as failing to  
2 meet the requirements of paragraph  
3 (1)(H) unless the plan provides that  
4 an interest credit (or equivalent  
5 amount) of less than zero shall in no  
6 event result in the account balance or  
7 similar amount being less than the ag-  
8 gregate amount of contributions cred-  
9 ited to the account.”.

10 (3) AMENDMENTS TO 2006 ACT.—

11 (A) Section 701(d)(2) of the 2006 Act is  
12 amended by striking “204(g)” and inserting  
13 “205(g)”.

14 (B) Section 701(e) of the 2006 Act is  
15 amended—

16 (i) by inserting “on or” after “period”  
17 in paragraph (3),

18 (ii) in paragraph (4)—

19 (I) by inserting “the earlier of”  
20 after “before” in the matter preceding  
21 subparagraph (A), and

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

1 (iii) by inserting “on or” before  
 2 “after” each place it appears in paragraph  
 3 (5), and

4 (iv) by adding at the end the following  
 5 new paragraph:

6 “(6) SPECIAL RULE FOR VESTING REQUIRE-  
 7 MENTS.—The requirements of section 203(f)(2) of  
 8 the Employee Retirement Income Security Act of  
 9 1974 and section 411(a)(13)(B) of the Internal Rev-  
 10 enue Code of 1986 (as added by this Act)—

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

15 “(B) in the case of a plan other than a  
 16 plan described in paragraph (3) or (4), shall  
 17 apply to plan years ending on or after June 29,  
 18 2005.”.

19 **SEC. 9. AMENDMENTS RELATED TO TITLE VIII.**

20 (a) AMENDMENTS RELATED TO SECTION 801.—

21 (1) Section 404(o) of the 1986 Code is amend-  
 22 ed—

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

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

3 (2) Section 404(a)(7)(A) of the 1986 Code is  
4 amended—

5 (A) by striking the next to last sentence,  
6 and

7 (B) by striking “the plan’s funding short-  
8 fall determined under section 430” in the last  
9 sentence and inserting “the excess (if any) of  
10 the plan’s funding target (as defined in section  
11 430(d)(1)) over the value of the plan’s assets  
12 (as determined under section 430(g)(3))”.

13 (b) AMENDMENT RELATED TO SECTION 803.—  
14 Clause (iii) of section 404(a)(7)(C) of the 1986 Code is  
15 amended to read as follows:

16 “(iii) LIMITATION.—In the case of  
17 employer contributions to 1 or more de-  
18 fined contribution plans—

19 “(I) if such contributions do not  
20 exceed 6 percent of the compensation  
21 otherwise paid or accrued during the  
22 taxable year to the beneficiaries under  
23 such plans, this paragraph shall not  
24 apply to such contributions or to em-  
25 ployer contributions to the defined

1 benefit plans to which this paragraph  
 2 would otherwise apply by reason of  
 3 contributions to the defined contribu-  
 4 tion plans, and

5 “(II) if such contributions exceed  
 6 6 percent of such compensation, this  
 7 paragraph shall be applied by only  
 8 taking into account such contributions  
 9 to the extent of such excess.

10 For purposes of this clause, amounts car-  
 11 ried over from preceding taxable years  
 12 under subparagraph (B) shall be treated  
 13 as employer contributions to 1 or more de-  
 14 fined contributions plans to the extent at-  
 15 tributable to employer contributions to  
 16 such plans in such preceding taxable  
 17 years.”.

18 (c) AMENDMENTS RELATED TO SECTION 824.—

19 (1) Section 408A(c)(3)(B) of the 1986 Code, as  
 20 in effect after the amendments made by section  
 21 824(b)(1) of the 2006 Act, is amended—

22 (A) by striking the second “an” before “el-  
 23 igible”,

24 (B) by striking “other than a Roth IRA”,  
 25 and

1 (C) by adding at the end the following new  
2 flush sentence:

3 “This subparagraph shall not apply to a quali-  
4 fied rollover contribution from a Roth IRA or  
5 to a qualified rollover contribution from a des-  
6 ignated Roth account which is a rollover con-  
7 tribution described in section 402A(c)(3)(A).”

8 (2) Section 408A(d)(3)(B), as in effect after  
9 the amendments made by section 824(b)(2)(B) of  
10 the 2006 Act, is amended by striking “(other than  
11 a Roth IRA)” and by inserting at the end the fol-  
12 lowing new sentence: “This paragraph shall not  
13 apply to a distribution which is a qualified rollover  
14 contribution from a Roth IRA or a qualified rollover  
15 contribution from a designated Roth account which  
16 is a rollover contribution described in section  
17 402A(c)(3)(A)”.

