



Joint Committee on Taxation
July 13, 2000
JCX-71-00

**DESCRIPTION OF CHAIRMAN ARCHER'S AMENDMENT
IN THE NATURE OF A SUBSTITUTE TO H.R. 4843, THE
"COMPREHENSIVE RETIREMENT SECURITY AND
PENSION REFORM ACT"**

Chairman Archer's amendment in the nature of a substitute to the "Comprehensive Retirement Security and Pension Reform Act"¹ would include the provisions of the bill, modified as follows:

A. Additional Salary Reduction Catch-up Contributions

The provision relating to catch-up contributions for individuals who are age 50 and older to a section 401(k) or similar plan would be modified to provide that such catch-up contributions would be subject to applicable nondiscrimination rules.

B. Notice of Significant Reduction in Plan Benefit Accruals

The provisions relating to the required written notice concerning a plan amendment that provides for a significant reduction in the rate of future benefit accrual would be modified by adding a direction to the Secretary of the Treasury to prepare a report on the effects of conversions of traditional defined benefit plans to cash balance or hybrid formula plans. Such study would examine the effect of such conversions on longer service participants, including the incidence and effects of "wear away" provisions under which participants earn no additional benefits for a period of time after the conversion. The Secretary would be directed to submit such report, together with recommendations thereon, to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate as soon as practicable, but not later than 60 days after the date of enactment.

¹ The bill is described in the document entitled: Joint Committee on Taxation, *Description of the "Comprehensive Retirement Security and Pension Reform Act"* (JCX-69-00), July 11, 2000.