

ESTIMATED REVENUE EFFECTS OF A CHAIRMAN'S AMENDMENT IN THE NATURE OF A SUBSTITUTE TO H.R. 3669,  
 THE "EMPLOYEE RETIREMENT SAVINGS BILL OF RIGHTS,"  
 SCHEDULED FOR MARKUP BY THE COMMITTEE ON WAYS AND MEANS ON MARCH 14, 2002

Fiscal Years 2002 - 2012

[Millions of Dollars]

Provision	Effective	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2002-07	2002-12
<b>Defined Contribution Plan Protection Provisions</b>														
1. Excise tax on failure of pension plans to provide notice to participants regarding investment education .....	pyba 12/31/02	----- Negligible Revenue Effect -----												
2. Excise tax on failure of pension plans to provide notice to participants of transaction restriction periods .....	pyba 12/31/02	----- Negligible Revenue Effect -----												
3. Diversification requirements for defined contributions plans that hold employer securities .....	pyba 12/31/02	----- Negligible Revenue Effect -----												
4. Treatment of employer-provided qualified retirement planning services .....	tyba 12/31/02	---	-13	-24	-25	-22	-23	-25	-28	-30	-33	-37	-107	-261
5. Special rules .....	DOE	----- No Revenue Effect -----												
<b>Total of Defined Contribution Plan Protection Provisions .....</b>		---	-13	-24	-25	-22	-23	-25	-28	-30	-33	-37	-107	-261
<b>Other Tax Provisions Relating to Pensions</b>														
1. Amendments to Retirement Protection Act of 1994 .....	pyba 12/31/01	----- Negligible Revenue Effect -----												
2. Pension plan reporting simplification [1] .....	pybo/a 1/1/02	----- No Revenue Effect -----												
3. Improvement to Employee Plans Compliance Resolution System [1] .....	DOE	----- Negligible Revenue Effect -----												
4. Flexibility in nondiscrimination, coverage, and line of business rules [1] .....	DOE	----- Negligible Revenue Effect -----												
5. Extension to all governmental plans of moratorium on application of certain nondiscrimination rules applicable to State and local government plans .....	pyba 12/31/02	----- Negligible Revenue Effect -----												
6. Notice and consent period regarding distributions .....	yba 12/31/02	----- Negligible Revenue Effect -----												
7. Reduce flat-rate PBGC premiums for new plans of small employers [2] .....	pea 12/31/01	---	[3]	[3]	[3]	[3]	[3]	[3]	[3]	[3]	[3]	[3]	-1	-3
8. Reduce variable-rate PBGC premium for new and small plans [2] .....	pea 12/31/01 & pyba 12/31/02	---	-7	-9	-9	-9	-9	-9	-9	-9	-9	-9	-43	-88
9. Authorization for PBGC to pay interest on premium overpayment refunds [2] .....	iafpbnet DOE	---	-3	-3	-3	-3	-3	-3	-3	-3	-3	-3	-15	-30
10. Rules for substantial owner benefits in terminated plans [2] .....	[4]	---	[3]	[3]	[3]	[3]	[3]	[3]	[3]	[3]	[3]	[3]	-1	-3
11. Studies .....	DOE	----- No Revenue Effect -----												
12. Interest rate range for additional funding requirements .....	[5]	994	994	-270	-593	-485	-327	-459	-490	-273	-79	-4	313	-991
13. Provisions relating to plan amendments .....	DOE	----- No Revenue Effect -----												
<b>Total of Other Tax Provisions Relating to Pensions .....</b>		994	984	-282	-605	-497	-339	-471	-503	-286	-92	-17	253	-1,114

Provision	Effective	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2002-07	2002-12
<b>Stock Options - Exclusion of Incentive Stock Options and Employee Stock Purchase Plan Stock</b>														
Options From Wages [6] .....	[7]	---	-1,771	-2,283	-2,086	-2,224	-2,165	-2,382	-2,330	-2,496	-2,652	-2,803	-10,529	-23,192
Social Security Held Harmless .....	DOE	----- No Revenue Effect -----												
<b>NET TOTAL .....</b>		<b>994</b>	<b>-800</b>	<b>-2,589</b>	<b>-2,716</b>	<b>-2,743</b>	<b>-2,527</b>	<b>-2,878</b>	<b>-2,861</b>	<b>-2,812</b>	<b>-2,777</b>	<b>-2,857</b>	<b>-10,383</b>	<b>-24,567</b>

Joint Committee on Taxation

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

Legend for "Effective" column:

DOE = date of enactment

iafpbnet = interest accruing for periods beginning not earlier than

pea = plans established after

pyba = plan years beginning after

pybo/a = plan years beginning on or after

tyba = taxable years beginning after

yba = years beginning after

[1] Directs the Secretary of the Treasury to modify rules through regulations.

[2] Estimate provided by the Congressional Budget Office and is preliminary and subject to change.

[3] Loss of less than \$500,000.

[4] 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, 2002.

[5] Effective as if included in section 405 of the "Job Creation and Worker Assistance Act of 2002."

[6] There is uncertainty with respect to the potential revenue effects from the proposal. Due to the long-standing administrative position of the IRS with respect to the imposition of employment taxes on incentive stock options and employee stock purchase plans, the level of compliance that can be expected with the revised IRS position is unclear.

[7] Effective for stock acquired pursuant to statutory stock options exercised after the date of enactment.