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

21 (e) AMENDMENTS RELATED TO SECTION 829.—

22 (1) Section 402(c)(11) of the 1986 Code is  
23 amended—

1 (A) by inserting “described in paragraph  
2 (8)(B)(iii)” after “eligible retirement plan” in  
3 subparagraph (A), and

4 (B) by striking “trust” before “designated  
5 beneficiary” in subparagraph (B).

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

12 (B) Clause (i) of section 402(c)(11) of the 1986  
13 Code is amended by striking “for purposes of this  
14 subsection”.

15 (C) The amendments made by this paragraph  
16 shall apply with respect to plan years beginning  
17 after December 31, 2008.

18 (f) AMENDMENT RELATED TO SECTION 832.—Sec-  
19 tion 415(f) of the 1986 Code is amended by striking para-  
20 graph (2) and by redesignating paragraph (3) as para-  
21 graph (2).

22 (g) AMENDMENTS RELATED TO SECTION 833.—

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

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

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

5                   and

6                   (B) is amended by striking “subparagraph  
7                   (C)(ii)” and inserting “subparagraph (B)(ii)”.

8           (h) AMENDMENTS RELATED TO SECTION 841.—

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

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

19           (3) Section 4980(c)(2)(B) of the 1986 Code is  
20           amended by striking “or” at the end of clause (i),  
21           by striking the period at the end of clause (ii) and  
22           inserting “, or”, and by adding at the end the fol-  
23           lowing new clause:

24                   “(iii) any transfer described in section  
25                   420(f)(2)(B)(ii)(II).”.

1 (i) AMENDMENTS RELATED TO SECTION 845.—

2 (1) Subsection (l) of section 402 of the 1986  
3 Code is amended—

4 (A) in paragraph (1)—

5 (i) by inserting “maintained by the  
6 employer described in paragraph (4)(B)”  
7 after “an eligible retirement plan”, and

8 (ii) by striking “of the employee, his  
9 spouse, or dependents (as defined in sec-  
10 tion 152)” ,

11 (B) in paragraph (4)(D), by—

12 (i) inserting “(as defined in section  
13 152)” after “dependents”, and

14 (ii) striking “health insurance plan”  
15 and inserting “health plan”, and

16 (C) in paragraph (5)(A), by striking  
17 “health insurance plan” and inserting “health  
18 plan”.

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

1 plans maintained by the employer described in para-  
2 graph (4)(B) were distributed during such taxable  
3 year and all such plans were treated as 1 contract  
4 for purposes of determining under section 72 the ag-  
5 gregate amount which would have been so includ-  
6 ible”.

7 (j) AMENDMENTS RELATED TO SECTION 854.—

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

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

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

17 (l) AMENDMENT RELATED TO SECTION 864.—Sec-  
18 tion 864(a) of the 2006 Act is amended by striking “Rec-  
19 onciliation”.

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

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

24 “(iv) ONE-PARTICIPANT RETIREMENT  
25 PLAN.—For purposes of clause (iii), the

1 term ‘one-participant retirement plan’  
 2 means a retirement plan that on the first  
 3 day of the plan year—

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

10 “(II) covered only one or more  
 11 partners (or partners and their  
 12 spouses) in the plan sponsor.”.

13 (b) AMENDMENTS RELATED TO SECTION 902.—

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

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

20 (A) by striking “an erroneous automatic  
 21 contribution” and inserting “a permissible with-  
 22 drawal”, and

23 (B) by striking “ERRONEOUS AUTOMATIC  
 24 CONTRIBUTION” in the heading and inserting  
 25 “PERMISSIBLE WITHDRAWAL”.

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

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

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

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

9           (C) by redesignating subparagraph (D) as  
10 subparagraph (C).

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

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

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

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

1 (c) AMENDMENTS RELATED TO SECTION 903.—

2 (1) AMENDMENT OF 1986 CODE.—Section  
3 414(x)(1) of the 1986 Code is amended by adding  
4 at the end of paragraph (1) the following new sen-  
5 tence: “In the case of a termination of the defined  
6 benefit plan and the applicable defined contribution  
7 plan forming part of an eligible combined plan, the  
8 plan administrator shall terminate each such plan  
9 separately.”

10 (2) AMENDMENTS OF ERISA.—Section 210(e)  
11 of ERISA is amended—

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

19 (B) by striking paragraph (3) and by re-  
20 designating paragraphs (4), (5), and (6) as  
21 paragraphs (3), (4), and (5), respectively.

22 (d) AMENDMENTS RELATED TO SECTION 906.—

23 (1) Section 906(b)(1)(B)(ii) of the 2006 Act is  
24 amended by striking “paragraph (1)” and inserting  
25 “paragraph (10)”.

1           (2) Section 4021(b) of ERISA is amended by  
2           inserting “or” at the end of paragraph (12), by  
3           striking “; or” at the end of paragraph (13) and in-  
4           serting a period, and by striking paragraph (14).

