

110TH CONGRESS
1ST SESSION

S. _____

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

IN THE SENATE OF THE UNITED STATES

Mr. KENNEDY (for himself, Mr. BAUCUS, Mr. GRASSLEY, and Mr. ENZI) introduced the following bill; which was read twice and referred to the Committee on _____

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—

8 (1) AMENDMENT OF 1986 CODE.—The term
9 “1986 Code” means the Internal Revenue Code of
10 1986.

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

4 (3) 2006 ACT.—The term “2006 Act” means
5 the Pension Protection Act of 2006.

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

7 (a) AMENDMENTS RELATED TO SECTIONS 101 AND
8 111.—

9 (1) AMENDMENTS TO ERISA.—

10 (A) Clause (i) of section 302(c)(1)(A) of
11 ERISA is amended by striking “the plan is”
12 and inserting “the plan are”.

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

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

19 (2) AMENDMENTS TO 1986 CODE.—

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

23 (B) Section 412(c)(7) of the 1986 Code is
24 amended by inserting “which reduces the ac-

1 erued benefit of any participant” after “sub-
2 section (d)(2)” in subparagraph (A).

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

5 (b) AMENDMENTS RELATED TO SECTIONS 102 AND
6 112.—

7 (1) AMENDMENTS TO ERISA.—

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

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

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

17 (D) Section 303(h)(2)(F) of ERISA is
18 amended—

19 (i) by striking “section
20 205(g)(3)(B)(iii)(I) for such month” and
21 inserting “section 205(g)(3)(B)(iii)(I) for
22 such month)”, and

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

1 (E) The last sentence of section
2 303(i)(4)(B) of ERISA is amended by striking
3 “subparagraph (A)(ii)” and inserting “subpara-
4 graph (A)”.

5 (F) Section 303(j)(3) of ERISA—

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

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

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

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

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

4 (2) AMENDMENTS TO 1986 CODE.—

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

8 (B) Section 430(c)(5)(B)(iv)(II) of the
9 1986 Code is amended by inserting “for such
10 year” after “beginning in 2007”.

11 (C) Section 430(f) of the 1986 Code is
12 amended—

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

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

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

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

1 (v) by striking “of the Treasury” in
2 paragraph (8).

3 (D) Section 430(h)(2) of the 1986 Code is
4 amended—

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

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

10 (iii) by striking “section
11 417(e)(3)(D)(i) for such month” in sub-
12 paragraph (F) and inserting “section
13 417(e)(3)(D)(i) for such month”, and

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

17 (E) The last sentence of section
18 430(i)(4)(B) of the 1986 Code is amended by
19 striking “subparagraph (A)(ii)” and inserting
20 “subparagraph (A)”.

21 (F) Section 430(j)(3) of the 1986 Code is
22 amended—

23 (i) by adding at the end of subpara-
24 graph (A) the following new sentence: “In
25 the case of plan years beginning in 2008,

1 the funding shortfall for the preceding plan
2 year may be determined using such meth-
3 ods of estimation as the Secretary may
4 provide.”,

5 (ii) by striking “section 302(c)” in
6 subparagraph (D)(ii)(II) and inserting
7 “section 412(c)”,

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

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

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

20 (G) Section 430(k) of the 1986 Code is
21 amended—

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

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

4 (c) AMENDMENTS RELATED TO SECTIONS 103 AND
5 113.—

6 (1) AMENDMENTS TO ERISA.—

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

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

13 (C) Section 206(g)(3)(E) of ERISA is
14 amended by adding at the end the following
15 new flush sentence:

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

20 (D) Section 206(g)(5)(A)(iv) of ERISA is
21 amended by inserting “adjusted” before “fund-
22 ing”.

