JOINT COMMITTEE ON TAXATION
December 16, 2005
JCX-87-05

ESTIMATED REVENUE EFFECTS OF H.R. 2830,
THE "PENSION PROTECTION ACT OF 2005,"
AS PASSED BY THE HOUSE OF REPRESENTATIVES ON DECEMBER 15, 2005

Fiscal Years 2006 - 2015

[Millions of Dollars]

Provision	Effective	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2006-10	2006-15
I. Reform of Funding Rules for Single-Employer Defined Benefit Pension Plans [1]	**generally pyba 12/31/05**	**657**	**3,123**	**2,474**	**-949**	**-1,947**	**-1,955**	**-1,651**	**-1,062**	**-835**	**-718**	**3,358**	**-2,863**
II. Funding Rules for Multiemployer Defined Benefit Plans	**generally pyba 12/31/05**	**[2]**	**-2**	**-8**	**-17**	**-25**	**-31**	**-37**	**-42**	**-48**	**-53**	**-52**	**-263**
III. Other Provisions	generally												
A. Provisions Related to Interest Rates	yba 12/31/05	*Estimate Included in Item I.*											
B. Distributions During Working Retirement	dmi pyba 12/31/05	1	4	11	20	28	32	33	33	32	32	64	226
C. Other Amendments Relating to Prohibited Transactions	various	*Negligible Revenue Effect*											
D. Correction Period for Certain Transactions Involving Securities and Commodities	[3]	*Negligible Revenue Effect*											
E. Recovery by Reimbursement or Subrogation with Respect to Provided Benefits	1/1/06	*No Revenue Effect*											
F. Exercise of Control Over Plan Assets in Connection with Qualified Changes in Investment Options	ciioteo/a 1/1/06	*No Revenue Effect*											
G. Clarification of Fiduciary Rules	DOE	*Negligible Revenue Effect*											
H. Government Accountability Office Pension Funding Report	DOE	*No Revenue Effect*											
Total of Other Provisions		**1**	**4**	**11**	**20**	**28**	**32**	**33**	**33**	**32**	**32**	**64**	**226**
IV. Improvements in PBGC Guarantee Provisions	**generally pyba 12/31/05**	***Estimate to be Provided by the Congressional Budget Office***											
V. Disclosure	**pyba 12/31/06**	***No Revenue Effect***											
VI. Prohibited Transaction Exemption for the Provision of Investment Advice	**[4]**	***Negligible Revenue Effect***											
VII. Benefit Accrual Standards	**pbo/a 6/29/05**	**-24**	**-9**	**1**	**6**	**-3**	**-8**	**6**	**25**	**29**	**13**	**-29**	**36**
VIII. Deduction Limitations	**cf tyba 12/31/06**	***Estimate Included in Item I.***											

