

ESTIMATED REVENUE EFFECTS OF S. 1783,
THE "PENSION SECURITY AND TRANSPARENCY ACT OF 2005,"
AS PASSED BY THE SENATE ON NOVEMBER 16, 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. Funding and Deduction Rules for Single-Employer Defined Benefit Plans and Related Provisions [1]													
	[2]	839	3,685	2,935	-904	-1,994	-2,010	-1,756	-1,151	-850	-693	4,561	-1,899
II. Funding and Deduction Rules for Multiemployer Defined Benefit Plans and Related Provisions													
1. Funding rules for multiemployer plans and additional funding rules for plans in endangered or critical status (sunset 12/31/14); and study.....	generally pyba 12/31/06	[3]	-3	-8	-18	-27	-33	-39	-45	-51	-54	-56	-278
2. Measures to forestall insolvency of multiemployer plans.....	dmi pyba 2006	----- Estimate Included in Item II.1. -----											
3. Special rule for certain benefits funded under an agreement approved by the PBGC.....	DOE	----- Estimate Included in Item II.1. -----											
4. Withdrawal liability reforms.....	[4]	----- Estimate Included in Item II.1. -----											
5. Increase deduction limits for multiemployer plans.....	yba 12/31/05	----- Estimate Included in Item II.1. -----											
6. Transfers of excess pension assets to multiemployer health plan.....	tmi tyba 12/31/04	----- Negligible Revenue Effect -----											
Total of Funding and Deduction Rules for Multiemployer Defined Benefit Plans and Related Provisions		[3]	-3	-8	-18	-27	-33	-39	-45	-51	-54	-56	-278
III. Interest Rate Assumptions													
1. Interest rate assumption for determination of lump-sum distributions.....	pyba 12/31/06	----- Negligible Revenue Effect -----											
2. Interest rate assumption for applying benefit limitations to lump-sum distributions.....	yba 12/31/05	----- Negligible Revenue Effect -----											
3. Restrictions on funding of nonqualified deferred compensation plans by employers maintaining underfunded or terminated single-employer plans.....	taoraa 12/31/06	---	3	4	4	4	6	6	5	4	3	15	41
4. Modification of pension funding requirements for plans subject to current transition rule.....	pyba 12/31/05	----- Estimate Included in Item I. -----											
Total of Interest Rate Assumptions		[3]	3	4	4	4	6	6	5	4	3	15	41
IV. Improvements in PBGC Guarantee Provisions													
1. Increases in PBGC premiums.....	[5]	----- Estimate to be Provided by the Congressional Budget Office -----											
2. Authority to enter alternative funding agreements to prevent plan terminations.....	DOE	----- Estimate to be Provided by the Congressional Budget Office -----											
3. Special funding rules for plans maintained by commercial airlines that are amended to cease future benefit accruals [6].....	pyea DOE	1	3	3	3	3	3	3	3	3	3	14	30
4. Limitation on PBGC guarantee of shutdown and other benefits.....	[7]	----- Estimate to be Provided by the Congressional Budget Office -----											

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5. Rules relating to bankruptcy of employer.....	[8]	----- Estimate to be Provided by the Congressional Budget Office -----											
6. PBGC premiums for new plans of small employers.....	pfea 12/31/05	----- Estimate to be Provided by the Congressional Budget Office -----											
7. PBGC premiums for small and new plans.....	pfea 12/31/05 & pyba 12/31/05	----- Estimate to be Provided by the Congressional Budget Office -----											
8. Authorization for PBGC to pay interest on premium overpayment refunds.....	iafpbnet DOE	----- Estimate to be Provided by the Congressional Budget Office -----											
9. Rules for substantial owner benefits in terminated plans.....	[9]	----- Estimate to be Provided by the Congressional Budget Office -----											
10. Acceleration of PBGC computation of benefits attributable to recoveries from employers.....	noitto/a 30da DOE	----- Estimate to be Provided by the Congressional Budget Office -----											
11. Treatment of certain plans where cessation or change in membership of controlled group.....	atosotoo/a DOE	----- Estimate to be Provided by the Congressional Budget Office -----											
12. Retirement age of commercial airline pilots for PBGC guarantee purposes.....	bpo/a DOE	----- Estimate to be Provided by the Congressional Budget Office -----											
Total of Improvements in PBGC Guarantee Provisions		1	3	14	30								
V. Disclosure													
1. Defined benefit plan funding notice.....	pyba 12/31/05	----- No Revenue Effect -----											
2. Access to multiemployer pension plan information.....	pyba 12/31/05	----- No Revenue Effect -----											
3. Additional annual reporting requirements.....	generally pyba 12/31/05	----- No Revenue Effect -----											
4. Timing of annual reporting requirements.....	pyba 12/31/05	----- No Revenue Effect -----											
5. Section 4010 filings with the PBGC.....	pyba 12/31/06	----- No Revenue Effect -----											
6. Disclosure of termination information to plan participants....	noitta DOE	----- No Revenue Effect -----											
7. Benefit suspension notice.....	pyba 12/31/05	----- No Revenue Effect -----											
8. Study and report by GAO.....	DOE	----- No Revenue Effect -----											
Total of Disclosure		---	---	---	---	---	---	---	---	---	---	---	---
VI. Treatment of Cash Balance and Other Hybrid Defined Benefit Pension Plans													
1. Prospective application of age discrimination, conversion, and present value assumption rules.....	[10]	-24	-26	-33	-35	-42	-34	2	45	67	61	-160	-19
2. Regulations relating to mergers and acquisitions [11].....	DOE	----- No Revenue Effect -----											
Total of Treatment of Cash Balance and Other Hybrid Defined Benefit Pension Plans		-24	-26	-33	-35	-42	-34	2	45	67	61	-160	-19
VII. Diversification Rights and Other Participant Protections Under Defined Contributions Plans													
1. Defined contribution plans required to provide employees with freedom to invest their plan assets.....	generally pyba 12/31/05	----- Negligible Revenue Effect -----											
2. Notice of freedom to divest employer securities or real property.....	generally pyba 12/31/05	----- No Revenue Effect -----											
3. Periodic pension benefit statements.....	generally pyba 12/31/06	----- No Revenue Effect -----											
4. Notice to participants or beneficiaries of blackout periods.....	[12]	----- No Revenue Effect -----											
5. Additional IRA contributions and credit for certain individuals (sunset taxable years beginning after 12/31/09; sunset credit taxable years beginning after 12/31/07).....	tyba 12/31/04	-87	-85	-51	-10	-8	-6	-6	-6	-6	-6	-240	-270

