

1 **DIVISION O—SETTING EVERY**
2 **COMMUNITY UP FOR RETIRE-**
3 **MENT ENHANCEMENT**

4 **SEC. 1. SHORT TITLE, ETC.**

5 (a) **SHORT TITLE.**—This Act may be cited as the
6 “Setting Every Community Up for Retirement Enhance-
7 ment Act of 2019”.

8 (b) **TABLE OF CONTENTS.**—The table of contents of
9 this Act is as follows:

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- Sec. 601. Provisions relating to plan amendments.

1 **TITLE I—EXPANDING AND PRE-**
2 **SERVING RETIREMENT SAV-**
3 **INGS**

4 **SEC. 101. MULTIPLE EMPLOYER PLANS; POOLED EM-**
5 **PLOYER PLANS.**

6 (a) QUALIFICATION REQUIREMENTS.—

7 (1) IN GENERAL.—Section 413 of the Internal
8 Revenue Code of 1986 is amended by adding at the
9 end the following new subsection:

10 “(e) APPLICATION OF QUALIFICATION REQUIRE-
11 MENTS FOR CERTAIN MULTIPLE EMPLOYER PLANS WITH
12 POOLED PLAN PROVIDERS.—

1 “(1) IN GENERAL.—Except as provided in para-
2 graph (2), if a defined contribution plan to which
3 subsection (c) applies—

4 “(A) is maintained by employers which
5 have a common interest other than having
6 adopted the plan, or

7 “(B) in the case of a plan not described in
8 subparagraph (A), has a pooled plan provider,
9 then the plan shall not be treated as failing to meet
10 the requirements under this title applicable to a plan
11 described in section 401(a) or to a plan that consists
12 of individual retirement accounts described in sec-
13 tion 408 (including by reason of subsection (c)
14 thereof), whichever is applicable, merely because one
15 or more employers of employees covered by the plan
16 fail to take such actions as are required of such em-
17 ployers for the plan to meet such requirements.

18 “(2) LIMITATIONS.—

19 “(A) IN GENERAL.—Paragraph (1) shall
20 not apply to any plan unless the terms of the
21 plan provide that in the case of any employer
22 in the plan failing to take the actions described
23 in paragraph (1)—

24 “(i) the assets of the plan attributable
25 to employees of such employer (or bene-

1 ficiaries of such employees) will be trans-
2 ferred to a plan maintained only by such
3 employer (or its successor), to an eligible
4 retirement plan as defined in section
5 402(c)(8)(B) for each individual whose ac-
6 count is transferred, or to any other ar-
7 rangement that the Secretary determines is
8 appropriate, unless the Secretary deter-
9 mines it is in the best interests of the em-
10 ployees of such employer (and the bene-
11 ficiaries of such employees) to retain the
12 assets in the plan, and

13 “(ii) such employer (and not the plan
14 with respect to which the failure occurred
15 or any other employer in such plan) shall,
16 except to the extent provided by the Sec-
17 retary, be liable for any liabilities with re-
18 spect to such plan attributable to employ-
19 ees of such employer (or beneficiaries of
20 such employees).

21 “(B) FAILURES BY POOLED PLAN PRO-
22 VIDERS.—If the pooled plan provider of a plan
23 described in paragraph (1)(B) does not perform
24 substantially all of the administrative duties
25 which are required of the provider under para-

1 graph (3)(A)(i) for any plan year, the Secretary
2 may provide that the determination as to
3 whether the plan meets the requirements under
4 this title applicable to a plan described in sec-
5 tion 401(a) or to a plan that consists of indi-
6 vidual retirement accounts described in section
7 408 (including by reason of subsection (c)
8 thereof), whichever is applicable, shall be made
9 in the same manner as would be made without
10 regard to paragraph (1).

11 “(3) POOLED PLAN PROVIDER.—

12 “(A) IN GENERAL.—For purposes of this
13 subsection, the term ‘pooled plan provider’
14 means, with respect to any plan, a person
15 who—

16 “(i) is designated by the terms of the
17 plan as a named fiduciary (within the
18 meaning of section 402(a)(2) of the Em-
19 ployee Retirement Income Security Act of
20 1974), as the plan administrator, and as
21 the person responsible to perform all ad-
22 ministrative duties (including conducting
23 proper testing with respect to the plan and
24 the employees of each employer in the

1 plan) which are reasonably necessary to
2 ensure that—

3 “(I) the plan meets any require-
4 ment applicable under the Employee
5 Retirement Income Security Act of
6 1974 or this title to a plan described
7 in section 401(a) or to a plan that
8 consists of individual retirement ac-
9 counts described in section 408 (in-
10 cluding by reason of subsection (c)
11 thereof), whichever is applicable, and

12 “(II) each employer in the plan
13 takes such actions as the Secretary or
14 such person determines are necessary
15 for the plan to meet the requirements
16 described in subclause (I), including
17 providing to such person any disclo-
18 sures or other information which the
19 Secretary may require or which such
20 person otherwise determines are nec-
21 essary to administer the plan or to
22 allow the plan to meet such require-
23 ments,

24 “(ii) registers as a pooled plan pro-
25 vider with the Secretary, and provides such

1 other information to the Secretary as the
2 Secretary may require, before beginning
3 operations as a pooled plan provider,

4 “(iii) acknowledges in writing that
5 such person is a named fiduciary (within
6 the meaning of section 402(a)(2) of the
7 Employee Retirement Income Security Act
8 of 1974), and the plan administrator, with
9 respect to the plan, and

10 “(iv) is responsible for ensuring that
11 all persons who handle assets of, or who
12 are fiduciaries of, the plan are bonded in
13 accordance with section 412 of the Em-
14 ployee Retirement Income Security Act of
15 1974.

16 “(B) AUDITS, EXAMINATIONS AND INVES-
17 TIGATIONS.—The Secretary may perform au-
18 dits, examinations, and investigations of pooled
19 plan providers as may be necessary to enforce
20 and carry out the purposes of this subsection.

21 “(C) AGGREGATION RULES.—For purposes
22 of this paragraph, in determining whether a
23 person meets the requirements of this para-
24 graph to be a pooled plan provider with respect
25 to any plan, all persons who perform services

1 for the plan and who are treated as a single
2 employer under subsection (b), (c), (m), or (o)
3 of section 414 shall be treated as one person.

4 “(D) TREATMENT OF EMPLOYERS AS PLAN
5 SPONSORS.—Except with respect to the admin-
6 istrative duties of the pooled plan provider de-
7 scribed in subparagraph (A)(i), each employer
8 in a plan which has a pooled plan provider shall
9 be treated as the plan sponsor with respect to
10 the portion of the plan attributable to employ-
11 ees of such employer (or beneficiaries of such
12 employees).

13 “(4) GUIDANCE.—

14 “(A) IN GENERAL.—The Secretary shall
15 issue such guidance as the Secretary determines
16 appropriate to carry out this subsection, includ-
17 ing guidance—

18 “(i) to identify the administrative du-
19 ties and other actions required to be per-
20 formed by a pooled plan provider under
21 this subsection,

22 “(ii) which describes the procedures to
23 be taken to terminate a plan which fails to
24 meet the requirements to be a plan de-
25 scribed in paragraph (1), including the

1 proper treatment of, and actions needed to
2 be taken by, any employer in the plan and
3 the assets and liabilities of the plan attrib-
4 utable to employees of such employer (or
5 beneficiaries of such employees), and

6 “(iii) identifying appropriate cases to
7 which the rules of paragraph (2)(A) will
8 apply to employers in the plan failing to
9 take the actions described in paragraph
10 (1).

11 The Secretary shall take into account under
12 clause (iii) whether the failure of an employer
13 or pooled plan provider to provide any disclo-
14 sures or other information, or to take any other
15 action, necessary to administer a plan or to
16 allow a plan to meet requirements applicable to
17 the plan under section 401(a) or 408, whichever
18 is applicable, has continued over a period of
19 time that demonstrates a lack of commitment
20 to compliance.

21 “(B) GOOD FAITH COMPLIANCE WITH LAW
22 BEFORE GUIDANCE.—An employer or pooled
23 plan provider shall not be treated as failing to
24 meet a requirement of guidance issued by the
25 Secretary under this paragraph if, before the

1 issuance of such guidance, the employer or
2 pooled plan provider complies in good faith with
3 a reasonable interpretation of the provisions of
4 this subsection to which such guidance relates.

5 “(5) MODEL PLAN.—The Secretary shall pub-
6 lish model plan language which meets the require-
7 ments of this subsection and of paragraphs (43) and
8 (44) of section 3 of the Employee Retirement In-
9 come Security Act of 1974 and which may be adopt-
10 ed in order for a plan to be treated as a plan de-
11 scribed in paragraph (1)(B).”.

12 (2) CONFORMING AMENDMENT.—Section
13 413(c)(2) of such Code is amended by striking “sec-
14 tion 401(a)” and inserting “sections 401(a) and
15 408(c)”.

16 (3) TECHNICAL AMENDMENT.—Section 408(c)
17 of such Code is amended by inserting after para-
18 graph (2) the following new paragraph:

19 “(3) There is a separate accounting for any in-
20 terest of an employee or member (or spouse of an
21 employee or member) in a Roth IRA.”.

22 (b) NO COMMON INTEREST REQUIRED FOR POOLED
23 EMPLOYER PLANS.—Section 3(2) of the Employee Retire-
24 ment Income Security Act of 1974 (29 U.S.C. 1002(2))
25 is amended by adding at the end the following:

1 “(C) A pooled employer plan shall be treat-
2 ed as—

3 “(i) a single employee pension benefit
4 plan or single pension plan; and

5 “(ii) a plan to which section 210(a)
6 applies.”.

7 (c) POOLED EMPLOYER PLAN AND PROVIDER DE-
8 FINED.—

9 (1) IN GENERAL.—Section 3 of the Employee
10 Retirement Income Security Act of 1974 (29 U.S.C.
11 1002) is amended by adding at the end the fol-
12 lowing:

13 “(43) POOLED EMPLOYER PLAN.—

14 “(A) IN GENERAL.—The term ‘pooled em-
15 ployer plan’ means a plan—

16 “(i) which is an individual account
17 plan established or maintained for the pur-
18 pose of providing benefits to the employees
19 of 2 or more employers;

20 “(ii) which is a plan described in sec-
21 tion 401(a) of the Internal Revenue Code
22 of 1986 which includes a trust exempt
23 from tax under section 501(a) of such
24 Code or a plan that consists of individual
25 retirement accounts described in section

1 408 of such Code (including by reason of
2 subsection (c) thereof); and

3 “(iii) the terms of which meet the re-
4 quirements of subparagraph (B).

5 Such term shall not include a plan maintained
6 by employers which have a common interest
7 other than having adopted the plan.

8 “(B) REQUIREMENTS FOR PLAN TERMS.—
9 The requirements of this subparagraph are met
10 with respect to any plan if the terms of the
11 plan—

12 “(i) designate a pooled plan provider
13 and provide that the pooled plan provider
14 is a named fiduciary of the plan;

15 “(ii) designate one or more trustees
16 meeting the requirements of section
17 408(a)(2) of the Internal Revenue Code of
18 1986 (other than an employer in the plan)
19 to be responsible for collecting contribu-
20 tions to, and holding the assets of, the
21 plan and require such trustees to imple-
22 ment written contribution collection proce-
23 dures that are reasonable, diligent, and
24 systematic;

1 “(iii) provide that each employer in
2 the plan retains fiduciary responsibility
3 for—

4 “(I) the selection and monitoring
5 in accordance with section 404(a) of
6 the person designated as the pooled
7 plan provider and any other person
8 who, in addition to the pooled plan
9 provider, is designated as a named fi-
10 duciary of the plan; and

11 “(II) to the extent not otherwise
12 delegated to another fiduciary by the
13 pooled plan provider and subject to
14 the provisions of section 404(c), the
15 investment and management of the
16 portion of the plan’s assets attrib-
17 utable to the employees of the em-
18 ployer (or beneficiaries of such em-
19 ployees);

20 “(iv) provide that employers in the
21 plan, and participants and beneficiaries,
22 are not subject to unreasonable restric-
23 tions, fees, or penalties with regard to
24 ceasing participation, receipt of distribu-
25 tions, or otherwise transferring assets of

1 the plan in accordance with section 208 or
2 paragraph (44)(C)(i)(II);

3 “(v) require—

4 “(I) the pooled plan provider to
5 provide to employers in the plan any
6 disclosures or other information which
7 the Secretary may require, including
8 any disclosures or other information
9 to facilitate the selection or any moni-
10 toring of the pooled plan provider by
11 employers in the plan; and

12 “(II) each employer in the plan
13 to take such actions as the Secretary
14 or the pooled plan provider determines
15 are necessary to administer the plan
16 or for the plan to meet any require-
17 ment applicable under this Act or the
18 Internal Revenue Code of 1986 to a
19 plan described in section 401(a) of
20 such Code or to a plan that consists
21 of individual retirement accounts de-
22 scribed in section 408 of such Code
23 (including by reason of subsection (c)
24 thereof), whichever is applicable, in-
25 cluding providing any disclosures or

1 other information which the Secretary
2 may require or which the pooled plan
3 provider otherwise determines are nec-
4 essary to administer the plan or to
5 allow the plan to meet such require-
6 ments; and

7 “(vi) provide that any disclosure or
8 other information required to be provided
9 under clause (v) may be provided in elec-
10 tronic form and will be designed to ensure
11 only reasonable costs are imposed on
12 pooled plan providers and employers in the
13 plan.

14 “(C) EXCEPTIONS.—The term ‘pooled em-
15 ployer plan’ does not include—

16 “(i) a multiemployer plan; or

17 “(ii) a plan established before the
18 date of the enactment of the Setting Every
19 Community Up for Retirement Enhance-
20 ment Act of 2019 unless the plan adminis-
21 trator elects that the plan will be treated
22 as a pooled employer plan and the plan
23 meets the requirements of this title appli-
24 cable to a pooled employer plan established
25 on or after such date.

1 “(D) TREATMENT OF EMPLOYERS AS PLAN
2 SPONSORS.—Except with respect to the admin-
3 istrative duties of the pooled plan provider de-
4 scribed in paragraph (44)(A)(i), each employer
5 in a pooled employer plan shall be treated as
6 the plan sponsor with respect to the portion of
7 the plan attributable to employees of such em-
8 ployer (or beneficiaries of such employees).

9 “(44) POOLED PLAN PROVIDER.—

10 “(A) IN GENERAL.—The term ‘pooled plan
11 provider’ means a person who—

12 “(i) is designated by the terms of a
13 pooled employer plan as a named fiduciary,
14 as the plan administrator, and as the per-
15 son responsible for the performance of all
16 administrative duties (including conducting
17 proper testing with respect to the plan and
18 the employees of each employer in the
19 plan) which are reasonably necessary to
20 ensure that—

21 “(I) the plan meets any require-
22 ment applicable under this Act or the
23 Internal Revenue Code of 1986 to a
24 plan described in section 401(a) of
25 such Code or to a plan that consists

1 of individual retirement accounts de-
2 scribed in section 408 of such Code
3 (including by reason of subsection (c)
4 thereof), whichever is applicable; and

5 “(II) each employer in the plan
6 takes such actions as the Secretary or
7 pooled plan provider determines are
8 necessary for the plan to meet the re-
9 quirements described in subclause (I),
10 including providing the disclosures
11 and information described in para-
12 graph (43)(B)(v)(II);

13 “(ii) registers as a pooled plan pro-
14 vider with the Secretary, and provides to
15 the Secretary such other information as
16 the Secretary may require, before begin-
17 ning operations as a pooled plan provider;

18 “(iii) acknowledges in writing that
19 such person is a named fiduciary, and the
20 plan administrator, with respect to the
21 pooled employer plan; and

22 “(iv) is responsible for ensuring that
23 all persons who handle assets of, or who
24 are fiduciaries of, the pooled employer plan
25 are bonded in accordance with section 412.