23 (E) Section 206(g)(9)(C) of ERISA is
24 amended—

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

3 (ii) in clause (iii)—

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

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

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

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

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

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

6 (2) AMENDMENTS TO 1986 CODE.—

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

9 (i) by striking “section 303” and in-
10 sserting “section 430” in the matter pre-
11 ceding subparagraph (A), and

12 (ii) by striking “a funding” and in-
13 sserting “an adjusted funding” in subpara-
14 graph (B).

15 (B) Section 436(b)(3) of the 1986 Code is
16 amended—

17 (i) by inserting “BENEFIT” after
18 “EVENT” in the heading, and

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

21 (C) Section 436(d)(5) of the 1986 Code is
22 amended by adding at the end the following
23 new flush sentence:

24 “Such term shall not include the payment of a ben-
25 efit which under section 411(a)(11) may be imme-

1 diately distributed without the consent of the partici-
2 pant.”.

3 (D) Section 436(f) of the 1986 Code is
4 amended—

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

7 (ii) by striking “prefunding balance
8 under section 430(f) or funding standard
9 carryover balance” in paragraph (2) and
10 inserting “prefunding balance or funding
11 standard carryover balance under section
12 430(f)”.

13 (E) Section 436(j)(3) of the 1986 Code is
14 amended—

15 (i) in subparagraph (A)—

16 (I) by striking “without regard to
17 this paragraph and”,

18 (II) by striking “section
19 430(f)(4)(A)” and inserting “section
20 430(f)(4)”, and

21 (III) by striking “paragraph (1)”
22 and inserting “paragraphs (1) and
23 (2)”, and

24 (ii) in subparagraph (C)—

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

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

8 (F) Section 436 of the 1986 Code is
9 amended by redesignating subsection (k) as
10 subsection (m) and by inserting after subsection
11 (j) the following new subsections:

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

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

21 (3) AMENDMENTS TO 2006 ACT.—

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

24 “(3) ADMINISTRATIVE PROVISION.—The Sec-
25 retary of the Treasury, in consultation with the Sec-

1 retary of Labor, shall have the authority to prescribe
2 rules applicable to the notices required under section
3 101(j) of the Employee Retirement Income Security
4 Act of 1974 (as added by this section).”.

5 (B) Sections 103(c)(2)(A)(ii) and
6 113(b)(2)(A)(ii) of the 2006 Act are each
7 amended—

8 (i) by striking “subsection” and in-
9 serting “section”, and

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

12 (C) Section 502(b)(2) of the 2006 Act, and
13 the amendment made by such section, are re-
14 pealed.

15 (D) Section 902(f)(2) of the 2006 Act, and
16 the amendment made by such section, are re-
17 pealed.

18 (d) AMENDMENTS RELATED TO SECTIONS 107 AND
19 114.—

20 (1) AMENDMENTS TO ERISA.—Section 103(d)
21 of ERISA is amended—

22 (A) in paragraph (3), by striking “the nor-
23 mal costs, the accrued liabilities” and inserting
24 “the normal costs or target normal costs, the
25 accrued liabilities or funding target”, and

1 (B) by striking paragraph (7) and insert-
2 ing the following new paragraph:

3 “(7) A certification of the contribution nec-
4 essary to reduce the minimum required contribution
5 determined under section 303, or the accumulated
6 funding deficiency determined under section 304, to
7 zero.”.

8 (2) AMENDMENTS TO 1986 CODE.—

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

12 (B) Section 401(a)(32)(C) of the 1986
13 Code is amended—

14 (i) by striking “section 430(j)” and
15 inserting “section 430(j)(3)”, and

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

18 (C) Section 401(a)(33) of the 1986 Code is
19 amended—

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

23 (ii) by striking “section 412(b)(2)
24 (without regard to subparagraph (B)
25 thereof)” in subparagraph (D) and insert-

1 ing “section 412(b)(1), without regard to
2 section 412(b)(2)”.

3 (D) Section 411 of the 1986 Code is
4 amended—

5 (i) by striking “section 412(c)(2)” in
6 subsection (a)(3)(C) and inserting “section
7 412(d)(2)”, and

8 (ii) by striking “section 412(e)(2)” in
9 subsection (d)(6)(A) and inserting “section
10 412(d)(2)”.

