

COMPARISON OF THE ESTIMATED REVENUE EFFECTS OF THE TAX AND PENSION PROVISIONS OF  
 H.R. 3108, THE "PENSION FUNDING EQUITY ACT OF 2003," AS PASSED BY THE HOUSE OF REPRESENTATIVES AND  
 H.R. 3108, THE "PENSION STABILITY ACT," AS PASSED BY THE SENATE [1]

Fiscal Years 2004 - 2013

[Millions of Dollars]

Provision	Effective	H.R. 3108, as Passed by the House							H.R. 3108, as Passed by the Senate						
		2004	2005	2006	2007	2008	2004-08	2004-13	2004	2005	2006	2007	2008	2004-08	2004-13
1. {H} Findings; Sense of the Congress (relating to the interest rate used for pension purposes); {S} Sense of the Senate on Status of Private Pension Plans .....	DOE	----- No Revenue Effect -----							----- No Revenue Effect -----						
2. Temporary replacement of interest rate used for purposes of pension funding and PBGC variable rate premiums for 2004 and 2005; {S} employers may elect whether to use temporary replacement interest rate in applying deduction limits; allow the use of 5.5% for purposes of applying section 415 to lump sums in 2004 and 2005 [2] .....	pyba 12/31/03	3,506	5,667	1,079	-1,271	-911	8,070	-941	3,299	5,563	1,247	-1,261	-1,004	7,845	-985
3. Partially waive deficit reduction contributions for 2 years for plans of certain employers not subject to the deficit reduction contribution rules in 2000; additional required contribution would generally be the greater of: (1) a percentage of the otherwise applicable additional contribution (20% for first year, 40% for second year), or (2) the amount of the excess, if any, of (i) the expected increase in current liability due to current year accruals, over (ii) the regular funding contribution for the year; applies to passenger airlines, steel and iron ore industries, a certain tax-exempt organization, and employers who apply for relief and relief is not denied by the Secretary within 90 days (sunset plan years beginning after 12/27/05) [2] [3] .....	pyba 12/27/03	----- No Provision [4] -----							292	445	-18	-474	-368	-124	-594
4. Multiemployer plan funding notices [5] .....	pyba 12/31/04	----- No Provision -----							----- No Revenue Effect -----						
5. Amortization hiatus for net experience losses in multiemployer plans (sunset plan years beginning after 6/30/06) .....	pyba 6/30/02	----- No Provision -----							4	10	12	9	5	40	42
6. 2-year extension of transition rule to pension funding requirements for commercial bus company (sunset plan years beginning after 2005).....	pyba 12/31/03	----- No Provision -----							2	6	2	-3	-2	5	-1
7. Procedures applicable to disputes involving multiemployer plan withdrawal liability [6] .....	[7]	----- No Provision -----							----- Negligible Revenue Effect -----						
8. Allow employers to transfer excess defined benefit plan assets to a special account for health benefits of retirees (sunset 12/31/13).....	DOE	----- No Provision -----							---	---	18	38	40	97	298

Provision	Effective	H.R. 3108, as Passed by the House							H.R. 3108, as Passed by the Senate						
		2004	2005	2006	2007	2008	2004-08	2004-13	2004	2005	2006	2007	2008	2004-08	2004-13
9. Limit 501(c)(15) to organizations with annual gross receipts not to exceed \$600,000 and with premiums greater than 50% of gross receipts; modify definition of insurance company for P&C companies for exemption and investment income election purposes.....	tyba 12/31/03	----- No Provision -----							54	120	134	136	138	582	1,323
<b>NET TOTAL</b> .....		<b>3,506</b>	<b>5,667</b>	<b>1,079</b>	<b>-1,271</b>	<b>-911</b>	<b>8,070</b>	<b>-941</b>	<b>3,651</b>	<b>6,144</b>	<b>1,395</b>	<b>-1,555</b>	<b>-1,191</b>	<b>8,445</b>	<b>83</b>

Joint Committee on Taxation

NOTE: Details may not add to totals due to rounding.

Legend: {H} = H.R. 3108, as Passed by the House of Representatives  
 {S} = H.R. 3108, as Passed by the Senate

Legend for "Effective" column:

DOE = date of enactment

pyba = plan years beginning after

tyba = taxable years beginning after

[1] Section 12 of HR 3108 as passed by the Senate repeals Section 105 of the Miscellaneous Appropriations and Offsets Act, 2004. The budget effects of this provision are not included in this table.

[2] Estimate does not include the effects on PBGC variable rate premiums which are the responsibility of the Congressional Budget Office.

[3] Provision includes interaction with item 1.

[4] No provision, however, H.R. 3521, as passed by the House of Representatives, provides relief similar to the provision in the Senate amendment but only for commercial passenger airlines.

The provision in H.R. 3521 waives 80% of the additional funding requirement for defined benefit plans of commercial passenger airlines for two plan years.

H.R. 3521 [2]:		<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2004-08</u>	<u>2004-13</u>
a. Replacement of interest rate (sunset 12/31/05).....	pyba 12/31/03	3506	5667	1079	-1271	-911	8,070	-941
b. Funding relief for airlines (sunset 12/27/05).....	pyba 12/27/03	8	27	20	-29	-45	-19	-117

[5] Provision provides penalty assessable by the Department of Labor for failure to provide notice.

[6] Estimate does not include the effects on PBGC which are the responsibility of the Congressional Budget Office.

[7] Provision applies to any employer that receives a notification under Section 4219(b)(1) of ERISA after October 31, 2003.