1 “(B) AUDITS, EXAMINATIONS AND INVES-
2 TIGATIONS.—The Secretary may perform au-
3 dits, examinations, and investigations of pooled
4 plan providers as may be necessary to enforce
5 and carry out the purposes of this paragraph
6 and paragraph (43).

7 “(C) GUIDANCE.—The Secretary shall
8 issue such guidance as the Secretary determines
9 appropriate to carry out this paragraph and
10 paragraph (43), including guidance—

11 “(i) to identify the administrative du-
12 ties and other actions required to be per-
13 formed by a pooled plan provider under ei-
14 ther such paragraph; and

15 “(ii) which requires in appropriate
16 cases that if an employer in the plan fails
17 to take the actions required under sub-
18 paragraph (A)(i)(II)—

19 “(I) the assets of the plan attrib-
20 utable to employees of such employer
21 (or beneficiaries of such employees)
22 are transferred to a plan maintained
23 only by such employer (or its suc-
24 cessor), to an eligible retirement plan
25 as defined in section 402(c)(8)(B) of

1 the Internal Revenue Code of 1986
2 for each individual whose account is
3 transferred, or to any other arrange-
4 ment that the Secretary determines is
5 appropriate in such guidance; and

6 “(II) such employer (and not the
7 plan with respect to which the failure
8 occurred or any other employer in
9 such plan) shall, except to the extent
10 provided in such guidance, be liable
11 for any liabilities with respect to such
12 plan attributable to employees of such
13 employer (or beneficiaries of such em-
14 ployees).

15 The Secretary shall take into account
16 under clause (ii) whether the failure of an
17 employer or pooled plan provider to provide
18 any disclosures or other information, or to
19 take any other action, necessary to admin-
20 ister a plan or to allow a plan to meet re-
21 quirements described in subparagraph
22 (A)(i)(II) has continued over a period of
23 time that demonstrates a lack of commit-
24 ment to compliance. The Secretary may
25 waive the requirements of subclause (ii)(I)

1 in appropriate circumstances if the Sec-
2 retary determines it is in the best interests
3 of the employees of the employer referred
4 to in such clause (and the beneficiaries of
5 such employees) to retain the assets in the
6 plan with respect to which the employer’s
7 failure occurred.

8 “(D) GOOD FAITH COMPLIANCE WITH LAW
9 BEFORE GUIDANCE.—An employer or pooled
10 plan provider shall not be treated as failing to
11 meet a requirement of guidance issued by the
12 Secretary under subparagraph (C) if, before the
13 issuance of such guidance, the employer or
14 pooled plan provider complies in good faith with
15 a reasonable interpretation of the provisions of
16 this paragraph, or paragraph (43), to which
17 such guidance relates.

18 “(E) AGGREGATION RULES.—For purposes
19 of this paragraph, in determining whether a
20 person meets the requirements of this para-
21 graph to be a pooled plan provider with respect
22 to any plan, all persons who perform services
23 for the plan and who are treated as a single
24 employer under subsection (b), (c), (m), or (o)

1 of section 414 of the Internal Revenue Code of
2 1986 shall be treated as one person.”.

3 (2) BONDING REQUIREMENTS FOR POOLED EM-
4 PLOYER PLANS.—The last sentence of section 412(a)
5 of the Employee Retirement Income Security Act of
6 1974 (29 U.S.C. 1112(a)) is amended by inserting
7 “or in the case of a pooled employer plan (as defined
8 in section 3(43))” after “section 407(d)(1))”.

9 (3) CONFORMING AND TECHNICAL AMEND-
10 MENTS.—Section 3 of the Employee Retirement In-
11 come Security Act of 1974 (29 U.S.C. 1002) is
12 amended—

13 (A) in paragraph (16)(B)—

14 (i) by striking “or” at the end of
15 clause (ii); and

16 (ii) by striking the period at the end
17 and inserting “, or (iv) in the case of a
18 pooled employer plan, the pooled plan pro-
19 vider.”; and

20 (B) by striking the second paragraph (41).

21 (d) POOLED EMPLOYER AND MULTIPLE EMPLOYER
22 PLAN REPORTING.—

23 (1) ADDITIONAL INFORMATION.—Section 103
24 of the Employee Retirement Income Security Act of
25 1974 (29 U.S.C. 1023) is amended—

1 (A) in subsection (a)(1)(B), by striking
2 “applicable subsections (d), (e), and (f)” and
3 inserting “applicable subsections (d), (e), (f),
4 and (g)”; and

5 (B) by amending subsection (g) to read as
6 follows:

7 “(g) **ADDITIONAL INFORMATION WITH RESPECT TO**
8 **POOLED EMPLOYER AND MULTIPLE EMPLOYER**
9 **PLANS.**—An annual report under this section for a plan
10 year shall include—

11 “(1) with respect to any plan to which section
12 210(a) applies (including a pooled employer plan), a
13 list of employers in the plan and a good faith esti-
14 mate of the percentage of total contributions made
15 by such employers during the plan year and the ag-
16 gregate account balances attributable to each em-
17 ployer in the plan (determined as the sum of the ac-
18 count balances of the employees of such employer
19 (and the beneficiaries of such employees)); and

20 “(2) with respect to a pooled employer plan, the
21 identifying information for the person designated
22 under the terms of the plan as the pooled plan pro-
23 vider.”.

24 (2) **SIMPLIFIED ANNUAL REPORTS.**—Section
25 104(a) of the Employee Retirement Income Security

1 Act of 1974 (29 U.S.C. 1024(a)) is amended by
2 striking paragraph (2)(A) and inserting the fol-
3 lowing:

4 “(2)(A) With respect to annual reports required to
5 be filed with the Secretary under this part, the Secretary
6 may by regulation prescribe simplified annual reports for
7 any pension plan that—

8 “(i) covers fewer than 100 participants; or

9 “(ii) is a plan described in section 210(a) that
10 covers fewer than 1,000 participants, but only if no
11 single employer in the plan has 100 or more partici-
12 pants covered by the plan.”.

13 (e) EFFECTIVE DATE.—

14 (1) IN GENERAL.—The amendments made by
15 this section shall apply to plan years beginning after
16 December 31, 2020.

17 (2) RULE OF CONSTRUCTION.—Nothing in the
18 amendments made by subsection (a) shall be con-
19 strued as limiting the authority of the Secretary of
20 the Treasury or the Secretary’s delegate (determined
21 without regard to such amendment) to provide for
22 the proper treatment of a failure to meet any re-
23 quirement applicable under the Internal Revenue
24 Code of 1986 with respect to one employer (and its
25 employees) in a multiple employer plan.

1 **SEC. 102. INCREASE IN 10 PERCENT CAP FOR AUTOMATIC**
2 **ENROLLMENT SAFE HARBOR AFTER 1ST**
3 **PLAN YEAR.**

4 (a) IN GENERAL.—Section 401(k)(13)(C)(iii) of the
5 Internal Revenue Code of 1986 is amended by striking
6 “does not exceed 10 percent” and inserting “does not ex-
7 ceed 15 percent (10 percent during the period described
8 in subclause (I))”.

9 (b) EFFECTIVE DATE.—The amendments made by
10 this section shall apply to plan years beginning after De-
11 cember 31, 2019.

12 **SEC. 103. RULES RELATING TO ELECTION OF SAFE HARBOR**
13 **401(k) STATUS.**

14 (a) LIMITATION OF ANNUAL SAFE HARBOR NOTICE
15 TO MATCHING CONTRIBUTION PLANS.—

16 (1) IN GENERAL.—Subparagraph (A) of section
17 401(k)(12) of the Internal Revenue Code of 1986 is
18 amended by striking “if such arrangement” and all
19 that follows and inserting “if such arrangement—

20 “(i) meets the contribution require-
21 ments of subparagraph (B) and the notice
22 requirements of subparagraph (D), or

23 “(ii) meets the contribution require-
24 ments of subparagraph (C).”.

25 (2) AUTOMATIC CONTRIBUTION ARRANGE-
26 MENTS.—Subparagraph (B) of section 401(k)(13) of

1 such Code is amended by striking “means” and all
2 that follows and inserting “means a cash or deferred
3 arrangement—

4 “(i) which is described in subpara-
5 graph (D)(i)(I) and meets the applicable
6 requirements of subparagraphs (C)
7 through (E), or

8 “(ii) which is described in subpara-
9 graph (D)(i)(II) and meets the applicable
10 requirements of subparagraphs (C) and
11 (D).”.

12 (b) NONELECTIVE CONTRIBUTIONS.—Section
13 401(k)(12) of the Internal Revenue Code of 1986 is
14 amended by redesignating subparagraph (F) as subpara-
15 graph (G), and by inserting after subparagraph (E) the
16 following new subparagraph:

17 “(F) TIMING OF PLAN AMENDMENT FOR
18 EMPLOYER MAKING NONELECTIVE CONTRIBU-
19 TIONS.—

20 “(i) IN GENERAL.—Except as pro-
21 vided in clause (ii), a plan may be amend-
22 ed after the beginning of a plan year to
23 provide that the requirements of subpara-
24 graph (C) shall apply to the arrangement

1 for the plan year, but only if the amend-
2 ment is adopted—

3 “(I) at any time before the 30th
4 day before the close of the plan year,
5 or

6 “(II) at any time before the last
7 day under paragraph (8)(A) for dis-
8 tributing excess contributions for the
9 plan year.

10 “(ii) EXCEPTION WHERE PLAN PRO-
11 VIDED FOR MATCHING CONTRIBUTIONS.—
12 Clause (i) shall not apply to any plan year
13 if the plan provided at any time during the
14 plan year that the requirements of sub-
15 paragraph (B) or paragraph (13)(D)(i)(I)
16 applied to the plan year.

17 “(iii) 4-PERCENT CONTRIBUTION RE-
18 QUIREMENT.—Clause (i)(II) shall not
19 apply to an arrangement unless the
20 amount of the contributions described in
21 subparagraph (C) which the employer is
22 required to make under the arrangement
23 for the plan year with respect to any em-
24 ployee is an amount equal to at least 4
25 percent of the employee’s compensation.”.

1 (c) AUTOMATIC CONTRIBUTION ARRANGEMENTS.—

2 Section 401(k)(13) of the Internal Revenue Code of 1986

3 is amended by adding at the end the following:

4 “(F) TIMING OF PLAN AMENDMENT FOR
5 EMPLOYER MAKING NONELECTIVE CONTRIBU-
6 TIONS.—

7 “(i) IN GENERAL.—Except as pro-
8 vided in clause (ii), a plan may be amend-
9 ed after the beginning of a plan year to
10 provide that the requirements of subpara-
11 graph (D)(i)(II) shall apply to the arrange-
12 ment for the plan year, but only if the
13 amendment is adopted—

14 “(I) at any time before the 30th
15 day before the close of the plan year,
16 or

17 “(II) at any time before the last
18 day under paragraph (8)(A) for dis-
19 tributing excess contributions for the
20 plan year.

21 “(ii) EXCEPTION WHERE PLAN PRO-
22 VIDED FOR MATCHING CONTRIBUTIONS.—
23 Clause (i) shall not apply to any plan year
24 if the plan provided at any time during the
25 plan year that the requirements of sub-

1 paragraph (D)(i)(I) or paragraph (12)(B)
2 applied to the plan year.

3 “(iii) 4-PERCENT CONTRIBUTION RE-
4 QUIREMENT.—Clause (i)(II) shall not
5 apply to an arrangement unless the
6 amount of the contributions described in
7 subparagraph (D)(i)(II) which the em-
8 ployer is required to make under the ar-
9 rangement for the plan year with respect
10 to any employee is an amount equal to at
11 least 4 percent of the employee’s com-
12 pensation.”.

13 (d) EFFECTIVE DATE.—The amendments made by
14 this section shall apply to plan years beginning after De-
15 cember 31, 2019.

16 **SEC. 104. INCREASE IN CREDIT LIMITATION FOR SMALL**
17 **EMPLOYER PENSION PLAN STARTUP COSTS.**

18 (a) IN GENERAL.—Paragraph (1) of section 45E(b)
19 of the Internal Revenue Code of 1986 is amended to read
20 as follows:

21 “(1) for the first credit year and each of the 2
22 taxable years immediately following the first credit
23 year, the greater of—

24 “(A) \$500, or

25 “(B) the lesser of—

1 “(i) \$250 for each employee of the eli-
2 gible employer who is not a highly com-
3 pensated employee (as defined in section
4 414(q)) and who is eligible to participate
5 in the eligible employer plan maintained by
6 the eligible employer, or

7 “(ii) \$5,000, and”.

8 (b) EFFECTIVE DATE.—The amendment made by
9 this section shall apply to taxable years beginning after
10 December 31, 2019.

11 **SEC. 105. SMALL EMPLOYER AUTOMATIC ENROLLMENT**
12 **CREDIT.**

13 (a) IN GENERAL.—Subpart D of part IV of sub-
14 chapter A of chapter 1 of the Internal Revenue Code of
15 1986 is amended by adding at the end the following new
16 section:

17 **“SEC. 45T. AUTO-ENROLLMENT OPTION FOR RETIREMENT**
18 **SAVINGS OPTIONS PROVIDED BY SMALL EM-**
19 **PLOYERS.**

20 “(a) IN GENERAL.—For purposes of section 38, in
21 the case of an eligible employer, the retirement auto-en-
22 rollment credit determined under this section for any tax-
23 able year is an amount equal to—

24 “(1) \$500 for any taxable year occurring during
25 the credit period, and

1 “(2) zero for any other taxable year.

2 “(b) CREDIT PERIOD.—For purposes of subsection
3 (a)—

4 “(1) IN GENERAL.—The credit period with re-
5 spect to any eligible employer is the 3-taxable-year
6 period beginning with the first taxable year for
7 which the employer includes an eligible automatic
8 contribution arrangement (as defined in section
9 414(w)(3)) in a qualified employer plan (as defined
10 in section 4972(d)) sponsored by the employer.

11 “(2) MAINTENANCE OF ARRANGEMENT.—No
12 taxable year with respect to an employer shall be
13 treated as occurring within the credit period unless
14 the arrangement described in paragraph (1) is in-
15 cluded in the plan for such year.

16 “(c) ELIGIBLE EMPLOYER.—For purposes of this
17 section, the term ‘eligible employer’ has the meaning given
18 such term in section 408(p)(2)(C)(i).”.