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

13 “(I) the sum of the funding tar-
14 get and target normal cost determined
15 under section 430, over”.

16 (F) Section 4971 of the 1986 Code is
17 amended—

18 (i) by striking “required minimum” in
19 subsection (b)(1) and inserting “minimum
20 required”,

21 (ii) by inserting “or unpaid minimum
22 required contribution, whichever is applica-
23 ble” after “accumulated funding defi-
24 ciency” each place it appears in sub-
25 sections (c)(3) and (d)(1), and

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

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

7 “(g) EFFECTIVE DATES.—

8 “(1) IN GENERAL.—The amendments made by
9 this section shall apply to plan years beginning after
10 2007.

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

16 (e) AMENDMENT RELATED TO SECTION 116.—Sec-
17 tion 409A(b)(3)(A)(ii) of the 1986 Code is amended by
18 inserting “to an applicable covered employee” after
19 “under the plan”.

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

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

1 (b) AMENDMENTS RELATED TO SECTIONS 202 AND
2 212.—

3 (1) AMENDMENTS TO ERISA.—

4 (A) Section 305(b)(3)(C) of ERISA is
5 amended by striking “section 101(b)(4)” and
6 inserting “section 101(b)(1)”.

7 (B) Section 305(b)(3)(D) of ERISA is
8 amended by striking “The Secretary” in clause
9 (iii) and inserting “The Secretary of the Treas-
10 ury, in consultation with the Secretary”.

11 (C) Section 305(e)(7) of ERISA is amend-
12 ed—

13 (i) by striking “to agree on” and all
14 that follows in subparagraph (A)(ii) and
15 inserting “to adopt a contribution schedule
16 with terms consistent with the funding im-
17 provement plan and a schedule from the
18 plan sponsor,” and

19 (ii) by striking subparagraph (B) and
20 inserting the following new subparagraph:

21 “(B) DATE OF IMPLEMENTATION.—The
22 date specified in this subparagraph is the date
23 which is 180 days after the date on which the
24 collective bargaining agreement described in
25 subparagraph (A) expires.” and

1 (iii) by adding at the end the fol-
2 lowing new subparagraph:

3 “(C) FAILURE TO MAKE SCHEDULED CON-
4 TRIBUTIONS.—Any failure to make a contribu-
5 tion under a schedule of contribution rates pro-
6 vided under this paragraph shall be treated as
7 a delinquent contribution under section 515 and
8 shall be enforceable as such.”.

9 (D) Section 305(e) of ERISA is amend-
10 ed—

11 (i) in paragraph (3)(C)—

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

19 (II) by striking clause (ii) and in-
20 serting the following new clause:

21 “(ii) DATE OF IMPLEMENTATION.—

22 The date specified in this clause is the date
23 which is 180 days after the date on which
24 the collective bargaining agreement de-
25 scribed in clause (i) expires.”. and

1 (III) by adding at the end the
2 following new clause:

3 “(iii) FAILURE TO MAKE SCHEDULED
4 CONTRIBUTIONS.—Any failure to make a
5 contribution under a schedule of contribu-
6 tion rates provided under this subsection
7 shall be treated as a delinquent contribu-
8 tion under section 515 and shall be en-
9 forceable as such.”,

10 (ii) in paragraph (4)—

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

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

16 (iii) in paragraph (6)—

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

20 (II) by striking “established” and
21 inserting “establish”,

22 (iv) in paragraph (8)(C)(iii)—

23 (I) by striking “the Secretary” in
24 subclause (I) and inserting “the Sec-

1 retary of the Treasury, in consultation
2 with the Secretary”, and

3 (II) by striking “Secretary” in
4 the last sentence and inserting “Sec-
5 retary of the Treasury”, and

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

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

15 (F) Section 305(g) of ERISA is amended
16 by inserting “under subsection (c)” after “fund-
17 ing improvement plan” the first place it ap-
18 pears.