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

6           (a) AMENDMENTS TO RAILROAD RETIREMENT  
7 ACT.—

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

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

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

23                   “(B) The spouse or former spouse attains  
24                   age 62.

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

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

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

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

19          (b) EFFECTIVE DATES.—

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

1       231m(b)) was terminated because of the employee’s  
 2       death, payment to the former spouse may be rein-  
 3       stated for months after August 2007.

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

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

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

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

13           (1) in paragraph (15)—

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

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

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

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

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

24                           “(B) the amount of compensation shall not  
 25                   be reduced on account of any payments of gov-

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

7           (2) by striking the last sentence.

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

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

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

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

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

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

20           Section 408(d)(8)(D) of the 1986 Code is amended  
21           by striking “all amounts distributed from all individual re-  
22           tirement plans were treated as 1 contract under paragraph  
23           (2)(A) for purposes of determining the inclusion of such  
24           distribution under section 72” and inserting “all amounts  
25           in all individual retirement plans of the individual were

1 distributed during such taxable year and all such plans  
2 were treated as 1 contract for purposes of determining  
3 under section 72 the aggregate amount which would have  
4 been so includible”.

5 **SEC. 14. OTHER PROVISIONS.**

6 (a) AMENDMENTS RELATED TO SECTIONS 102 AND  
7 112.—

8 (1) AMENDMENT OF ERISA.—The last sentence  
9 of section 303(g)(3)(B) of ERISA is amended to  
10 read as follows: “Any such averaging shall be ad-  
11 justed for contributions, distributions, and expected  
12 earnings (as determined by the plan’s actuary on the  
13 basis of an assumed earnings rate specified by the  
14 actuary but not in excess of the third segment rate  
15 applicable under subsection (h)(2)(C)(iii)), as speci-  
16 fied by the Secretary of the Treasury.”.

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

1 (b) AMENDMENTS RELATED TO SECTION 1004.—

2 (1) AMENDMENT OF ERISA.—Paragraph (2) of  
3 section 205(d) of ERISA is amended by adding at  
4 the end the following:

5 “(C) Notwithstanding subparagraph (B), the applica-  
6 ble percentage is any percentage greater than or equal to  
7  $66\frac{2}{3}$  percent but not more than 75 percent if—

8 “(i) the plan is a defined contribution plan  
9 maintained for its employees by an employer which  
10 is either exempt from tax under section 501(a) of  
11 the Internal Revenue Code of 1986 or aggregated  
12 under subsection (b), (c), (m), or (o) of section 414  
13 of such Code with an organization that is exempt  
14 from tax under section 501(a) of such Code,

15 “(ii) the survivor annuity percentage for the  
16 plan’s qualified joint and survivor annuity is 50 per-  
17 cent, and

18 “(iii) each participant may elect (subject to the  
19 requirements of subsection (a)) an annuity for the  
20 life of the participant with a survivor annuity for the  
21 life of the spouse which is equal to 100 percent of  
22 the amount of the annuity which is payable during  
23 the joint lives of the participant and spouse and  
24 which is the actuarial equivalent of a single annuity  
25 for the life of the participant.”.

1           (2) AMENDMENT OF 1986 CODE.—Subsection  
2           (g) of section 417 of the 1986 Code is amended by  
3           adding at the end the following:

4           “(3) ALTERNATIVE METHOD OF COMPLI-  
5           ANCE.—Notwithstanding paragraph (2), the applica-  
6           ble percentage is any percentage greater than or  
7           equal to  $66\frac{2}{3}$  percent but not more than 75 percent  
8           if—

9           “(A) the plan is a defined contribution  
10           plan maintained for its employees by an em-  
11           ployer which is either exempt from tax under  
12           section 501(a) or aggregated under subsection  
13           (b), (c), (m), or (o) of section 414 with an orga-  
14           nization that is exempt from tax under section  
15           501(a),

16           “(B) the survivor annuity percentage for  
17           the plan’s qualified joint and survivor annuity is  
18           50 percent, and

19           “(C) each participant may elect (subject to  
20           the requirements of subsection (a)) an annuity  
21           for the life of the participant with a survivor  
22           annuity for the life of the spouse which is equal  
23           to 100 percent of the amount of the annuity  
24           which is payable during the joint lives of the  
25           participant and spouse and which is the actu-

1           arial equivalent of a single annuity for the life  
2           of the participant.”.

3 **SEC. 15. EFFECTIVE DATE.**

4           Except as otherwise provided in this Act, the amend-  
5 ments made by this Act shall take effect as if included  
6 in the provisions of the 2006 Act to which the amend-  
7 ments relate.

Passed the Senate December 19, 2007.

Attest:

*Secretary.*



110<sup>TH</sup> CONGRESS  
1<sup>ST</sup> SESSION

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**S. 1974**

**AN ACT**

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