19 (b) CREDIT TO BE PART OF GENERAL BUSINESS
20 CREDIT.—Subsection (b) of section 38 of the Internal
21 Revenue Code of 1986 is amended by striking “plus” at
22 the end of paragraph (31), by striking the period at the
23 end of paragraph (32) and inserting “, plus”, and by add-
24 ing at the end the following new paragraph:

1 “(33) in the case of an eligible employer (as de-
2 fined in section 45T(c)), the retirement auto-enroll-
3 ment credit determined under section 45T(a).”.

4 (c) CLERICAL AMENDMENT.—The table of sections
5 for subpart D of part IV of subchapter A of chapter 1
6 of the Internal Revenue Code of 1986 is amended by in-
7 serting after the item relating to section 45S the following
8 new item:

 “Sec. 45T. Auto-enrollment option for retirement savings options provided by
 small employers.”.

9 (d) EFFECTIVE DATE.—The amendments made by
10 this section shall apply to taxable years beginning after
11 December 31, 2019.

12 **SEC. 106. CERTAIN TAXABLE NON-TUITION FELLOWSHIP**
13 **AND STIPEND PAYMENTS TREATED AS COM-**
14 **PENSATION FOR IRA PURPOSES.**

15 (a) IN GENERAL.—Paragraph (1) of section 219(f)
16 of the Internal Revenue Code of 1986 is amended by add-
17 ing at the end the following: “The term ‘compensation’
18 shall include any amount which is included in the individ-
19 ual’s gross income and paid to the individual to aid the
20 individual in the pursuit of graduate or postdoctoral
21 study.”.

22 (b) EFFECTIVE DATE.—The amendment made by
23 this section shall apply to taxable years beginning after
24 December 31, 2019.

1 **SEC. 107. REPEAL OF MAXIMUM AGE FOR TRADITIONAL IRA**
2 **CONTRIBUTIONS.**

3 (a) IN GENERAL.—Paragraph (1) of section 219(d)
4 of the Internal Revenue Code of 1986 is repealed.

5 (b) COORDINATION WITH QUALIFIED CHARITABLE
6 DISTRIBUTIONS.—Add at the end of section 408(d)(8)(A)
7 of such Code the following: “The amount of distributions
8 not includible in gross income by reason of the preceding
9 sentence for a taxable year (determined without regard to
10 this sentence) shall be reduced (but not below zero) by
11 an amount equal to the excess of—

12 “(i) the aggregate amount of deduc-
13 tions allowed to the taxpayer under section
14 219 for all taxable years ending on or after
15 the date the taxpayer attains age 70½,
16 over

17 “(ii) the aggregate amount of reduc-
18 tions under this sentence for all taxable
19 years preceding the current taxable year.”.

20 (c) CONFORMING AMENDMENT.—Subsection (c) of
21 section 408A of the Internal Revenue Code of 1986 is
22 amended by striking paragraph (4) and by redesignating
23 paragraphs (5), (6), and (7) as paragraphs (4), (5), and
24 (6), respectively.

25 (d) EFFECTIVE DATE.—

1 (1) IN GENERAL.—Except as provided in para-
2 graph (2), the amendments made by this section
3 shall apply to contributions made for taxable years
4 beginning after December 31, 2019.

5 (2) SUBSECTION (b).—The amendment made
6 by subsection (b) shall apply to distributions made
7 for taxable years beginning after December 31,
8 2019.

9 **SEC. 108. QUALIFIED EMPLOYER PLANS PROHIBITED FROM**
10 **MAKING LOANS THROUGH CREDIT CARDS**
11 **AND OTHER SIMILAR ARRANGEMENTS.**

12 (a) IN GENERAL.—Paragraph (2) of section 72(p) of
13 the Internal Revenue Code of 1986 is amended by redesignig-
14 nating subparagraph (D) as subparagraph (E) and by in-
15 serting after subparagraph (C) the following new subpara-
16 graph:

17 “(D) PROHIBITION OF LOANS THROUGH
18 CREDIT CARDS AND OTHER SIMILAR ARRANGE-
19 MENTS.—Subparagraph (A) shall not apply to
20 any loan which is made through the use of any
21 credit card or any other similar arrangement.”.

22 (b) EFFECTIVE DATE.—The amendments made by
23 subsection (a) shall apply to loans made after the date
24 of the enactment of this Act.

1 **SEC. 109. PORTABILITY OF LIFETIME INCOME OPTIONS.**

2 (a) IN GENERAL.—Subsection (a) of section 401 of
3 the Internal Revenue Code of 1986 is amended by insert-
4 ing after paragraph (37) the following new paragraph:

5 “(38) PORTABILITY OF LIFETIME INCOME.—

6 “(A) IN GENERAL.—Except as may be oth-
7 erwise provided by regulations, a trust forming
8 part of a defined contribution plan shall not be
9 treated as failing to constitute a qualified trust
10 under this section solely by reason of allowing—

11 “(i) qualified distributions of a life-
12 time income investment, or

13 “(ii) distributions of a lifetime income
14 investment in the form of a qualified plan
15 distribution annuity contract,

16 on or after the date that is 90 days prior to the
17 date on which such lifetime income investment
18 is no longer authorized to be held as an invest-
19 ment option under the plan.

20 “(B) DEFINITIONS.—For purposes of this
21 subsection—

22 “(i) the term ‘qualified distribution’
23 means a direct trustee-to-trustee transfer
24 described in paragraph (31)(A) to an eligi-
25 ble retirement plan (as defined in section
26 402(c)(8)(B)),

1 “(ii) the term ‘lifetime income invest-
2 ment’ means an investment option which is
3 designed to provide an employee with elec-
4 tion rights—

5 “(I) which are not uniformly
6 available with respect to other invest-
7 ment options under the plan, and

8 “(II) which are to a lifetime in-
9 come feature available through a con-
10 tract or other arrangement offered
11 under the plan (or under another eli-
12 gible retirement plan (as so defined),
13 if paid by means of a direct trustee-
14 to-trustee transfer described in para-
15 graph (31)(A) to such other eligible
16 retirement plan),

17 “(iii) the term ‘lifetime income fea-
18 ture’ means—

19 “(I) a feature which guarantees a
20 minimum level of income annually (or
21 more frequently) for at least the re-
22 mainder of the life of the employee or
23 the joint lives of the employee and the
24 employee’s designated beneficiary, or

1 “(II) an annuity payable on be-
2 half of the employee under which pay-
3 ments are made in substantially equal
4 periodic payments (not less frequently
5 than annually) over the life of the em-
6 ployee or the joint lives of the em-
7 ployee and the employee’s designated
8 beneficiary, and

9 “(iv) the term ‘qualified plan distribu-
10 tion annuity contract’ means an annuity
11 contract purchased for a participant and
12 distributed to the participant by a plan or
13 contract described in subparagraph (B) of
14 section 402(c)(8) (without regard to
15 clauses (i) and (ii) thereof).”.

16 (b) CASH OR DEFERRED ARRANGEMENT.—

17 (1) IN GENERAL.—Clause (i) of section
18 401(k)(2)(B) of the Internal Revenue Code of 1986
19 is amended by striking “or” at the end of subclause
20 (IV), by striking “and” at the end of subclause (V)
21 and inserting “or”, and by adding at the end the fol-
22 lowing new subclause:

23 “(VI) except as may be otherwise
24 provided by regulations, with respect
25 to amounts invested in a lifetime in-

1 come investment (as defined in sub-
2 section (a)(38)(B)(ii)), the date that
3 is 90 days prior to the date that such
4 lifetime income investment may no
5 longer be held as an investment option
6 under the arrangement, and”.

7 (2) DISTRIBUTION REQUIREMENT.—Subpara-
8 graph (B) of section 401(k)(2) of such Code, as
9 amended by paragraph (1), is amended by striking
10 “and” at the end of clause (i), by striking the semi-
11 colon at the end of clause (ii) and inserting “, and”,
12 and by adding at the end the following new clause:

13 “(iii) except as may be otherwise pro-
14 vided by regulations, in the case of
15 amounts described in clause (i)(VI), will be
16 distributed only in the form of a qualified
17 distribution (as defined in subsection
18 (a)(38)(B)(i)) or a qualified plan distribu-
19 tion annuity contract (as defined in sub-
20 section (a)(38)(B)(iv)),”.

21 (c) SECTION 403(b) PLANS.—

22 (1) ANNUITY CONTRACTS.—Paragraph (11) of
23 section 403(b) of the Internal Revenue Code of 1986
24 is amended by striking “or” at the end of subpara-
25 graph (B), by striking the period at the end of sub-

1 paragraph (C) and inserting “, or”, and by inserting
2 after subparagraph (C) the following new subpara-
3 graph:

4 “(D) except as may be otherwise provided
5 by regulations, with respect to amounts invested
6 in a lifetime income investment (as defined in
7 section 401(a)(38)(B)(ii))—

8 “(i) on or after the date that is 90
9 days prior to the date that such lifetime
10 income investment may no longer be held
11 as an investment option under the con-
12 tract, and

13 “(ii) in the form of a qualified dis-
14 tribution (as defined in section
15 401(a)(38)(B)(i)) or a qualified plan dis-
16 tribution annuity contract (as defined in
17 section 401(a)(38)(B)(iv)).”.

18 (2) CUSTODIAL ACCOUNTS.—Subparagraph (A)
19 of section 403(b)(7) of such Code is amended by
20 striking “if—” and all that follows and inserting “if
21 the amounts are to be invested in regulated invest-
22 ment company stock to be held in that custodial ac-
23 count, and under the custodial account—

24 “(i) no such amounts may be paid or
25 made available to any distributee (unless

1 such amount is a distribution to which sec-
2 tion 72(t)(2)(G) applies) before—
3 “(I) the employee dies,
4 “(II) the employee attains age
5 59½,
6 “(III) the employee has a sever-
7 ance from employment,
8 “(IV) the employee becomes dis-
9 abled (within the meaning of section
10 72(m)(7)),
11 “(V) in the case of contributions
12 made pursuant to a salary reduction
13 agreement (within the meaning of sec-
14 tion 3121(a)(5)(D)), the employee en-
15 counters financial hardship, or
16 “(VI) except as may be otherwise
17 provided by regulations, with respect
18 to amounts invested in a lifetime in-
19 come investment (as defined in section
20 401(a)(38)(B)(ii)), the date that is 90
21 days prior to the date that such life-
22 time income investment may no longer
23 be held as an investment option under
24 the contract, and

1 “(ii) in the case of amounts described
2 in clause (i)(VI), such amounts will be dis-
3 tributed only in the form of a qualified dis-
4 tribution (as defined in section
5 401(a)(38)(B)(i)) or a qualified plan dis-
6 tribution annuity contract (as defined in
7 section 401(a)(38)(B)(iv)).”.

8 (d) ELIGIBLE DEFERRED COMPENSATION PLANS.—

9 (1) IN GENERAL.—Subparagraph (A) of section
10 457(d)(1) of the Internal Revenue Code of 1986 is
11 amended by striking “or” at the end of clause (ii),
12 by inserting “or” at the end of clause (iii), and by
13 adding after clause (iii) the following:

14 “(iv) except as may be otherwise pro-
15 vided by regulations, in the case of a plan
16 maintained by an employer described in
17 subsection (e)(1)(A), with respect to
18 amounts invested in a lifetime income in-
19 vestment (as defined in section
20 401(a)(38)(B)(ii)), the date that is 90
21 days prior to the date that such lifetime
22 income investment may no longer be held
23 as an investment option under the plan,”.

24 (2) DISTRIBUTION REQUIREMENT.—Paragraph
25 (1) of section 457(d) of such Code is amended by

1 striking “and” at the end of subparagraph (B), by
2 striking the period at the end of subparagraph (C)
3 and inserting “, and”, and by inserting after sub-
4 paragraph (C) the following new subparagraph:

5 “(D) except as may be otherwise provided
6 by regulations, in the case of amounts described
7 in subparagraph (A)(iv), such amounts will be
8 distributed only in the form of a qualified dis-
9 tribution (as defined in section
10 401(a)(38)(B)(i)) or a qualified plan distribu-
11 tion annuity contract (as defined in section
12 401(a)(38)(B)(iv)).”.

13 (e) EFFECTIVE DATE.—The amendments made by
14 this section shall apply to plan years beginning after De-
15 cember 31, 2019.

16 **SEC. 110. TREATMENT OF CUSTODIAL ACCOUNTS ON TER-**
17 **MINATION OF SECTION 403(b) PLANS.**

18 Not later than six months after the date of enactment
19 of this Act, the Secretary of the Treasury shall issue guid-
20 ance to provide that, if an employer terminates the plan
21 under which amounts are contributed to a custodial ac-
22 count under subparagraph (A) of section 403(b)(7), the
23 plan administrator or custodian may distribute an indi-
24 vidual custodial account in kind to a participant or bene-
25 ficiary of the plan and the distributed custodial account

1 shall be maintained by the custodian on a tax-deferred
2 basis as a section 403(b)(7) custodial account, similar to
3 the treatment of fully-paid individual annuity contracts
4 under Revenue Ruling 2011–7, until amounts are actually
5 paid to the participant or beneficiary. The guidance shall
6 provide further (i) that the section 403(b)(7) status of the
7 distributed custodial account is generally maintained if the
8 custodial account thereafter adheres to the requirements
9 of section 403(b) that are in effect at the time of the dis-
10 tribution of the account and (ii) that a custodial account
11 would not be considered distributed to the participant or
12 beneficiary if the employer has any material retained
13 rights under the account (but the employer would not be
14 treated as retaining material rights simply because the
15 custodial account was originally opened under a group
16 contract). Such guidance shall be retroactively effective for
17 taxable years beginning after December 31, 2008.

18 **SEC. 111. CLARIFICATION OF RETIREMENT INCOME AC-**
19 **COUNT RULES RELATING TO CHURCH-CON-**
20 **TROLLED ORGANIZATIONS.**

21 (a) IN GENERAL.—Subparagraph (B) of section
22 403(b)(9) of the Internal Revenue Code of 1986 is amend-
23 ed by inserting “(including an employee described in sec-
24 tion 414(e)(3)(B))” after “employee described in para-
25 graph (1)”.

1 (b) EFFECTIVE DATE.—The amendment made by
2 this section shall apply to years beginning before, on, or
3 after the date of the enactment of this Act.

4 **SEC. 112. QUALIFIED CASH OR DEFERRED ARRANGEMENTS**
5 **MUST ALLOW LONG-TERM EMPLOYEES**
6 **WORKING MORE THAN 500 BUT LESS THAN**
7 **1,000 HOURS PER YEAR TO PARTICIPATE.**

8 (a) PARTICIPATION REQUIREMENT.—

9 (1) IN GENERAL.—Section 401(k)(2)(D) of the
10 Internal Revenue Code of 1986 is amended to read
11 as follows:

12 “(D) which does not require, as a condi-
13 tion of participation in the arrangement, that
14 an employee complete a period of service with
15 the employer (or employers) maintaining the
16 plan extending beyond the close of the earlier
17 of—

18 “(i) the period permitted under sec-
19 tion 410(a)(1) (determined without regard
20 to subparagraph (B)(i) thereof), or

21 “(ii) subject to the provisions of para-
22 graph (15), the first period of 3 consecu-
23 tive 12-month periods during each of which
24 the employee has at least 500 hours of
25 service.”.