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

22 (H) Section 502(c)(2) of ERISA is amend-
23 ed by striking “101(b)(4)” and inserting
24 “101(b)(1)”.

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

4 (2) AMENDMENTS TO 1986 CODE.—

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

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

12 (C) Section 432(e) of the 1986 Code is
13 amended—

14 (i) in paragraph (3), by striking “sec-
15 tion 304(d)” in subparagraph (A)(ii) and
16 inserting “section 431(d)”, and

17 (ii) in paragraph (7)—

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

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

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

9 (D) Section 432(e) of the 1986 Code is
10 amended—

11 (i) in paragraph (3)(C)—

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

19 (II) by striking clause (ii) and in-
20 sserting the following new clause:

21 “(ii) DATE OF IMPLEMENTATION.—
22 The date specified in this clause is the date
23 which is 180 days after the date on which
24 the collective bargaining agreement de-
25 scribed in clause (i) expires.”,

1 (ii) in paragraph (4)—

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

4 (II) by striking “and taking” in
5 subparagraph (B) and inserting “but
6 taking”,

7 (iii) in paragraph (6)—

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

11 (II) by striking “established” and
12 inserting “establish”,

13 (iv) in paragraph (8)—

14 (I) by striking “section 204(g)”
15 in subparagraph (A)(i) and inserting
16 “section 411(d)(6)”,

17 (II) by inserting “of the Em-
18 ployee Retirement Income Security
19 Act of 1974” after “4212(a)” in sub-
20 paragraph (C)(i)(II),

21 (III) by striking “the Secretary
22 of Labor” in subparagraph (C)(iii)(I)
23 and inserting “the Secretary, in con-
24 sultation with the Secretary of
25 Labor”, and

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

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

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

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

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

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

21 (G) Section 432(i) of the 1986 Code is
22 amended—

23 (i) by striking “section 412(a)” in
24 paragraph (3) and inserting “section
25 431(a)”, and

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

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

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

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

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

19 (I) Section 4971(g)(4) of the 1986 Code is
20 amended—

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

1 (ii) by striking clause (ii) of subpara-
2 graph (C) and inserting the following new
3 clause:

4 “(ii) PLAN SPONSOR.—For purposes
5 of clause (i), the term ‘plan sponsor’ has
6 the meaning given such term by section
7 432(i)(9).”.

8 (3) AMENDMENTS TO 2006 ACT.—

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

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

20 (C) Section 212(e)(2) of the 2006 Act is
21 amended by striking “section 305(b)(3) of the
22 Employee Retirement Income Security Act of
23 1974” and inserting “section 432(b)(3) of the
24 Internal Revenue Code of 1986”.

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

2 (a) AMENDMENT RELATED TO SECTION 301.—
3 Clause (ii) of section 101(c)(2)(A) of the Pension Funding
4 Equity Act of 2004, as amended by section 301(c) of the
5 2006 Act, is amended by striking “2008” and inserting
6 “2009”.

7 (b) AMENDMENTS RELATED TO SECTION 302.—

8 (1) AMENDMENT TO ERISA.—Section
9 205(g)(3)(B)(iii)(II) of ERISA is amended by strik-
10 ing “section 205(g)(3)(B)(iii)(II)” and inserting
11 “section 205(g)(3)(A)(ii)(II)”.

12 (2) AMENDMENT TO 1986 CODE.—Section
13 417(e)(3)(D)(i) of the 1986 Code is amended by
14 striking “clause (ii)” and inserting “subparagraph
15 (C)”.

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

17 (a) AMENDMENT RELATED TO SECTION 401.—Sec-
18 tion 4006(a)(3)(A)(i) of ERISA is amended by striking
19 “1990” and inserting “2005”.