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6. Inapplicability of relief from fiduciary liability during suspension of ability of participant or beneficiary to direct investments.....	generally pyba 12/31/05	----- No Revenue Effect -----											
7. Increase in maximum bond amount.....	pyba 12/31/05	----- No Revenue Effect -----											
Total of Diversification Rights and Other Participant Protections Under Defined Contributions Plans		-87	-85	-51	-10	-8	-6	-6	-6	-6	-6	-240	-270
VIII. Information to Assist Pension Plan Participants													
1. Defined contributions plans required to provide adequate investment education to participants.....	generally pyba 12/31/06	----- No Revenue Effect -----											
2. Independent investment advice provided to plan participants.....	iada DOE	----- No Revenue Effect -----											
3. Treatment of qualified retirement planning services (sunset 12/31/10).....	tyba 12/31/05	-12	-24	-32	-36	-39	-43	-11	---	---	---	-142	-196
4. Increase in penalties for coercive interference with exercise of ERISA rights.....	voo/a DOE	----- No Revenue Effect -----											
5. Administrative provision.....	DOE	----- No Revenue Effect -----											
Total of Information to Assist Pension Plan Participants		-12	-24	-32	-36	-39	-43	-11	---	---	---	-142	-196
IX. Provisions Relating to Spousal Pension Protection													
1. Regulations on time and order of issuance of domestic relations orders.....	DOE	----- Negligible Revenue Effect -----											
2. Entitlement of divorced spouses to railroad retirement annuities independent of actual entitlement of employee.....	1ya DOE	----- Estimate to be Provided by the Congressional Budget Office -----											
3. Extension of tier II railroad retirement benefits to surviving former spouses pursuant to divorce agreements.....	1ya DOE	----- Estimate to be Provided by the Congressional Budget Office -----											
4. Requirement for additional survivor annuity option.....	generally pyba 12/31/05	----- Negligible Revenue Effect -----											
Total of Provisions Relating to Spousal Pension Protection		[3]	[3]	[3]	[3]	[3]	[3]	[3]	[3]	[3]	[3]	[3]	[3]
X. Improvements in Portability and Distribution Rules													
1. Clarifications regarding purchase of permissive service credit.....	[13]	----- Negligible Revenue Effect -----											
2. Rollover of after-tax amounts in annuity contracts.....	tyba 12/31/05	----- Negligible Revenue Effect -----											
3. Clarification of minimum distribution rules to governmental plans.....	DOE	----- No Revenue Effect -----											
4. Waiver of 10% early withdrawal tax on certain distributions from pension plans for public safety employees.....	dma DOE	-1	-3	-3	-3	-3	-3	-4	-4	-4	-4	-13	-32
5. 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
6. Faster vesting of employer nonelective contributions.....	generally cf pyba 12/31/05	-3	-6	-7	-7	-7	-7	-8	-8	-8	-8	-30	-69
7. Allow direct rollovers from retirement plans to Roth IRAs.....	dma 12/31/05	----- Negligible Revenue Effect -----											
8. Elimination of higher early withdrawal tax on certain SIMPLE plan distributions.....	yba 12/31/05	[14]	-20	-21	-22	-22	-23	-24	-25	-26	-27	-85	-211
9. SIMPLE Plan Portability [15].....	yba 12/31/05	-6	-13	-13	-14	-14	-14	-14	-14	-13	-13	-60	-127