1 (2) SPECIAL RULES.—Section 401(k) of such
2 Code is amended by adding at the end the following
3 new paragraph:

4 “(15) SPECIAL RULES FOR PARTICIPATION RE-
5 QUIREMENT FOR LONG-TERM, PART-TIME WORK-
6 ERS.—For purposes of paragraph (2)(D)(ii)—

7 “(A) AGE REQUIREMENT MUST BE MET.—
8 Paragraph (2)(D)(ii) shall not apply to an em-
9 ployee unless the employee has met the require-
10 ment of section 410(a)(1)(A)(i) by the close of
11 the last of the 12-month periods described in
12 such paragraph.

13 “(B) NONDISCRIMINATION AND TOP-
14 HEAVY RULES NOT TO APPLY.—

15 “(i) NONDISCRIMINATION RULES.—In
16 the case of employees who are eligible to
17 participate in the arrangement solely by
18 reason of paragraph (2)(D)(ii)—

19 “(I) notwithstanding subsection
20 (a)(4), an employer shall not be re-
21 quired to make nonelective or match-
22 ing contributions on behalf of such
23 employees even if such contributions
24 are made on behalf of other employees

1 eligible to participate in the arrange-
2 ment, and

3 “(II) an employer may elect to
4 exclude such employees from the ap-
5 plication of subsection (a)(4), para-
6 graphs (3), (12), and (13), subsection
7 (m)(2), and section 410(b).

8 “(ii) TOP-HEAVY RULES.—An em-
9 ployer may elect to exclude all employees
10 who are eligible to participate in a plan
11 maintained by the employer solely by rea-
12 son of paragraph (2)(D)(ii) from the appli-
13 cation of the vesting and benefit require-
14 ments under subsections (b) and (c) of sec-
15 tion 416.

16 “(iii) VESTING.—For purposes of de-
17 termining whether an employee described
18 in clause (i) has a nonforfeitable right to
19 employer contributions (other than con-
20 tributions described in paragraph
21 (3)(D)(i)) under the arrangement, each
22 12-month period for which the employee
23 has at least 500 hours of service shall be
24 treated as a year of service, and section
25 411(a)(6) shall be applied by substituting

1 ‘at least 500 hours of service’ for ‘more
2 than 500 hours of service’ in subparagraph
3 (A) thereof.

4 “(iv) EMPLOYEES WHO BECOME
5 FULL-TIME EMPLOYEES.—This subpara-
6 graph (other than clause (iii)) shall cease
7 to apply to any employee as of the first
8 plan year beginning after the plan year in
9 which the employee meets the requirements
10 of section 410(a)(1)(A)(ii) without regard
11 to paragraph (2)(D)(ii).

12 “(C) EXCEPTION FOR EMPLOYEES UNDER
13 COLLECTIVELY BARGAINED PLANS, ETC.—Para-
14 graph (2)(D)(ii) shall not apply to employees
15 described in section 410(b)(3).

16 “(D) SPECIAL RULES.—

17 “(i) TIME OF PARTICIPATION.—The
18 rules of section 410(a)(4) shall apply to an
19 employee eligible to participate in an ar-
20 rangement solely by reason of paragraph
21 (2)(D)(ii).

22 “(ii) 12-MONTH PERIODS.—12-month
23 periods shall be determined in the same
24 manner as under the last sentence of sec-
25 tion 410(a)(3)(A).”.

1 (b) EFFECTIVE DATE.—The amendments made by
2 this section shall apply to plan years beginning after De-
3 cember 31, 2020, except that, for purposes of section
4 401(k)(2)(D)(ii) of the Internal Revenue Code of 1986 (as
5 added by such amendments), 12-month periods beginning
6 before January 1, 2021, shall not be taken into account.

7 **SEC. 113. PENALTY-FREE WITHDRAWALS FROM RETIRE-**
8 **MENT PLANS FOR INDIVIDUALS IN CASE OF**
9 **BIRTH OF CHILD OR ADOPTION.**

10 (a) IN GENERAL.—Section 72(t)(2) of the Internal
11 Revenue Code of 1986 is amended by adding at the end
12 the following new subparagraph:

13 “(H) DISTRIBUTIONS FROM RETIREMENT
14 PLANS IN CASE OF BIRTH OF CHILD OR ADOPT-
15 TION.—

16 “(i) IN GENERAL.—Any qualified
17 birth or adoption distribution.

18 “(ii) LIMITATION.—The aggregate
19 amount which may be treated as qualified
20 birth or adoption distributions by any indi-
21 vidual with respect to any birth or adop-
22 tion shall not exceed \$5,000.

23 “(iii) QUALIFIED BIRTH OR ADOPTION
24 DISTRIBUTION.—For purposes of this sub-
25 paragraph—

1 “(I) IN GENERAL.—The term
2 ‘qualified birth or adoption distribu-
3 tion’ means any distribution from an
4 applicable eligible retirement plan to
5 an individual if made during the 1-
6 year period beginning on the date on
7 which a child of the individual is born
8 or on which the legal adoption by the
9 individual of an eligible adoptee is fi-
10 nalized.

11 “(II) ELIGIBLE ADOPTEE.—The
12 term ‘eligible adoptee’ means any indi-
13 vidual (other than a child of the tax-
14 payer’s spouse) who has not attained
15 age 18 or is physically or mentally in-
16 capable of self-support.

17 “(iv) TREATMENT OF PLAN DISTRIBU-
18 TIONS.—

19 “(I) IN GENERAL.—If a distribu-
20 tion to an individual would (without
21 regard to clause (ii)) be a qualified
22 birth or adoption distribution, a plan
23 shall not be treated as failing to meet
24 any requirement of this title merely
25 because the plan treats the distribu-

1 tion as a qualified birth or adoption
2 distribution, unless the aggregate
3 amount of such distributions from all
4 plans maintained by the employer
5 (and any member of any controlled
6 group which includes the employer) to
7 such individual exceeds \$5,000.

8 “(II) CONTROLLED GROUP.—For
9 purposes of subclause (I), the term
10 ‘controlled group’ means any group
11 treated as a single employer under
12 subsection (b), (c), (m), or (o) of sec-
13 tion 414.

14 “(v) AMOUNT DISTRIBUTED MAY BE
15 REPAID.—

16 “(I) IN GENERAL.—Any indi-
17 vidual who receives a qualified birth
18 or adoption distribution may make
19 one or more contributions in an ag-
20 gregate amount not to exceed the
21 amount of such distribution to an ap-
22 plicable eligible retirement plan of
23 which such individual is a beneficiary
24 and to which a rollover contribution of
25 such distribution could be made under

1 section 402(c), 403(a)(4), 403(b)(8),
2 408(d)(3), or 457(e)(16), as the case
3 may be.

4 “(II) LIMITATION ON CONTRIBU-
5 TIONS TO APPLICABLE ELIGIBLE RE-
6 TIREMENT PLANS OTHER THAN
7 IRAS.—The aggregate amount of con-
8 tributions made by an individual
9 under subclause (I) to any applicable
10 eligible retirement plan which is not
11 an individual retirement plan shall not
12 exceed the aggregate amount of quali-
13 fied birth or adoption distributions
14 which are made from such plan to
15 such individual. Subclause (I) shall
16 not apply to contributions to any ap-
17 plicable eligible retirement plan which
18 is not an individual retirement plan
19 unless the individual is eligible to
20 make contributions (other than those
21 described in subclause (I)) to such ap-
22 plicable eligible retirement plan.

23 “(III) TREATMENT OF REPAY-
24 MENTS OF DISTRIBUTIONS FROM AP-
25 PPLICABLE ELIGIBLE RETIREMENT

1 PLANS OTHER THAN IRAs.—If a con-
2 tribution is made under subclause (I)
3 with respect to a qualified birth or
4 adoption distribution from an applica-
5 ble eligible retirement plan other than
6 an individual retirement plan, then
7 the taxpayer shall, to the extent of the
8 amount of the contribution, be treated
9 as having received such distribution in
10 an eligible rollover distribution (as de-
11 fined in section 402(c)(4)) and as
12 having transferred the amount to the
13 applicable eligible retirement plan in a
14 direct trustee to trustee transfer with-
15 in 60 days of the distribution.

16 “(IV) TREATMENT OF REPAY-
17 MENTS FOR DISTRIBUTIONS FROM
18 IRAs.—If a contribution is made
19 under subclause (I) with respect to a
20 qualified birth or adoption distribution
21 from an individual retirement plan,
22 then, to the extent of the amount of
23 the contribution, such distribution
24 shall be treated as a distribution de-
25 scribed in section 408(d)(3) and as

1 having been transferred to the appli-
2 cable eligible retirement plan in a di-
3 rect trustee to trustee transfer within
4 60 days of the distribution.

5 “(vi) DEFINITION AND SPECIAL
6 RULES.—For purposes of this subpara-
7 graph—

8 “(I) APPLICABLE ELIGIBLE RE-
9 TIREMENT PLAN.—The term ‘applica-
10 ble eligible retirement plan’ means an
11 eligible retirement plan (as defined in
12 section 402(c)(8)(B)) other than a de-
13 fined benefit plan.

14 “(II) EXEMPTION OF DISTRIBU-
15 TIONS FROM TRUSTEE TO TRUSTEE
16 TRANSFER AND WITHHOLDING
17 RULES.—For purposes of sections
18 401(a)(31), 402(f), and 3405, a quali-
19 fied birth or adoption distribution
20 shall not be treated as an eligible roll-
21 over distribution.

22 “(III) TAXPAYER MUST INCLUDE
23 TIN.—A distribution shall not be
24 treated as a qualified birth or adop-
25 tion distribution with respect to any

1 child or eligible adoptee unless the
2 taxpayer includes the name, age, and
3 TIN of such child or eligible adoptee
4 on the taxpayer's return of tax for the
5 taxable year.

6 “(IV) DISTRIBUTIONS TREATED
7 AS MEETING PLAN DISTRIBUTION RE-
8 QUIREMENTS.—Any qualified birth or
9 adoption distribution shall be treated
10 as meeting the requirements of sec-
11 tions 401(k)(2)(B)(i),
12 403(b)(7)(A)(ii), 403(b)(11), and
13 457(d)(1)(A).”.

14 (b) EFFECTIVE DATE.—The amendments made by
15 this section shall apply to distributions made after Decem-
16 ber 31, 2019.

17 **SEC. 114. INCREASE IN AGE FOR REQUIRED BEGINNING**
18 **DATE FOR MANDATORY DISTRIBUTIONS.**

19 (a) IN GENERAL.—Section 401(a)(9)(C)(i)(I) of the
20 Internal Revenue Code of 1986 is amended by striking
21 “age 70½” and inserting “age 72”.

22 (b) SPOUSE BENEFICIARIES; SPECIAL RULE FOR
23 OWNERS.—Subparagraphs (B)(iv)(I) and (C)(ii)(I) of sec-
24 tion 401(a)(9) of such Code are each amended by striking
25 “age 70½” and inserting “age 72”.

1 (c) CONFORMING AMENDMENTS.—The last sentence
2 of section 408(b) of such Code is amended by striking
3 “age 70½” and inserting “age 72”.

4 (d) EFFECTIVE DATE.—The amendments made by
5 this section shall apply to distributions required to be
6 made after December 31, 2019, with respect to individuals
7 who attain age 70½ after such date.

8 **SEC. 115. SPECIAL RULES FOR MINIMUM FUNDING STAND-**
9 **ARDS FOR COMMUNITY NEWSPAPER PLANS.**

10 (a) AMENDMENT TO INTERNAL REVENUE CODE OF
11 1986.—Section 430 of the Internal Revenue Code of 1986
12 is amended by adding at the end the following new sub-
13 section:

14 “(m) SPECIAL RULES FOR COMMUNITY NEWSPAPER
15 PLANS.—

16 “(1) IN GENERAL.—The plan sponsor of a com-
17 munity newspaper plan under which no participant
18 has had the participant’s accrued benefit increased
19 (whether because of service or compensation) after
20 December 31, 2017, may elect to have the alter-
21 native standards described in paragraph (3) apply to
22 such plan, and any plan sponsored by any member
23 of the same controlled group.

24 “(2) ELECTION.—An election under paragraph
25 (1) shall be made at such time and in such manner

1 as prescribed by the Secretary. Such election, once
2 made with respect to a plan year, shall apply to all
3 subsequent plan years unless revoked with the con-
4 sent of the Secretary.

5 “(3) ALTERNATIVE MINIMUM FUNDING STAND-
6 ARDS.—The alternative standards described in this
7 paragraph are the following:

8 “(A) INTEREST RATES.—

9 “(i) IN GENERAL.—Notwithstanding
10 subsection (h)(2)(C) and except as pro-
11 vided in clause (ii), the first, second, and
12 third segment rates in effect for any
13 month for purposes of this section shall be
14 8 percent.

15 “(ii) NEW BENEFIT ACCRUALS.—Not-
16 withstanding subsection (h)(2), for pur-
17 poses of determining the funding target
18 and normal cost of a plan for any plan
19 year, the present value of any benefits ac-
20 crued or earned under the plan for a plan
21 year with respect to which an election
22 under paragraph (1) is in effect shall be
23 determined on the basis of the United
24 States Treasury obligation yield curve for

1 the day that is the valuation date of such
2 plan for such plan year.

3 “(iii) UNITED STATES TREASURY OB-
4 LIGATION YIELD CURVE.—For purposes of
5 this subsection, the term ‘United States
6 Treasury obligation yield curve’ means,
7 with respect to any day, a yield curve
8 which shall be prescribed by the Secretary
9 for such day on interest-bearing obligations
10 of the United States.

11 “(B) SHORTFALL AMORTIZATION BASE.—

12 “(i) PREVIOUS SHORTFALL AMORTIZA-
13 TION BASES.—The shortfall amortization
14 bases determined under subsection (c)(3)
15 for all plan years preceding the first plan
16 year to which the election under paragraph
17 (1) applies (and all shortfall amortization
18 installments determined with respect to
19 such bases) shall be reduced to zero under
20 rules similar to the rules of subsection
21 (c)(6).

22 “(ii) NEW SHORTFALL AMORTIZATION
23 BASE.—Notwithstanding subsection (c)(3),
24 the shortfall amortization base for the first
25 plan year to which the election under para-

1 graph (1) applies shall be the funding
2 shortfall of such plan for such plan year
3 (determined using the interest rates as
4 modified under subparagraph (A)).

5 “(C) DETERMINATION OF SHORTFALL AM-
6 ORTIZATION INSTALLMENTS.—

7 “(i) 30-YEAR PERIOD.—Subpara-
8 graphs (A) and (B) of subsection (c)(2)
9 shall be applied by substituting ‘30-plan-
10 year’ for ‘7-plan-year’ each place it ap-
11 pears.

12 “(ii) NO SPECIAL ELECTION.—The
13 election under subparagraph (D) of sub-
14 section (c)(2) shall not apply to any plan
15 year to which the election under paragraph
16 (1) applies.

17 “(D) EXEMPTION FROM AT-RISK TREAT-
18 MENT.—Subsection (i) shall not apply.