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

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

26 (d) AMENDMENTS RELATED TO SECTION 409.—

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

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

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

8 (1) by striking “and” at the end of clause (i),
9 and

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

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

15 “(iii) which, was a plan described in
16 section 401(a) of the Internal Revenue
17 Code of 1986 which includes a trust ex-
18 empt from tax under section 501(a) of
19 such Code, and”.

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

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

23 (1) by striking “for which the latest annual re-
24 port filed under section 104(a) was filed” in sub-

1 clause (I)(aa) and inserting “to which the notice re-
2 lates”, and

3 (2) in subclause (II)—

4 (A) by inserting “, determined in the same
5 manner as under section 304 (and in the case
6 of assets, also in the same manner as under
7 subclause (I)(bb)),” after “assets and liabil-
8 ities”, and

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

11 (b) AMENDMENTS RELATED TO SECTION 502.—

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

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

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

23 (c) AMENDMENTS RELATED TO SECTION 503.—

24 (1) AMENDMENTS TO ERISA.—

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

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

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

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

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

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

15 (e) AMENDMENTS RELATED TO SECTION 506.—

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

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

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

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

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

5 (1) in paragraph (1)—

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

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

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

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

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

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

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

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

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

16 (a) AMENDMENTS RELATED TO SECTION 601.—

17 (1) AMENDMENTS TO ERISA.—

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

21 (B) Section 408(g)(11)(A) of ERISA is
22 amended—

23 (i) by striking “the participant” each
24 place it appears and inserting “a partici-
25 pant”, and

1 (ii) by striking “section 408(b)(4)” in
2 clause (ii) and inserting “subsection
3 (b)(4)”.

4 (2) AMENDMENTS TO 1986 CODE.—

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

9 (B) Section 4975(f)(8) of the 1986 Code is
10 amended—

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

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

17 (iii) in subparagraph (I), by striking
18 “section 406” and inserting “subsection
19 (c)”, and

20 (iv) in subparagraph (J)(i)—

21 (I) by striking “the participant”
22 each place it appears and inserting “a
23 participant”,

24 (II) in the matter preceding sub-
25 clause (I), by inserting “referred to in

1 subsection (e)(3)(B)” after “invest-
2 ment advice”, and

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

6 (3) AMENDMENT TO 2006 ACT.—Section
7 601(b)(4) of the 2006 Act is amended by striking
8 “section 4975(e)(3)(B)” and inserting “section
9 4975(e)(3)(B)”.

10 (b) AMENDMENTS RELATED TO SECTION 611.—

11 (1) AMENDMENT TO ERISA.—Section
12 408(b)(18)(C) of ERISA is amended by striking “or
13 less”.

14 (2) AMENDMENTS TO 1986 CODE.—Section
15 4975(d) of the 1986 Code is amended—

16 (A) in the matter preceding subparagraph

17 (A) of paragraph (18)—

18 (i) by striking “party in interest” and
19 inserting “disqualified person”, and

20 (ii) by striking “subsection (e)(3)(B)”
21 and inserting “subsection (e)(3)”,

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

1 (C) by striking “or less” in paragraph
2 (21)(C).

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

5 (1) inserting “of the Employee Retirement In-
6 come Security Act of 1974” after “section
7 407(d)(1)”, and

8 (2) inserting “of such Act” after “section
9 407(d)(2)”.

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

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

16 (2) by inserting the following new sentence at
17 the end of subparagraph (B): “In the case of any
18 period that would be a blackout period but for the
19 fact that it is a period of 3 consecutive business days
20 or less, the preceding sentence shall apply to such
21 period if the person referred to in subparagraph
22 (A)(ii) meets the requirements described in the pre-
23 ceding sentence with respect to such period in the
24 same manner as if it were a blackout period.”

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

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

6 (1) AMENDMENTS TO ERISA.—

7 (A) Section 204(b)(5) of ERISA is amend-
8 ed—

9 (i) by striking “clause” in subpara-
10 graph (A)(iii) and inserting “subpara-
11 graph”, and

12 (ii) by inserting “otherwise” before
13 “allowable” in subparagraph (C).