Provision	Effective	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2006-10	2006-15
2. Treatment of death benefits from corporate-owned life insurance.....	generally cia DOE	----- Negligible Revenue Effect -----											
D. Other Related Pension Provisions													
1. Use of excess pension assets for future retiree health benefits.....	Ta DOE	-10	-42	-59	-24	-14	-1	15	20	50	50	-149	-15
2. Special rules for funding of collectively bargained retiree health benefits.....	yba 12/31/04	[3]	[3]	[3]	[3]	[3]	[3]	[3]	[3]	5	5	[3]	10
3. Allowance of reserve for medical benefits of plans sponsored by bona fide associations.....	tyea 12/31/05	-16	-27	-31	-35	-40	-45	-51	-58	-65	-74	-148	-442
4. Treatment of eligible combined defined benefit plans and qualified cash or deferred arrangements.....	pyba 12/31/08	---	---	---	-23	-72	-141	-202	-260	-324	-394	-95	-1,417
5. State and local governments eligible to maintain section 401(k) plans.....	pyba 12/31/05	-18	-65	-129	-210	-265	-306	-339	-368	-398	-428	-686	-2,526
6. Excess contributions.....	yba 12/31/05	-3	-1	-2	-2	-1	-1	-1	-1	-1	-1	-9	-16
7. Amendments relating to prohibited transactions.....	ta DOE	----- Negligible Revenue Effect -----											
8. Federal Task Force on Older Workers.....	DOE	----- No Revenue Effect -----											
9. Technical corrections to Saver Act.....	DOE	----- No Revenue Effect -----											
Total of Other Provisions		-45	-135	-221	-294	-392	-494	-578	-667	-733	-842	-1,085	-4,405
NET TOTAL		633	3,101	2,191	-1,775	-3,038	-3,206	-3,015	-2,485	-2,267	-2,262	1,118	-12,118

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 for "Effective" column:

atosotoo/a = any transaction or series of transactions occurring on or after
 bpo/a = benefits payable on or after
 cia = contracts issued after
 DOE = date of enactment
 dma = distributions made after
 dmi = determinations made in
 iada = investment advisors designated after
 iafpbnet = interest accruing for periods beginning not earlier than

fripp = final regulations implementing the provision are prescribed
 noitta = notice of intent to terminate after
 noitto/a = notice of intent to terminate on or after
 pfea = plans first effective after
 pyba = plan years beginning after
 pybo/a = plan years beginning on or after
 pyea = plan years beginning after
 ta = transaction after
 Ta = transfers after

taoroaa = transfers and other reservations of assets after
 tmi = transfers made in
 tyba = taxable years beginning after
 tyea = taxable years ending after
 voo/a = violations occurring on or after
 wbo/a = weeks beginning on or after
 yba = years beginning after
 ybbo/a = years beginning before, on, or after
 30da = 30 days after
 1ya = 1 year 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] The extension of the present-law interest rate is effective for plan years beginning after December 31, 2005, and before January 1, 2007. The modifications to the single-employer plan funding rules are generally effective for plan years beginning after December 31, 2006.
- [3] Negligible revenue effect.
- [4] Provision relating to insolvent employers is effective for sales on or after January 1, 2006; provision relating to work that is contracted out is effective for work transferred on or after the date of enactment; provision relating to plans in the building and construction trades is effective with respect to withdrawals on or after January 1, 2006.
- [5] The provision relating to the flat-rate premium is effective for plan years beginning after December 31, 2005; the provision relating to the variable rate premium is effective for plan years beginning after December 31, 2006; the provision relating to premiums for certain terminated plans is effective for terminations on or after the date of enactment.
- [6] Estimate includes interaction effects with Item I.
- [7] Effective for benefits that become payable as a result of a plant shutdown or other covered event that occurs after July 26, 2005.
- [8] Effective with respect to Federal bankruptcy or similar proceedings which are initiated on or after the date that is 30 days after enactment.

Footnotes for JCX-86-05 continued:

- [9] Effective for plan terminations with respect to which notices of intent to terminate are provided, or for which proceedings for termination are instituted by the PBGC after December 31, 2005.
- [10] The provisions relating to the age discrimination rules and minimum lump-sum distributions are effective for periods after July 31, 2005. The provision relating to conversions is generally effective for plan amendments adopted and effective after July 31, 2005. The provisions relating to interest credits and vesting are generally effective for plan years beginning after December 31, 2006.
- [11] Provisions directs the Secretary to issue regulations not later than 12 months after the date of enactment.
- [12] The amendments to ERISA made by the provision are effective as if included in section 306 of the Sarbanes-Oxley Act of 2002.
- [13] Generally effective as if included in the amendments made by section 1526 of the Taxpayer Relief Act of 1997, except that the provision regarding trustee-to-trustee transfers is effective as if included in the amendments made by section 647 of the Economic Growth and Tax Relief Reconciliation Act of 2001.
- [14] Loss of less than \$500,000.
- [15] Estimate includes interaction effects with item X. 8.
- [16] Effective as if included in the Economic Growth and Tax Relief Reconciliation Act of 2001.
- [17] Gain of less than \$500,000.
- [18] Only includes the estimated revenue effects associated with the provision relating to participation by Tax Court judges in the Thrift Savings Plan and does not include any outlay or revenue effects associated with other items included in the provision. These remaining items will be estimated by the Congressional Budget Office.
- [19] No net budgetary effect.