19 “(4) COMMUNITY NEWSPAPER PLAN.—For pur-
20 poses of this subsection—

21 “(A) IN GENERAL.—The term ‘community
22 newspaper plan’ means a plan to which this sec-
23 tion applies maintained by an employer which,
24 as of December 31, 2017—

1 “(i) publishes and distributes daily, ei-
2 ther electronically or in printed form, 1 or
3 more community newspapers in a single
4 State,

5 “(ii) is not a company the stock of
6 which is publicly traded (on a stock ex-
7 change or in an over-the-counter market),
8 and is not controlled, directly or indirectly,
9 by such a company,

10 “(iii) is controlled, directly or indi-
11 rectly—

12 “(I) by 1 or more persons resid-
13 ing primarily in the State in which
14 the community newspaper is pub-
15 lished,

16 “(II) for not less than 30 years
17 by individuals who are members of the
18 same family,

19 “(III) by a trust created or orga-
20 nized in the State in which the com-
21 munity newspaper is published, the
22 sole trustees of which are persons de-
23 scribed in subclause (I) or (II),

24 “(IV) by an entity which is de-
25 scribed in section 501(c)(3) and ex-

1 empt from taxation under section
2 501(a), which is organized and oper-
3 ated in the State in which the commu-
4 nity newspaper is published, and the
5 primary purpose of which is to benefit
6 communities in such State, or

7 “(V) by a combination of persons
8 described in subclause (I), (III), or
9 (IV), and

10 “(iv) does not control, directly or indi-
11 rectly, any newspaper in any other State.

12 “(B) COMMUNITY NEWSPAPER.—The term
13 ‘community newspaper’ means a newspaper
14 which primarily serves a metropolitan statistical
15 area, as determined by the Office of Manage-
16 ment and Budget, with a population of not less
17 than 100,000.

18 “(C) CONTROL.—A person shall be treated
19 as controlled by another person if such other
20 person possesses, directly or indirectly, the
21 power to direct or cause the direction and man-
22 agement of such person (including the power to
23 elect a majority of the members of the board of
24 directors of such person) through the ownership
25 of voting securities.

1 “(5) CONTROLLED GROUP.—For purposes of
2 this subsection, the term ‘controlled group’ means all
3 persons treated as a single employer under sub-
4 section (b), (c), (m), or (o) of section 414 as of the
5 date of the enactment of this subsection.”.

6 (b) AMENDMENT TO EMPLOYEE RETIREMENT IN-
7 COME SECURITY ACT OF 1974.—Section 303 of the Em-
8 ployee Retirement Income Security Act of 1974 (29
9 U.S.C. 1083) is amended by adding at the end the fol-
10 lowing new subsection:

11 “(m) SPECIAL RULES FOR COMMUNITY NEWSPAPER
12 PLANS.—

13 “(1) IN GENERAL.—The plan sponsor of a com-
14 munity newspaper plan under which no participant
15 has had the participant’s accrued benefit increased
16 (whether because of service or compensation) after
17 December 31, 2017, may elect to have the alter-
18 native standards described in paragraph (3) apply to
19 such plan, and any plan sponsored by any member
20 of the same controlled group.

21 “(2) ELECTION.—An election under paragraph
22 (1) shall be made at such time and in such manner
23 as prescribed by the Secretary of the Treasury. Such
24 election, once made with respect to a plan year, shall

1 apply to all subsequent plan years unless revoked
2 with the consent of the Secretary of the Treasury.

3 “(3) ALTERNATIVE MINIMUM FUNDING STAND-
4 ARDS.—The alternative standards described in this
5 paragraph are the following:

6 “(A) INTEREST RATES.—

7 “(i) IN GENERAL.—Notwithstanding
8 subsection (h)(2)(C) and except as pro-
9 vided in clause (ii), the first, second, and
10 third segment rates in effect for any
11 month for purposes of this section shall be
12 8 percent.

13 “(ii) NEW BENEFIT ACCRUALS.—Not-
14 withstanding subsection (h)(2), for pur-
15 poses of determining the funding target
16 and normal cost of a plan for any plan
17 year, the present value of any benefits ac-
18 crued or earned under the plan for a plan
19 year with respect to which an election
20 under paragraph (1) is in effect shall be
21 determined on the basis of the United
22 States Treasury obligation yield curve for
23 the day that is the valuation date of such
24 plan for such plan year.

1 “(iii) UNITED STATES TREASURY OB-
2 LIGATION YIELD CURVE.—For purposes of
3 this subsection, the term ‘United States
4 Treasury obligation yield curve’ means,
5 with respect to any day, a yield curve
6 which shall be prescribed by the Secretary
7 of the Treasury for such day on interest-
8 bearing obligations of the United States.

9 “(B) SHORTFALL AMORTIZATION BASE.—

10 “(i) PREVIOUS SHORTFALL AMORTIZA-
11 TION BASES.—The shortfall amortization
12 bases determined under subsection (c)(3)
13 for all plan years preceding the first plan
14 year to which the election under paragraph
15 (1) applies (and all shortfall amortization
16 installments determined with respect to
17 such bases) shall be reduced to zero under
18 rules similar to the rules of subsection
19 (c)(6).

20 “(ii) NEW SHORTFALL AMORTIZATION
21 BASE.—Notwithstanding subsection (c)(3),
22 the shortfall amortization base for the first
23 plan year to which the election under para-
24 graph (1) applies shall be the funding
25 shortfall of such plan for such plan year

1 (determined using the interest rates as
2 modified under subparagraph (A)).

3 “(C) DETERMINATION OF SHORTFALL AM-
4 ORTIZATION INSTALLMENTS.—

5 “(i) 30-YEAR PERIOD.—Subpara-
6 graphs (A) and (B) of subsection (c)(2)
7 shall be applied by substituting ‘30-plan-
8 year’ for ‘7-plan-year’ each place it ap-
9 pears.

10 “(ii) NO SPECIAL ELECTION.—The
11 election under subparagraph (D) of sub-
12 section (c)(2) shall not apply to any plan
13 year to which the election under paragraph
14 (1) applies.

15 “(D) EXEMPTION FROM AT-RISK TREAT-
16 MENT.—Subsection (i) shall not apply.

17 “(4) COMMUNITY NEWSPAPER PLAN.—For pur-
18 poses of this subsection—

19 “(A) IN GENERAL.—The term ‘community
20 newspaper plan’ means a plan to which this sec-
21 tion applies maintained by an employer which,
22 as of December 31, 2017—

23 “(i) publishes and distributes daily, ei-
24 ther electronically or in printed form—

25 “(I) a community newspaper, or

1 “(II) 1 or more community news-
2 papers in the same State,

3 “(ii) is not a company the stock of
4 which is publicly traded (on a stock ex-
5 change or in an over-the-counter market),
6 and is not controlled, directly or indirectly,
7 by such a company,

8 “(iii) is controlled, directly or indi-
9 rectly—

10 “(I) by 1 or more persons resid-
11 ing primarily in the State in which
12 the community newspaper is pub-
13 lished,

14 “(II) for not less than 30 years
15 by individuals who are members of the
16 same family,

17 “(III) by a trust created or orga-
18 nized in the State in which the com-
19 munity newspaper is published, the
20 sole trustees of which are persons de-
21 scribed in subclause (I) or (II),

22 “(IV) by an entity which is de-
23 scribed in section 501(c)(3) of the In-
24 ternal Revenue Code of 1986 and ex-
25 empt from taxation under section

1 501(a) of such Code, which is orga-
2 nized and operated in the State in
3 which the community newspaper is
4 published, and the primary purpose of
5 which is to benefit communities in
6 such State, or

7 “(V) by a combination of persons
8 described in subclause (I), (III), or
9 (IV), and

10 “(iv) does not control, directly or indi-
11 rectly, any newspaper in any other State.

12 “(B) COMMUNITY NEWSPAPER.—The term
13 ‘community newspaper’ means a newspaper
14 which primarily serves a metropolitan statistical
15 area, as determined by the Office of Manage-
16 ment and Budget, with a population of not less
17 than 100,000.

18 “(C) CONTROL.—A person shall be treated
19 as controlled by another person if such other
20 person possesses, directly or indirectly, the
21 power to direct or cause the direction and man-
22 agement of such person (including the power to
23 elect a majority of the members of the board of
24 directors of such person) through the ownership
25 of voting securities.

1 “(5) CONTROLLED GROUP.—For purposes of
2 this subsection, the term ‘controlled group’ means all
3 persons treated as a single employer under sub-
4 section (b), (c), (m), or (o) of section 414 of the In-
5 ternal Revenue Code of 1986 as of the date of the
6 enactment of this subsection.

7 “(6) EFFECT ON PREMIUM RATE CALCULA-
8 TION.—Notwithstanding any other provision of law
9 or any regulation issued by the Pension Benefit
10 Guaranty Corporation, in the case of a plan for
11 which an election is made to apply the alternative
12 standards described in paragraph (3), the additional
13 premium under section 4006(a)(3)(E) shall be deter-
14 mined as if such election had not been made.”.

15 (c) EFFECTIVE DATE.—The amendments made by
16 this section shall apply to plan years ending after Decem-
17 ber 31, 2017.

18 **SEC. 116. TREATING EXCLUDED DIFFICULTY OF CARE PAY-**
19 **MENTS AS COMPENSATION FOR DETER-**
20 **MINING RETIREMENT CONTRIBUTION LIMI-**
21 **TATIONS.**

22 (a) INDIVIDUAL RETIREMENT ACCOUNTS.—

23 (1) IN GENERAL.—Section 408(o) of the Inter-
24 nal Revenue Code of 1986 is amended by adding at
25 the end the following new paragraph:

1 “(5) SPECIAL RULE FOR DIFFICULTY OF CARE
2 PAYMENTS EXCLUDED FROM GROSS INCOME.—In
3 the case of an individual who for a taxable year ex-
4 cludes from gross income under section 131 a quali-
5 fied foster care payment which is a difficulty of care
6 payment, if—

7 “(A) the deductible amount in effect for
8 the taxable year under subsection (b), exceeds

9 “(B) the amount of compensation includ-
10 ible in the individual’s gross income for the tax-
11 able year,

12 the individual may elect to increase the nondeduct-
13 ible limit under paragraph (2) for the taxable year
14 by an amount equal to the lesser of such excess or
15 the amount so excluded.”.

16 (2) EFFECTIVE DATE.—The amendments made
17 by this subsection shall apply to contributions after
18 the date of the enactment of this Act.

19 (b) DEFINED CONTRIBUTION PLANS.—

20 (1) IN GENERAL.—Section 415(c) of such Code
21 is amended by adding at the end the following new
22 paragraph:

23 “(8) SPECIAL RULE FOR DIFFICULTY OF CARE
24 PAYMENTS EXCLUDED FROM GROSS INCOME.—

1 “(A) IN GENERAL.—For purposes of para-
2 graph (1)(B), in the case of an individual who
3 for a taxable year excludes from gross income
4 under section 131 a qualified foster care pay-
5 ment which is a difficulty of care payment, the
6 participant’s compensation, or earned income,
7 as the case may be, shall be increased by the
8 amount so excluded.

9 “(B) CONTRIBUTIONS ALLOCABLE TO DIF-
10 FICULTY OF CARE PAYMENTS TREATED AS
11 AFTER-TAX.—Any contribution by the partici-
12 pant which is allowable due to such increase—

13 “(i) shall be treated for purposes of
14 this title as investment in the contract, and

15 “(ii) shall not cause a plan (and any
16 arrangement which is part of such plan) to
17 be treated as failing to meet any require-
18 ments of this chapter solely by reason of
19 allowing any such contributions.”.

20 (2) EFFECTIVE DATE.—The amendment made
21 by this subsection shall apply to plan years begin-
22 ning after December 31, 2015.

1 **TITLE II—ADMINISTRATIVE**
2 **IMPROVEMENTS**

3 **SEC. 201. PLAN ADOPTED BY FILING DUE DATE FOR YEAR**
4 **MAY BE TREATED AS IN EFFECT AS OF CLOSE**
5 **OF YEAR.**

6 (a) IN GENERAL.—Subsection (b) of section 401 of
7 the Internal Revenue Code of 1986 is amended—

8 (1) by striking “RETROACTIVE CHANGES IN
9 PLAN.—A stock bonus” and inserting “PLAN
10 AMENDMENTS.—

11 “(1) CERTAIN RETROACTIVE CHANGES IN
12 PLAN.—A stock bonus”; and

13 (2) by adding at the end the following new
14 paragraph:

15 “(2) ADOPTION OF PLAN.—If an employer
16 adopts a stock bonus, pension, profit-sharing, or an-
17 nuity plan after the close of a taxable year but be-
18 fore the time prescribed by law for filing the return
19 of the employer for the taxable year (including ex-
20 tensions thereof), the employer may elect to treat
21 the plan as having been adopted as of the last day
22 of the taxable year.”.

23 (b) EFFECTIVE DATE.—The amendments made by
24 this section shall apply to plans adopted for taxable years
25 beginning after December 31, 2019.

1 **SEC. 202. COMBINED ANNUAL REPORT FOR GROUP OF**
2 **PLANS.**

3 (a) **IN GENERAL.**—The Secretary of the Treasury
4 and the Secretary of Labor shall, in cooperation, modify
5 the returns required under section 6058 of the Internal
6 Revenue Code of 1986 and the reports required by section
7 104 of the Employee Retirement Income Security Act of
8 1974 (29 U.S.C. 1024) so that all members of a group
9 of plans described in subsection (c) may file a single aggre-
10 gated annual return or report satisfying the requirements
11 of both such sections.

12 (b) **ADMINISTRATIVE REQUIREMENTS.**—In devel-
13 oping the consolidated return or report under subsection
14 (a), the Secretary of the Treasury and the Secretary of
15 Labor may require such return or report to include any
16 information regarding each plan in the group as such Sec-
17 retaries determine is necessary or appropriate for the en-
18 forcement and administration of the Internal Revenue
19 Code of 1986 and the Employee Retirement Income Secu-
20 rity Act of 1974 and shall require such information as will
21 enable a participant in a plan to identify any aggregated
22 return or report filed with respect to the plan.

23 (c) **PLANS DESCRIBED.**—A group of plans is de-
24 scribed in this subsection if all plans in the group—

25 (1) are individual account plans or defined con-
26 tribution plans (as defined in section 3(34) of the

1 Employee Retirement Income Security Act of 1974
2 (29 U.S.C. 1002(34)) or in section 414(i) of the In-
3 ternal Revenue Code of 1986);

4 (2) have—

5 (A) the same trustee (as described in sec-
6 tion 403(a) of such Act (29 U.S.C. 1103(a)));

7 (B) the same one or more named fidu-
8 ciaries (as described in section 402(a) of such
9 Act (29 U.S.C. 1102(a)));

10 (C) the same administrator (as defined in
11 section 3(16)(A) of such Act (29 U.S.C.
12 1002(16)(A))) and plan administrator (as de-
13 fined in section 414(g) of the Internal Revenue
14 Code of 1986); and

15 (D) plan years beginning on the same
16 date; and

17 (3) provide the same investments or investment
18 options to participants and beneficiaries.

19 A plan not subject to title I of the Employee Retirement
20 Income Security Act of 1974 shall be treated as meeting
21 the requirements of paragraph (2) as part of a group of
22 plans if the same person that performs each of the func-
23 tions described in such paragraph, as applicable, for all
24 other plans in such group performs each of such functions
25 for such plan.