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

16 “(B) the requirements of section 204(e) or
17 205(g), or the requirements of subsection (e),
18 with respect to accrued benefits derived from
19 employer contributions,”.

20 (C) Subclause (II) of section
21 204(b)(5)(B)(i) of ERISA is amended to read
22 as follows:

23 “(II) PRESERVATION OF CAP-
24 ITAL.—An applicable defined benefit
25 plan shall be treated as failing to

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

9 (2) AMENDMENTS TO 1986 CODE.—

10 (A) Section 411(b)(5) of the 1986 Code is
11 amended—

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

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

17 (B) Section 411(a)(13)(A) of the 1986
18 Code is amended—

19 (i) by striking “paragraph (2)” in
20 clause (i) and inserting “subparagraph
21 (B)”,

22 (ii) by striking clause (ii) and insert-
23 ing the following new clause:

24 “(ii) the requirements of subsection
25 (a)(11) or (c), or the requirements of sec-

1 tion 417(e), with respect to accrued bene-
2 fits derived from employer contributions,”
3 and

4 (iii) by striking “paragraph (3)” in
5 the matter following clause (ii) and insert-
6 ing “subparagraph (C)”.

7 (C) Subclause (II) of section
8 411(b)(5)(B)(i) of the 1986 Code is amended to
9 read as follows:

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

21 (3) AMENDMENTS TO 2006 ACT.—

22 (A) Section 701(d)(2) of the 2006 Act is
23 amended by striking “204(g)” and inserting
24 “205(g)”.

1 (B) Section 701(e) of the 2006 Act is
2 amended—

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

5 (ii) in paragraph (4)—

6 (I) by inserting “the earlier of”
7 after “before” in the matter preceding
8 subparagraph (A), and

9 (II) by striking “earlier” and in-
10 sserting “later” in subparagraph (A),

11 (iii) by inserting “on or” before
12 “after” each place it appears in paragraph
13 (5), and

14 (iv) by adding at the end the following
15 new paragraph:

16 “(6) SPECIAL RULE FOR VESTING REQUIRE-
17 MENTS.—The requirements of section 203(f)(2) of
18 the Employee Retirement Income Security Act of
19 1974 and section 411(a)(13)(B) of the Internal Rev-
20 enue Code of 1986 (as added by this Act)—

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

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

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

6 (a) AMENDMENTS RELATED TO SECTION 801.—

7 (1) Section 404(o) of the 1986 Code is amend-
8 ed—

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

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

13 (2) Section 404(a)(7)(A) of the 1986 Code is
14 amended—

15 (A) by striking the next to last sentence,
16 and

17 (B) by striking “the plan’s funding short-
18 fall determined under section 430” in the last
19 sentence and inserting “the excess (if any) of
20 the plan’s funding target (as defined in section
21 430(d)(1)) over the value of the plan’s assets
22 (as determined under section 430(g)(3))”.

23 (b) AMENDMENT RELATED TO SECTION 803.—

24 Clause (iii) of section 404(a)(7)(C) of the 1986 Code is
25 amended to read as follows:

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

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

15 “(II) if such contributions exceed
16 6 percent of such compensation, this
17 paragraph shall be applied by only
18 taking into account such contributions
19 to the extent of such excess.

20 For purposes of this clause, amounts car-
21 ried over from preceding taxable years
22 under subparagraph (B) shall be treated
23 as employer contributions to 1 or more de-
24 fined contributions plans to the extent at-
25 tributable to employer contributions to

1 such plans in such preceding taxable
2 years.”.

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

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

11 (e) AMENDMENTS RELATED TO SECTION 829.—

12 (1) Section 402(c)(11) of the 1986 Code is
13 amended—

14 (A) by inserting “described in paragraph
15 (8)(B)(iii)” after “eligible retirement plan” in
16 subparagraph (A), and

17 (B) by striking “trust” before “designated
18 beneficiary” in subparagraph (B).