Provision	Effective	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2006-10	2006-15
IX. Enhanced Retirement Savings and Defined Contribution Plans													
A. Permanency of EGTRRA Pension and IRA Provisions													
1. EGTRRA pension provisions	generally yba 12/31/10	---	---	---	---	---	-1,349	-2,302	-2,618	-2,947	-3,214	---	-12,429
2. EGTRRA IRA provisions	generally tyba 12/31/10	---	---	---	---	---	-550	-1,279	-1,656	-2,030	-2,411	---	-7,926
B. Saver's Credit for Elective Deferrals and IRA Contributions Made Permanent; Allow Direct Deposit of Saver's Credit to an IRA or Plan	tyba 12/31/06	---	-481	-1,428	-1,318	-1,238	-1,210	-1,181	-1,093	-1,009	-943	-4,464	-9,901
C. Increase Participation Through Automatic Enrollment Arrangements	yba 12/31/05	-50	-175	-360	-531	-659	-754	-822	-880	-932	-984	-1,776	-6,148
D. Treatment of Distributions to Guardsmen Called to Active Duty	dma 9/11/01	-2	-1	-1	-1	[2]	---	---	---	---	---	-5	-5
E. Inapplicability of 10-Percent Additional Tax on Early Distributions of Pension Plans of Public Safety Employees	dma DOE	-1	-3	-3	-3	-3	-3	-4	-4	-4	-4	-13	-32
F. Combat Zone Compensation Taken into Account for Purposes of IRA Contributions	tyba 12/31/05	-2	-2	-2	-3	-4	-4	-3	-3	-3	-3	-13	-31
G. Direct Deposit of Tax Refunds in an IRA	DOE	*Negligible Revenue Effect*											
H. IRA Eligibility for Disabled Persons	tyba 12/31/05	-25	-57	-68	-80	-94	-105	-115	-123	-132	-142	-324	-940
I. Rollovers by Nonspouse Beneficiaries of Certain Retirement Plan Distributions	dma 12/31/05	-8	-23	-32	-37	-35	-33	-30	-28	-26	-23	-134	-274
Total of Enhanced Retirement Savings and Defined Contribution Plans		**-88**	**-742**	**-1,894**	**-1,973**	**-2,033**	**-4,008**	**-5,736**	**-6,405**	**-7,083**	**-7,724**	**-6,729**	**-37,686**
X. Provisions to Enhance Health Care Affordability													
A. Tax Treatment of Annuity and Life Insurance Contracts with a Long-Term Care Insurance Feature	[5]	---	-63	-159	-284	-502	-833	-1,200	-1,523	-1,852	-2,188	-1,009	-8,606
B. Disposition of Unused Health and Dependent Care Benefits in Cafeteria Plans and Flexible Spending Arrangements	tyba 12/31/05	-693	-1,196	-1,457	-1,653	-1,765	-1,885	-1,977	-2,054	-2,135	-2,209	-6,763	-17,023
C. Permit Tax-Free Distributions from Governmental Retirement Plans for Premiums for Health and Long-Term Care Insurance for Public Safety Officers	dmi tyba 12/31/05	-185	-246	-279	-317	-344	-371	-437	-470	-505	-542	-1,371	-3,694
Total of Provisions to Enhance Health Care Affordability		**-878**	**-1,505**	**-1,895**	**-2,254**	**-2,611**	**-3,089**	**-3,614**	**-4,047**	**-4,492**	**-4,939**	**-9,143**	**-29,323**
XI. General Provisions - Provisions Relating to Plan Amendments	**DOE**	*Estimate Included in the Provisions to Which the Change Relates*											
NET TOTAL		**-332**	**869**	**-1,311**	**-5,167**	**-6,591**	**-9,059**	**-10,999**	**-11,498**	**-12,397**	**-13,389**	**-12,531**	**-69,873**

Joint Committee on Taxation

NOTE: Details may not add to totals due to rounding. Date of enactment is assumed to be December 30, 2005.

[Legend and Footnotes for JCX-87-05 appear on the following page]

Legend and Footnotes for JCX-87-05:

Legend for "Effective" column:

cf = contributions for
ciioteo/a = changes in investment options taking effect on or after
dma = distributions made after
dmi = distributions made in
DOE = date of enactment
pbo/a = periods beginning on or after
pyba = plan years beginning after
tyba = taxable years beginning after
yba = years beginning after

[1] Estimate does not include any changes in direct spending associated with the effects of the provisions on the PBGC, including the effect on premiums paid to the PBGC. Estimates of any such changes will be provided by the Congressional Budget Office.
[2] Loss of less than $500,000.
[3] Effective for any transaction which the fiduciary or disqualified person discovers, or reasonably should have discovered, after the date of the enactment constitutes a prohibited transaction.
[4] The provision applies with respect to advice referred to in Code section 4975(e)(3)(B) provided on or after January 1, 2006.
[5] Generally effective for contracts issued before, on, or after December 31, 2006, but only with respect to periods beginning after that date. The provision expanding the rules for tax-free exchanges of certain insurance contracts applies with respect to exchanges occurring after December 31, 2006.