1 (d) CLARIFICATION RELATING TO ELECTRONIC FIL-
2 ING OF RETURNS FOR DEFERRED COMPENSATION
3 PLANS.—

4 (1) IN GENERAL.—Section 6011(e) of the Inter-
5 nal Revenue Code of 1986 is amended by adding at
6 the end the following new paragraph:

7 “(6) APPLICATION OF NUMERICAL LIMITATION
8 TO RETURNS RELATING TO DEFERRED COMPENSA-
9 TION PLANS.—For purposes of applying the numer-
10 ical limitation under paragraph (2)(A) to any return
11 required under section 6058, information regarding
12 each plan for which information is provided on such
13 return shall be treated as a separate return.”.

14 (2) EFFECTIVE DATE.—The amendment made
15 by paragraph (1) shall apply to returns required to
16 be filed with respect to plan years beginning after
17 December 31, 2019.

18 (e) EFFECTIVE DATE.—The modification required by
19 subsection (a) shall be implemented not later than Janu-
20 ary 1, 2022, and shall apply to returns and reports for
21 plan years beginning after December 31, 2021.

22 **SEC. 203. DISCLOSURE REGARDING LIFETIME INCOME.**

23 (a) IN GENERAL.—Subparagraph (B) of section
24 105(a)(2) of the Employee Retirement Income Security
25 Act of 1974 (29 U.S.C. 1025(a)(2)) is amended—

1 (1) in clause (i), by striking “and” at the end;

2 (2) in clause (ii), by striking “diversification.”

3 and inserting “diversification, and”; and

4 (3) by inserting at the end the following:

5 “(iii) the lifetime income disclosure
6 described in subparagraph (D)(i).

7 In the case of pension benefit statements de-
8 scribed in clause (i) of paragraph (1)(A), a life-
9 time income disclosure under clause (iii) of this
10 subparagraph shall be required to be included
11 in only one pension benefit statement during
12 any one 12-month period.”.

13 (b) LIFETIME INCOME.—Paragraph (2) of section
14 105(a) of the Employee Retirement Income Security Act
15 of 1974 (29 U.S.C. 1025(a)) is amended by adding at the
16 end the following new subparagraph:

17 “(D) LIFETIME INCOME DISCLOSURE.—

18 “(i) IN GENERAL.—

19 “(I) DISCLOSURE.—A lifetime in-
20 come disclosure shall set forth the life-
21 time income stream equivalent of the
22 total benefits accrued with respect to
23 the participant or beneficiary.

24 “(II) LIFETIME INCOME STREAM
25 EQUIVALENT OF THE TOTAL BENE-

1 FITS ACCRUED.—For purposes of this
2 subparagraph, the term ‘lifetime in-
3 come stream equivalent of the total
4 benefits accrued’ means the amount of
5 monthly payments the participant or
6 beneficiary would receive if the total
7 accrued benefits of such participant or
8 beneficiary were used to provide life-
9 time income streams described in sub-
10 clause (III), based on assumptions
11 specified in rules prescribed by the
12 Secretary.

13 “(III) LIFETIME INCOME
14 STREAMS.—The lifetime income
15 streams described in this subclause
16 are a qualified joint and survivor an-
17 nuity (as defined in section 205(d)),
18 based on assumptions specified in
19 rules prescribed by the Secretary, in-
20 cluding the assumption that the par-
21 ticipant or beneficiary has a spouse of
22 equal age, and a single life annuity.
23 Such lifetime income streams may
24 have a term certain or other features

1 to the extent permitted under rules
2 prescribed by the Secretary.

3 “(ii) MODEL DISCLOSURE.—Not later
4 than 1 year after the date of the enact-
5 ment of the Setting Every Community Up
6 for Retirement Enhancement Act of 2019,
7 the Secretary shall issue a model lifetime
8 income disclosure, written in a manner so
9 as to be understood by the average plan
10 participant, which—

11 “(I) explains that the lifetime in-
12 come stream equivalent is only pro-
13 vided as an illustration;

14 “(II) explains that the actual
15 payments under the lifetime income
16 stream described in clause (i)(III)
17 which may be purchased with the
18 total benefits accrued will depend on
19 numerous factors and may vary sub-
20 stantially from the lifetime income
21 stream equivalent in the disclosures;

22 “(III) explains the assumptions
23 upon which the lifetime income stream
24 equivalent was determined; and

1 “(IV) provides such other similar
2 explanations as the Secretary con-
3 siders appropriate.

4 “(iii) ASSUMPTIONS AND RULES.—
5 Not later than 1 year after the date of the
6 enactment of the Setting Every Commu-
7 nity Up for Retirement Enhancement Act
8 of 2019, the Secretary shall—

9 “(I) prescribe assumptions which
10 administrators of individual account
11 plans may use in converting total ac-
12 crued benefits into lifetime income
13 stream equivalents for purposes of
14 this subparagraph; and

15 “(II) issue interim final rules
16 under clause (i).

17 In prescribing assumptions under sub-
18 clause (I), the Secretary may prescribe a
19 single set of specific assumptions (in which
20 case the Secretary may issue tables or fac-
21 tors which facilitate such conversions), or
22 ranges of permissible assumptions. To the
23 extent that an accrued benefit is or may be
24 invested in a lifetime income stream de-
25 scribed in clause (i)(III), the assumptions

1 prescribed under subclause (I) shall, to the
2 extent appropriate, permit administrators
3 of individual account plans to use the
4 amounts payable under such lifetime in-
5 come stream as a lifetime income stream
6 equivalent.

7 “(iv) LIMITATION ON LIABILITY.—No
8 plan fiduciary, plan sponsor, or other per-
9 son shall have any liability under this title
10 solely by reason of the provision of lifetime
11 income stream equivalents which are de-
12 rived in accordance with the assumptions
13 and rules described in clause (iii) and
14 which include the explanations contained in
15 the model lifetime income disclosure de-
16 scribed in clause (ii). This clause shall
17 apply without regard to whether the provi-
18 sion of such lifetime income stream equiva-
19 lent is required by subparagraph (B)(iii).

20 “(v) EFFECTIVE DATE.—The require-
21 ment in subparagraph (B)(iii) shall apply
22 to pension benefit statements furnished
23 more than 12 months after the latest of
24 the issuance by the Secretary of—

1 “(I) interim final rules under
2 clause (i);
3 “(II) the model disclosure under
4 clause (ii); or
5 “(III) the assumptions under
6 clause (iii).”.

7 **SEC. 204. FIDUCIARY SAFE HARBOR FOR SELECTION OF**
8 **LIFETIME INCOME PROVIDER.**

9 Section 404 of the Employee Retirement Income Se-
10 curity Act of 1974 (29 U.S.C. 1104) is amended by adding
11 at the end the following:

12 “(e) SAFE HARBOR FOR ANNUITY SELECTION.—

13 “(1) IN GENERAL.—With respect to the selec-
14 tion of an insurer for a guaranteed retirement in-
15 come contract, the requirements of subsection
16 (a)(1)(B) will be deemed to be satisfied if a fidu-
17 ciary—

18 “(A) engages in an objective, thorough,
19 and analytical search for the purpose of identi-
20 fying insurers from which to purchase such con-
21 tracts;

22 “(B) with respect to each insurer identified
23 under subparagraph (A)—

24 “(i) considers the financial capability
25 of such insurer to satisfy its obligations

1 under the guaranteed retirement income
2 contract; and

3 “(ii) considers the cost (including fees
4 and commissions) of the guaranteed retire-
5 ment income contract offered by the in-
6 surer in relation to the benefits and prod-
7 uct features of the contract and adminis-
8 trative services to be provided under such
9 contract; and

10 “(C) on the basis of such consideration,
11 concludes that—

12 “(i) at the time of the selection, the
13 insurer is financially capable of satisfying
14 its obligations under the guaranteed retire-
15 ment income contract; and

16 “(ii) the relative cost of the selected
17 guaranteed retirement income contract as
18 described in subparagraph (B)(ii) is rea-
19 sonable.

20 “(2) FINANCIAL CAPABILITY OF THE IN-
21 SURER.—A fiduciary will be deemed to satisfy the
22 requirements of paragraphs (1)(B)(i) and (1)(C)(i)
23 if—

24 “(A) the fiduciary obtains written rep-
25 resentations from the insurer that—

1 “(i) the insurer is licensed to offer
2 guaranteed retirement income contracts;

3 “(ii) the insurer, at the time of selec-
4 tion and for each of the immediately pre-
5 ceding 7 plan years—

6 “(I) operates under a certificate
7 of authority from the insurance com-
8 missioner of its domiciliary State
9 which has not been revoked or sus-
10 pended;

11 “(II) has filed audited financial
12 statements in accordance with the
13 laws of its domiciliary State under ap-
14 plicable statutory accounting prin-
15 ciples;

16 “(III) maintains (and has main-
17 tained) reserves which satisfies all the
18 statutory requirements of all States
19 where the insurer does business; and

20 “(IV) is not operating under an
21 order of supervision, rehabilitation, or
22 liquidation;

23 “(iii) the insurer undergoes, at least
24 every 5 years, a financial examination
25 (within the meaning of the law of its domi-

1 ciliary State) by the insurance commis-
2 sioner of the domiciliary State (or rep-
3 resentative, designee, or other party ap-
4 proved by such commissioner); and

5 “(iv) the insurer will notify the fidu-
6 ciary of any change in circumstances oc-
7 ccurring after the provision of the represen-
8 tations in clauses (i), (ii), and (iii) which
9 would preclude the insurer from making
10 such representations at the time of
11 issuance of the guaranteed retirement in-
12 come contract; and

13 “(B) after receiving such representations
14 and as of the time of selection, the fiduciary
15 has not received any notice described in sub-
16 paragraph (A)(iv) and is in possession of no
17 other information which would cause the fidu-
18 ciary to question the representations provided.

19 “(3) NO REQUIREMENT TO SELECT LOWEST
20 COST.—Nothing in this subsection shall be construed
21 to require a fiduciary to select the lowest cost con-
22 tract. A fiduciary may consider the value of a con-
23 tract, including features and benefits of the contract
24 and attributes of the insurer (including, without lim-

1 itation, the insurer’s financial strength) in conjunc-
2 tion with the cost of the contract.

3 “(4) TIME OF SELECTION.—

4 “(A) IN GENERAL.—For purposes of this
5 subsection, the time of selection is—

6 “(i) the time that the insurer and the
7 contract are selected for distribution of
8 benefits to a specific participant or bene-
9 ficiary; or

10 “(ii) if the fiduciary periodically re-
11 views the continuing appropriateness of the
12 conclusion described in paragraph (1)(C)
13 with respect to a selected insurer, taking
14 into account the considerations described
15 in such paragraph, the time that the in-
16 surer and the contract are selected to pro-
17 vide benefits at future dates to participants
18 or beneficiaries under the plan.

19 Nothing in the preceding sentence shall be con-
20 strued to require the fiduciary to review the ap-
21 propriateness of a selection after the purchase
22 of a contract for a participant or beneficiary.

23 “(B) PERIODIC REVIEW.—A fiduciary will
24 be deemed to have conducted the periodic re-
25 view described in subparagraph (A)(ii) if the fi-

1 duciary obtains the written representations de-
2 scribed in clauses (i), (ii), and (iii) of paragraph
3 (2)(A) from the insurer on an annual basis, un-
4 less the fiduciary receives any notice described
5 in paragraph (2)(A)(iv) or otherwise becomes
6 aware of facts that would cause the fiduciary to
7 question such representations.

8 “(5) LIMITED LIABILITY.—A fiduciary which
9 satisfies the requirements of this subsection shall not
10 be liable following the distribution of any benefit, or
11 the investment by or on behalf of a participant or
12 beneficiary pursuant to the selected guaranteed re-
13 tirement income contract, for any losses that may
14 result to the participant or beneficiary due to an in-
15 surer’s inability to satisfy its financial obligations
16 under the terms of such contract.

17 “(6) DEFINITIONS.—For purposes of this sub-
18 section—

19 “(A) INSURER.—The term ‘insurer’ means
20 an insurance company, insurance service, or in-
21 surance organization, including affiliates of
22 such companies.

23 “(B) GUARANTEED RETIREMENT INCOME
24 CONTRACT.—The term ‘guaranteed retirement
25 income contract’ means an annuity contract for

1 a fixed term or a contract (or provision or fea-
2 ture thereof) which provides guaranteed bene-
3 fits annually (or more frequently) for at least
4 the remainder of the life of the participant or
5 the joint lives of the participant and the partici-
6 pant’s designated beneficiary as part of an indi-
7 vidual account plan.”.

8 **SEC. 205. MODIFICATION OF NONDISCRIMINATION RULES**
9 **TO PROTECT OLDER, LONGER SERVICE PAR-**
10 **TICIPANTS.**

11 (a) IN GENERAL.—Section 401 of the Internal Rev-
12 enue Code of 1986 is amended—

13 (1) by redesignating subsection (o) as sub-
14 section (p); and

15 (2) by inserting after subsection (n) the fol-
16 lowing new subsection:

17 “(o) SPECIAL RULES FOR APPLYING NON-
18 DISCRIMINATION RULES TO PROTECT OLDER, LONGER
19 SERVICE AND GRANDFATHERED PARTICIPANTS.—

20 “(1) TESTING OF DEFINED BENEFIT PLANS
21 WITH CLOSED CLASSES OF PARTICIPANTS.—

22 “(A) BENEFITS, RIGHTS, OR FEATURES
23 PROVIDED TO CLOSED CLASSES.—A defined
24 benefit plan which provides benefits, rights, or
25 features to a closed class of participants shall

1 not fail to satisfy the requirements of sub-
2 section (a)(4) by reason of the composition of
3 such closed class or the benefits, rights, or fea-
4 tures provided to such closed class, if—

5 “(i) for the plan year as of which the
6 class closes and the 2 succeeding plan
7 years, such benefits, rights, and features
8 satisfy the requirements of subsection
9 (a)(4) (without regard to this subpara-
10 graph but taking into account the rules of
11 subparagraph (I)),

12 “(ii) after the date as of which the
13 class was closed, any plan amendment
14 which modifies the closed class or the ben-
15 efits, rights, and features provided to such
16 closed class does not discriminate signifi-
17 cantly in favor of highly compensated em-
18 ployees, and

19 “(iii) the class was closed before April
20 5, 2017, or the plan is described in sub-
21 paragraph (C).

22 “(B) AGGREGATE TESTING WITH DEFINED
23 CONTRIBUTION PLANS PERMITTED ON A BENE-
24 FITS BASIS.—

1 “(i) IN GENERAL.—For purposes of
2 determining compliance with subsection
3 (a)(4) and section 410(b), a defined benefit
4 plan described in clause (iii) may be aggreg-
5 gated and tested on a benefits basis with
6 1 or more defined contribution plans, in-
7 cluding with the portion of 1 or more de-
8 fined contribution plans which—

9 “(I) provides matching contribu-
10 tions (as defined in subsection
11 (m)(4)(A)),

12 “(II) provides annuity contracts
13 described in section 403(b) which are
14 purchased with matching contribu-
15 tions or nonelective contributions, or

16 “(III) consists of an employee
17 stock ownership plan (within the
18 meaning of section 4975(e)(7)) or a
19 tax credit employee stock ownership
20 plan (within the meaning of section
21 409(a)).