19 (2)(A) Section 401(a)(31)(D) of the 1986 Code
20 is amended by adding at the end the following new
21 sentence: “Such term shall include any distribution
22 which is treated as an eligible rollover distribution
23 by reason of section 402(c)(11), 403(a)(4)(B),
24 403(b)(8)(B), or 457(e)(16)(B).”

1 (B) The amendment made by subparagraph (A)
2 shall apply with respect to plan years beginning
3 after December 31, 2007.

4 (f) AMENDMENT RELATED TO SECTION 832.—Sec-
5 tion 415(f) of the 1986 Code is amended by striking para-
6 graph (2) and by redesignating paragraph (3) as para-
7 graph (2).

8 (g) AMENDMENTS RELATED TO SECTION 833.—

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

12 (2) In the case of taxable years beginning after
13 December 31, 2009, section 408A(c)(3)(E) of the
14 1986 Code (as redesignated by paragraph (1))—

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

16 and

17 (B) is amended by striking “subparagraph
18 (C)(ii)” and inserting “subparagraph (B)(ii)”.

19 (h) AMENDMENTS RELATED TO SECTION 841.—

20 (1) Section 420(c)(1)(A) of the 1986 Code is
21 amended by adding at the end the following new
22 sentence: “In the case of a qualified future transfer
23 or collectively bargained transfer to which subsection
24 (f) applies, any assets so transferred may also be

1 used to pay liabilities described in subsection
2 (f)(2)(C).”

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

6 (3) Section 4980(c)(2)(B) of the 1986 Code is
7 amended by striking “or” at the end of clause (i),
8 by striking the period at the end of clause (ii) and
9 inserting “, or”, and by adding at the end the fol-
10 lowing new clause:

11 “(iii) any transfer described in section
12 420(f)(2)(B)(ii)(II).”

13 (i) AMENDMENTS RELATED TO SECTION 845.—

14 (1) Subsection (l) of section 402 of the 1986
15 Code is amended—

16 (A) by striking “of the employee, his
17 spouse, or dependents (as defined in section
18 152)” in paragraph (1),

19 (B) in paragraph (4)(D), by—

20 (i) inserting “(as defined in section
21 152)” after “dependents”, and

22 (ii) striking “health insurance plan”
23 and inserting “health plan”, and

1 (C) in paragraph (5)(A), by striking
2 “health insurance plan” and inserting “health
3 plan”.

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

15 (j) AMENDMENTS RELATED TO SECTION 854.—

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

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

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

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

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

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

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

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

19 (b) AMENDMENTS RELATED TO SECTION 902.—

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

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

1 (A) by striking “an erroneous automatic
2 contribution” and inserting “a permissible with-
3 drawal”, and

4 (B) by striking “ERRONEOUS AUTOMATIC
5 CONTRIBUTION” in the heading and inserting
6 “PERMISSIBLE WITHDRAWAL”.

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

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

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

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

15 (C) by redesignating subparagraph (D) as
16 subparagraph (C).

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

22 “(D) a simplified employee pension the
23 terms of which provide for a salary reduction
24 arrangement described in section 408(k)(6),
25 and

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

3 (c) AMENDMENTS RELATED TO SECTION 903.—

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

12 (2) AMENDMENTS OF ERISA.—Section 210(e)
13 of ERISA is amended—

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

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

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

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

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

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

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

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

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

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

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

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

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

17 (b) EFFECTIVE DATES.—

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

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

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

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

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

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

12 (1) in paragraph (15)—

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

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

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

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

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

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

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

6 (2) by striking the last sentence.

7 (c) AMENDMENTS RELATED TO SECTION 1106.—

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

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

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

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

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

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

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

1 were treated as 1 contract for purposes of determining
2 under section 72 the aggregate amount which would have
3 been so includible”.

4 **SEC. 14. EFFECTIVE DATE.**

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