22 “(ii) SPECIAL RULES FOR MATCHING
23 CONTRIBUTIONS.—For purposes of clause
24 (i), if a defined benefit plan is aggregated

1 with a portion of a defined contribution
2 plan providing matching contributions—

3 “(I) such defined benefit plan
4 must also be aggregated with any por-
5 tion of such defined contribution plan
6 which provides elective deferrals de-
7 scribed in subparagraph (A) or (C) of
8 section 402(g)(3), and

9 “(II) such matching contribu-
10 tions shall be treated in the same
11 manner as nonelective contributions,
12 including for purposes of applying the
13 rules of subsection (l).

14 “(iii) PLANS DESCRIBED.—A defined
15 benefit plan is described in this clause if—

16 “(I) the plan provides benefits to
17 a closed class of participants,

18 “(II) for the plan year as of
19 which the class closes and the 2 suc-
20 ceeding plan years, the plan satisfies
21 the requirements of section 410(b)
22 and subsection (a)(4) (without regard
23 to this subparagraph but taking into
24 account the rules of subparagraph
25 (I)),

1 “(III) after the date as of which
2 the class was closed, any plan amend-
3 ment which modifies the closed class
4 or the benefits provided to such closed
5 class does not discriminate signifi-
6 cantly in favor of highly compensated
7 employees, and

8 “(IV) the class was closed before
9 April 5, 2017, or the plan is described
10 in subparagraph (C).

11 “(C) PLANS DESCRIBED.—A plan is de-
12 scribed in this subparagraph if, taking into ac-
13 count any predecessor plan—

14 “(i) such plan has been in effect for
15 at least 5 years as of the date the class is
16 closed, and

17 “(ii) during the 5-year period pre-
18 ceding the date the class is closed, there
19 has not been a substantial increase in the
20 coverage or value of the benefits, rights, or
21 features described in subparagraph (A) or
22 in the coverage or benefits under the plan
23 described in subparagraph (B)(iii) (which-
24 ever is applicable).

1 “(D) DETERMINATION OF SUBSTANTIAL
2 INCREASE FOR BENEFITS, RIGHTS, AND FEA-
3 TURES.—In applying subparagraph (C)(ii) for
4 purposes of subparagraph (A)(iii), a plan shall
5 be treated as having had a substantial increase
6 in coverage or value of the benefits, rights, or
7 features described in subparagraph (A) during
8 the applicable 5-year period only if, during such
9 period—

10 “(i) the number of participants cov-
11 ered by such benefits, rights, or features
12 on the date such period ends is more than
13 50 percent greater than the number of
14 such participants on the first day of the
15 plan year in which such period began, or

16 “(ii) such benefits, rights, and fea-
17 tures have been modified by 1 or more
18 plan amendments in such a way that, as of
19 the date the class is closed, the value of
20 such benefits, rights, and features to the
21 closed class as a whole is substantially
22 greater than the value as of the first day
23 of such 5-year period, solely as a result of
24 such amendments.

1 “(E) DETERMINATION OF SUBSTANTIAL
2 INCREASE FOR AGGREGATE TESTING ON BENE-
3 FITS BASIS.—In applying subparagraph (C)(ii)
4 for purposes of subparagraph (B)(iii)(IV), a
5 plan shall be treated as having had a substan-
6 tial increase in coverage or benefits during the
7 applicable 5-year period only if, during such pe-
8 riod—

9 “(i) the number of participants bene-
10 fitting under the plan on the date such pe-
11 riod ends is more than 50 percent greater
12 than the number of such participants on
13 the first day of the plan year in which such
14 period began, or

15 “(ii) the average benefit provided to
16 such participants on the date such period
17 ends is more than 50 percent greater than
18 the average benefit provided on the first
19 day of the plan year in which such period
20 began.

21 “(F) CERTAIN EMPLOYEES DIS-
22 REGARDED.—For purposes of subparagraphs
23 (D) and (E), any increase in coverage or value
24 or in coverage or benefits, whichever is applica-
25 ble, which is attributable to such coverage and

1 value or coverage and benefits provided to em-
2 ployees—

3 “(i) who became participants as a re-
4 sult of a merger, acquisition, or similar
5 event which occurred during the 7-year pe-
6 riod preceding the date the class is closed,
7 or

8 “(ii) who became participants by rea-
9 son of a merger of the plan with another
10 plan which had been in effect for at least
11 5 years as of the date of the merger,
12 shall be disregarded, except that clause (ii)
13 shall apply for purposes of subparagraph (D)
14 only if, under the merger, the benefits, rights,
15 or features under 1 plan are conformed to the
16 benefits, rights, or features of the other plan
17 prospectively.

18 “(G) RULES RELATING TO AVERAGE BEN-
19 EFIT.—For purposes of subparagraph (E)—

20 “(i) the average benefit provided to
21 participants under the plan will be treated
22 as having remained the same between the
23 2 dates described in subparagraph (E)(ii)
24 if the benefit formula applicable to such

1 participants has not changed between such
2 dates, and

3 “(ii) if the benefit formula applicable
4 to 1 or more participants under the plan
5 has changed between such 2 dates, then
6 the average benefit under the plan shall be
7 considered to have increased by more than
8 50 percent only if—

9 “(I) the total amount determined
10 under section 430(b)(1)(A)(i) for all
11 participants benefitting under the
12 plan for the plan year in which the 5-
13 year period described in subparagraph
14 (E) ends, exceeds

15 “(II) the total amount deter-
16 mined under section 430(b)(1)(A)(i)
17 for all such participants for such plan
18 year, by using the benefit formula in
19 effect for each such participant for
20 the first plan year in such 5-year pe-
21 riod,

22 by more than 50 percent. In the case of a
23 CSEC plan (as defined in section 414(y)),
24 the normal cost of the plan (as determined
25 under section 433(j)(1)(B)) shall be used

1 in lieu of the amount determined under
2 section 430(b)(1)(A)(i).

3 “(H) TREATMENT AS SINGLE PLAN.—For
4 purposes of subparagraphs (E) and (G), a plan
5 described in section 413(c) shall be treated as
6 a single plan rather than as separate plans
7 maintained by each employer in the plan.

8 “(I) SPECIAL RULES.—For purposes of
9 subparagraphs (A)(i) and (B)(iii)(II), the fol-
10 lowing rules shall apply:

11 “(i) In applying section 410(b)(6)(C),
12 the closing of the class of participants shall
13 not be treated as a significant change in
14 coverage under section 410(b)(6)(C)(i)(II).

15 “(ii) 2 or more plans shall not fail to
16 be eligible to be aggregated and treated as
17 a single plan solely by reason of having dif-
18 ferent plan years.

19 “(iii) Changes in the employee popu-
20 lation shall be disregarded to the extent at-
21 tributable to individuals who become em-
22 ployees or cease to be employees, after the
23 date the class is closed, by reason of a
24 merger, acquisition, divestiture, or similar
25 event.

1 “(iv) Aggregation and all other testing
2 methodologies otherwise applicable under
3 subsection (a)(4) and section 410(b) may
4 be taken into account.

5 The rule of clause (ii) shall also apply for pur-
6 poses of determining whether plans to which
7 subparagraph (B)(i) applies may be aggregated
8 and treated as 1 plan for purposes of deter-
9 mining whether such plans meet the require-
10 ments of subsection (a)(4) and section 410(b).

11 “(J) SPUN-OFF PLANS.—For purposes of
12 this paragraph, if a portion of a defined benefit
13 plan described in subparagraph (A) or (B)(iii)
14 is spun off to another employer and the spun-
15 off plan continues to satisfy the requirements
16 of—

17 “(i) subparagraph (A)(i) or
18 (B)(iii)(II), whichever is applicable, if the
19 original plan was still within the 3-year pe-
20 riod described in such subparagraph at the
21 time of the spin off, and

22 “(ii) subparagraph (A)(ii) or
23 (B)(iii)(III), whichever is applicable,

1 the treatment under subparagraph (A) or (B)
2 of the spun-off plan shall continue with respect
3 to such other employer.

4 “(2) TESTING OF DEFINED CONTRIBUTION
5 PLANS.—

6 “(A) TESTING ON A BENEFITS BASIS.—A
7 defined contribution plan shall be permitted to
8 be tested on a benefits basis if—

9 “(i) such defined contribution plan
10 provides make-whole contributions to a
11 closed class of participants whose accruals
12 under a defined benefit plan have been re-
13 duced or eliminated,

14 “(ii) for the plan year of the defined
15 contribution plan as of which the class eli-
16 gible to receive such make-whole contribu-
17 tions closes and the 2 succeeding plan
18 years, such closed class of participants sat-
19 isfies the requirements of section
20 410(b)(2)(A)(i) (determined by applying
21 the rules of paragraph (1)(I)),

22 “(iii) after the date as of which the
23 class was closed, any plan amendment to
24 the defined contribution plan which modi-
25 fies the closed class or the allocations, ben-

1 efits, rights, and features provided to such
2 closed class does not discriminate signifi-
3 cantly in favor of highly compensated em-
4 ployees, and

5 “(iv) the class was closed before April
6 5, 2017, or the defined benefit plan under
7 clause (i) is described in paragraph (1)(C)
8 (as applied for purposes of paragraph
9 (1)(B)(iii)(IV)).

10 “(B) AGGREGATION WITH PLANS INCLUD-
11 ING MATCHING CONTRIBUTIONS.—

12 “(i) IN GENERAL.—With respect to 1
13 or more defined contribution plans de-
14 scribed in subparagraph (A), for purposes
15 of determining compliance with subsection
16 (a)(4) and section 410(b), the portion of
17 such plans which provides make-whole con-
18 tributions or other nonelective contribu-
19 tions may be aggregated and tested on a
20 benefits basis with the portion of 1 or
21 more other defined contribution plans
22 which—

23 “(I) provides matching contribu-
24 tions (as defined in subsection
25 (m)(4)(A)),

1 “(II) provides annuity contracts
2 described in section 403(b) which are
3 purchased with matching contribu-
4 tions or nonelective contributions, or

5 “(III) consists of an employee
6 stock ownership plan (within the
7 meaning of section 4975(e)(7)) or a
8 tax credit employee stock ownership
9 plan (within the meaning of section
10 409(a)).

11 “(ii) SPECIAL RULES FOR MATCHING
12 CONTRIBUTIONS.—Rules similar to the
13 rules of paragraph (1)(B)(ii) shall apply
14 for purposes of clause (i).

15 “(C) SPECIAL RULES FOR TESTING DE-
16 FINED CONTRIBUTION PLAN FEATURES PRO-
17 VIDING MATCHING CONTRIBUTIONS TO CERTAIN
18 OLDER, LONGER SERVICE PARTICIPANTS.—In
19 the case of a defined contribution plan which
20 provides benefits, rights, or features to a closed
21 class of participants whose accruals under a de-
22 fined benefit plan have been reduced or elimi-
23 nated, the plan shall not fail to satisfy the re-
24 quirements of subsection (a)(4) solely by reason
25 of the composition of the closed class or the

1 benefits, rights, or features provided to such
2 closed class if the defined contribution plan and
3 defined benefit plan otherwise meet the require-
4 ments of subparagraph (A) but for the fact that
5 the make-whole contributions under the defined
6 contribution plan are made in whole or in part
7 through matching contributions.

8 “(D) SPUN-OFF PLANS.—For purposes of
9 this paragraph, if a portion of a defined con-
10 tribution plan described in subparagraph (A) or
11 (C) is spun off to another employer, the treat-
12 ment under subparagraph (A) or (C) of the
13 spun-off plan shall continue with respect to the
14 other employer if such plan continues to comply
15 with the requirements of clauses (ii) (if the
16 original plan was still within the 3-year period
17 described in such clause at the time of the spin
18 off) and (iii) of subparagraph (A), as deter-
19 mined for purposes of subparagraph (A) or (C),
20 whichever is applicable.

21 “(3) DEFINITIONS AND SPECIAL RULE.—For
22 purposes of this subsection—

23 “(A) MAKE-WHOLE CONTRIBUTIONS.—Ex-
24 cept as otherwise provided in paragraph (2)(C),
25 the term ‘make-whole contributions’ means non-

1 elective allocations for each employee in the
2 class which are reasonably calculated, in a con-
3 sistent manner, to replace some or all of the re-
4 tirement benefits which the employee would
5 have received under the defined benefit plan
6 and any other plan or qualified cash or deferred
7 arrangement under subsection (k)(2) if no
8 change had been made to such defined benefit
9 plan and such other plan or arrangement. For
10 purposes of the preceding sentence, consistency
11 shall not be required with respect to employees
12 who were subject to different benefit formulas
13 under the defined benefit plan.

14 “(B) REFERENCES TO CLOSED CLASS OF
15 PARTICIPANTS.—References to a closed class of
16 participants and similar references to a closed
17 class shall include arrangements under which 1
18 or more classes of participants are closed, ex-
19 cept that 1 or more classes of participants
20 closed on different dates shall not be aggre-
21 gated for purposes of determining the date any
22 such class was closed.

23 “(C) HIGHLY COMPENSATED EMPLOYEE.—
24 The term ‘highly compensated employee’ has

1 the meaning given such term in section
2 414(q).”.

3 (b) PARTICIPATION REQUIREMENTS.—Paragraph
4 (26) of section 401(a) of the Internal Revenue Code of
5 1986 is amended by adding at the end the following new
6 subparagraph:

7 “(I) PROTECTED PARTICIPANTS.—

8 “(i) IN GENERAL.—A plan shall be
9 deemed to satisfy the requirements of sub-
10 paragraph (A) if—

11 “(I) the plan is amended—

12 “(aa) to cease all benefit ac-
13 cruals, or

14 “(bb) to provide future ben-
15 efit accruals only to a closed
16 class of participants,

17 “(II) the plan satisfies subpara-
18 graph (A) (without regard to this sub-
19 paragraph) as of the effective date of
20 the amendment, and

21 “(III) the amendment was adopt-
22 ed before April 5, 2017, or the plan is
23 described in clause (ii).

24 “(ii) PLANS DESCRIBED.—A plan is
25 described in this clause if the plan would

1 be described in subsection (o)(1)(C), as ap-
2 plied for purposes of subsection
3 (o)(1)(B)(iii)(IV) and by treating the effec-
4 tive date of the amendment as the date the
5 class was closed for purposes of subsection
6 (o)(1)(C).

7 “(iii) SPECIAL RULES.—For purposes
8 of clause (i)(II), in applying section
9 410(b)(6)(C), the amendments described in
10 clause (i) shall not be treated as a signifi-
11 cant change in coverage under section
12 410(b)(6)(C)(i)(II).

13 “(iv) SPUN-OFF PLANS.—For pur-
14 poses of this subparagraph, if a portion of
15 a plan described in clause (i) is spun off to
16 another employer, the treatment under
17 clause (i) of the spun-off plan shall con-
18 tinue with respect to the other employer.”.

19 (c) EFFECTIVE DATE.—

20 (1) IN GENERAL.—Except as provided in para-
21 graph (2), the amendments made by this section
22 shall take effect on the date of the enactment of this
23 Act, without regard to whether any plan modifica-
24 tions referred to in such amendments are adopted or
25 effective before, on, or after such date of enactment.

1 (2) SPECIAL RULES.—

2 (A) ELECTION OF EARLIER APPLICA-
3 TION.—At the election of the plan sponsor, the
4 amendments made by this section shall apply to
5 plan years beginning after December 31, 2013.

6 (B) CLOSED CLASSES OF PARTICIPANTS.—
7 For purposes of paragraphs (1)(A)(iii),
8 (1)(B)(iii)(IV), and (2)(A)(iv) of section 401(o)
9 of the Internal Revenue Code of 1986 (as added
10 by this section), a closed class of participants
11 shall be treated as being closed before April 5,
12 2017, if the plan sponsor's intention to create
13 such closed class is reflected in formal written
14 documents and communicated to participants
15 before such date.

16 (C) CERTAIN POST-ENACTMENT PLAN
17 AMENDMENTS.—A plan shall not be treated as
18 failing to be eligible for the application of sec-
19 tion 401(o)(1)(A), 401(o)(1)(B)(iii), or
20 401(a)(26) of such Code (as added by this sec-
21 tion) to such plan solely because in the case
22 of—

23 (i) such section 401(o)(1)(A), the plan
24 was amended before the date of the enact-
25 ment of this Act to eliminate 1 or more

1 benefits, rights, or features, and is further
2 amended after such date of enactment to
3 provide such previously eliminated benefits,
4 rights, or features to a closed class of par-
5 ticipants, or

6 (ii) such section 401(o)(1)(B)(iii) or
7 section 401(a)(26), the plan was amended
8 before the date of the enactment of this
9 Act to cease all benefit accruals, and is
10 further amended after such date of enact-
11 ment to provide benefit accruals to a closed
12 class of participants.

13 Any such section shall only apply if the plan
14 otherwise meets the requirements of such sec-
15 tion and in applying such section, the date the
16 class of participants is closed shall be the effec-
17 tive date of the later amendment.

18 **SEC. 206. MODIFICATION OF PBGC PREMIUMS FOR CSEC**
19 **PLANS.**

20 (a) **FLAT RATE PREMIUM.**—Subparagraph (A) of
21 section 4006(a)(3) of the Employee Retirement Income
22 Security Act of 1974 (29 U.S.C. 1306(a)(3)) is amend-
23 ed—

1 (1) in clause (i), by striking “plan,” and insert-
2 ing “plan other than a CSEC plan (as defined in
3 section 210(f)(1))”;

4 (2) in clause (v), by striking “or” at the end;

5 (3) in clause (vi), by striking the period at the
6 end and inserting “, or”; and

7 (4) by adding at the end the following new
8 clause:

9 “(vii) in the case of a CSEC plan (as
10 defined in section 210(f)(1)), for plan
11 years beginning after December 31, 2018,
12 for each individual who is a participant in
13 such plan during the plan year an amount
14 equal to the sum of—

15 “(I) the additional premium (if
16 any) determined under subparagraph
17 (E), and

18 “(II) \$19.”.

19 (b) VARIABLE RATE PREMIUM.—

20 (1) UNFUNDED VESTED BENEFITS.—

21 (A) IN GENERAL.—Subparagraph (E) of
22 section 4006(a)(3) of the Employee Retirement
23 Income Security Act of 1974 (29 U.S.C.
24 1306(a)(3)) is amended by adding at the end
25 the following new clause:

1 “(v) For purposes of clause (ii), in the case
2 of a CSEC plan (as defined in section
3 210(f)(1)), the term ‘unfunded vested benefits’
4 means, for plan years beginning after December
5 31, 2018, the excess (if any) of—

6 “(I) the funding liability of the plan
7 as determined under section 306(j)(5)(C)
8 for the plan year by only taking into ac-
9 count vested benefits, over

10 “(II) the fair market value of plan as-
11 sets for the plan year which are held by
12 the plan on the valuation date.”.

13 (B) CONFORMING AMENDMENT.—Clause
14 (iii) of section 4006(a)(3)(E) of such Act (29
15 U.S.C. 1306(a)(3)(E)) is amended by striking
16 “For purposes” and inserting “Except as pro-
17 vided in clause (v), for purposes”.

18 (2) APPLICABLE DOLLAR AMOUNT.—

19 (A) IN GENERAL.—Paragraph (8) of sec-
20 tion 4006(a) of such Act (29 U.S.C. 1306(a))
21 is amended by adding at the end the following
22 new subparagraph:

23 “(E) CSEC PLANS.—In the case of a
24 CSEC plan (as defined in section 210(f)(1)),
25 the applicable dollar amount shall be \$9.”.

1 (B) CONFORMING AMENDMENT.—Subpara-
2 graph (A) of section 4006(a)(8) of such Act (29
3 U.S.C. 1306(a)(8)) is amended by striking “(B)
4 and (C)” and inserting “(B), (C), and (E)”.

5 **TITLE III—OTHER BENEFITS**

6 **SEC. 301. BENEFITS PROVIDED TO VOLUNTEER FIRE-** 7 **FIGHTERS AND EMERGENCY MEDICAL RE-** 8 **SPONDERS.**

9 (a) INCREASE IN DOLLAR LIMITATION ON QUALI-
10 FIED PAYMENTS.—Subparagraph (B) of section
11 139B(c)(2) of the Internal Revenue Code of 1986 is
12 amended by striking “\$30” and inserting “\$50”.

13 (b) EXTENSION.—Section 139B(d) of the Internal
14 Revenue Code of 1986 is amended by striking “beginning
15 after December 31, 2010.” and inserting “beginning—

16 “(1) after December 31, 2010, and before Jan-
17 uary 1, 2020, or

18 “(2) after December 31, 2020.”.

19 (c) TECHNICAL CORRECTION.—Section 3121(a)(23)
20 of such Code is amended by striking “139B(b)” and in-
21 serting “section 139B(a)”.

22 (d) EFFECTIVE DATE.—The amendments made by
23 this section shall apply to taxable years beginning after
24 December 31, 2019.

1 **SEC. 302. EXPANSION OF SECTION 529 PLANS.**

2 (a) DISTRIBUTIONS FOR CERTAIN EXPENSES ASSO-
3 CIATED WITH REGISTERED APPRENTICESHIP PRO-
4 GRAMS.—Section 529(c) of the Internal Revenue Code of
5 1986 is amended by adding at the end the following new
6 paragraph:

7 “(8) TREATMENT OF CERTAIN EXPENSES ASSO-
8 CIATED WITH REGISTERED APPRENTICESHIP PRO-
9 GRAMS.—Any reference in this subsection to the
10 term ‘qualified higher education expense’ shall in-
11 clude a reference to expenses for fees, books, sup-
12 plies, and equipment required for the participation
13 of a designated beneficiary in an apprenticeship pro-
14 gram registered and certified with the Secretary of
15 Labor under section 1 of the National Apprentice-
16 ship Act (29 U.S.C. 50).”.

17 (b) DISTRIBUTIONS FOR QUALIFIED EDUCATION
18 LOAN REPAYMENTS.—

19 (1) IN GENERAL.—Section 529(e) of such Code,
20 as amended by subsection (a), is amended by adding
21 at the end the following new paragraph:

22 “(9) TREATMENT OF QUALIFIED EDUCATION
23 LOAN REPAYMENTS.—

24 “(A) IN GENERAL.—Any reference in this
25 subsection to the term ‘qualified higher edu-
26 cation expense’ shall include a reference to

1 amounts paid as principal or interest on any
2 qualified education loan (as defined in section
3 221(d)) of the designated beneficiary or a sib-
4 ling of the designated beneficiary.

5 “(B) LIMITATION.—The amount of dis-
6 tributions treated as a qualified higher edu-
7 cation expense under this paragraph with re-
8 spect to the loans of any individual shall not ex-
9 ceed \$10,000 (reduced by the amount of dis-
10 tributions so treated for all prior taxable years).

11 “(C) SPECIAL RULES FOR SIBLINGS OF
12 THE DESIGNATED BENEFICIARY.—

13 “(i) SEPARATE ACCOUNTING.—For
14 purposes of subparagraph (B) and sub-
15 section (d), amounts treated as a qualified
16 higher education expense with respect to
17 the loans of a sibling of the designated
18 beneficiary shall be taken into account
19 with respect to such sibling and not with
20 respect to such designated beneficiary.

21 “(ii) SIBLING DEFINED.—For pur-
22 poses of this paragraph, the term ‘sibling’
23 means an individual who bears a relation-
24 ship to the designated beneficiary which is
25 described in section 152(d)(2)(B).”.

1 (2) COORDINATION WITH DEDUCTION FOR STU-
2 DENT LOAN INTEREST.—Section 221(e)(1) of such
3 Code is amended by adding at the end the following:
4 “‘The deduction otherwise allowable under subsection
5 (a) (prior to the application of subsection (b)) to the
6 taxpayer for any taxable year shall be reduced (but
7 not below zero) by so much of the distributions
8 treated as a qualified higher education expense
9 under section 529(c)(9) with respect to loans of the
10 taxpayer as would be includible in gross income
11 under section 529(c)(3)(A) for such taxable year but
12 for such treatment.’”.

13 (c) EFFECTIVE DATE.—The amendments made by
14 this section shall apply to distributions made after Decem-
15 ber 31, 2018.

16 **TITLE IV—REVENUE** 17 **PROVISIONS**

18 **SEC. 401. MODIFICATION OF REQUIRED DISTRIBUTION** 19 **RULES FOR DESIGNATED BENEFICIARIES.**

20 (a) MODIFICATION OF RULES WHERE EMPLOYEE
21 DIES BEFORE ENTIRE DISTRIBUTION.—

22 (1) IN GENERAL.—Section 401(a)(9) of the In-
23 ternal Revenue Code of 1986 is amended by adding
24 at the end the following new subparagraph:

1 “(H) SPECIAL RULES FOR CERTAIN DE-
2 FINED CONTRIBUTION PLANS.—In the case of a
3 defined contribution plan, if an employee dies
4 before the distribution of the employee’s entire
5 interest—

6 “(i) IN GENERAL.—Except in the case
7 of a beneficiary who is not a designated
8 beneficiary, subparagraph (B)(ii)—

9 “(I) shall be applied by sub-
10 stituting ‘10 years’ for ‘5 years’, and

11 “(II) shall apply whether or not
12 distributions of the employee’s inter-
13 ests have begun in accordance with
14 subparagraph (A).

15 “(ii) EXCEPTION FOR ELIGIBLE DES-
16 IGNATED BENEFICIARIES.—Subparagraph
17 (B)(iii) shall apply only in the case of an
18 eligible designated beneficiary.

19 “(iii) RULES UPON DEATH OF ELIGI-
20 BLE DESIGNATED BENEFICIARY.—If an el-
21 igible designated beneficiary dies before the
22 portion of the employee’s interest to which
23 this subparagraph applies is entirely dis-
24 tributed, the exception under clause (ii)
25 shall not apply to any beneficiary of such

1 eligible designated beneficiary and the re-
2 mainder of such portion shall be distrib-
3 uted within 10 years after the death of
4 such eligible designated beneficiary.

5 “(iv) SPECIAL RULE IN CASE OF CER-
6 TAIN TRUSTS FOR DISABLED OR CHRON-
7 ICALLY ILL BENEFICIARIES.—In the case
8 of an applicable multi-beneficiary trust, if
9 under the terms of the trust—

10 “(I) it is to be divided imme-
11 diately upon the death of the em-
12 ployee into separate trusts for each
13 beneficiary, or

14 “(II) no individual (other than a
15 eligible designated beneficiary de-
16 scribed in subclause (III) or (IV) of
17 subparagraph (E)(ii)) has any right to
18 the employee’s interest in the plan
19 until the death of all such eligible des-
20 ignated beneficiaries with respect to
21 the trust,

22 for purposes of a trust described in sub-
23 clause (I), clause (ii) shall be applied sepa-
24 rately with respect to the portion of the
25 employee’s interest that is payable to any

1 eligible designated beneficiary described in
2 subclause (III) or (IV) of subparagraph
3 (E)(ii); and, for purposes of a trust de-
4 scribed in subclause (II), subparagraph
5 (B)(iii) shall apply to the distribution of
6 the employee’s interest and any beneficiary
7 who is not such an eligible designated ben-
8 efiary shall be treated as a beneficiary of
9 the eligible designated beneficiary upon the
10 death of such eligible designated bene-
11 ficiary.

12 “(v) APPLICABLE MULTI-BENE-
13 FICIARY TRUST.—For purposes of this sub-
14 paragraph, the term ‘applicable multi-bene-
15 ficiary trust’ means a trust—

16 “(I) which has more than one
17 beneficiary,

18 “(II) all of the beneficiaries of
19 which are treated as designated bene-
20 ficiaries for purposes of determining
21 the distribution period pursuant to
22 this paragraph, and

23 “(III) at least one of the bene-
24 ficiaries of which is an eligible des-
25 igned beneficiary described in sub-

1 clause (III) or (IV) of subparagraph
2 (E)(ii).

3 “(vi) APPLICATION TO CERTAIN ELI-
4 GIBLE RETIREMENT PLANS.—For purposes
5 of applying the provisions of this subpara-
6 graph in determining amounts required to
7 be distributed pursuant to this paragraph,
8 all eligible retirement plans (as defined in
9 section 402(c)(8)(B), other than a defined
10 benefit plan described in clause (iv) or (v)
11 thereof or a qualified trust which is a part
12 of a defined benefit plan) shall be treated
13 as a defined contribution plan.”.

14 (2) DEFINITION OF ELIGIBLE DESIGNATED
15 BENEFICIARY.—Section 401(a)(9)(E) of such Code
16 is amended to read as follows:

17 “(E) DEFINITIONS AND RULES RELATING
18 TO DESIGNATED BENEFICIARIES.—For pur-
19 poses of this paragraph—

20 “(i) DESIGNATED BENEFICIARY.—The
21 term ‘designated beneficiary’ means any
22 individual designated as a beneficiary by
23 the employee.

24 “(ii) ELIGIBLE DESIGNATED BENE-
25 FICIARY.—The term ‘eligible designated

1 beneficiary’ means, with respect to any em-
2 ployee, any designated beneficiary who is—

3 “(I) the surviving spouse of the
4 employee,

5 “(II) subject to clause (iii), a
6 child of the employee who has not
7 reached majority (within the meaning
8 of subparagraph (F)),

9 “(III) disabled (within the mean-
10 ing of section 72(m)(7)),

11 “(IV) a chronically ill individual
12 (within the meaning of section
13 7702B(c)(2), except that the require-
14 ments of subparagraph (A)(i) thereof
15 shall only be treated as met if there is
16 a certification that, as of such date,
17 the period of inability described in
18 such subparagraph with respect to the
19 individual is an indefinite one which is
20 reasonably expected to be lengthy in
21 nature), or

22 “(V) an individual not described
23 in any of the preceding subclauses
24 who is not more than 10 years young-
25 er than the employee.

1 The determination of whether a designated
2 beneficiary is an eligible designated bene-
3 ficiary shall be made as of the date of
4 death of the employee.

5 “(iii) SPECIAL RULE FOR CHIL-
6 DREN.—Subject to subparagraph (F), an
7 individual described in clause (ii)(II) shall
8 cease to be an eligible designated bene-
9 ficiary as of the date the individual reaches
10 majority and any remainder of the portion
11 of the individual’s interest to which sub-
12 paragraph (H)(ii) applies shall be distrib-
13 uted within 10 years after such date.”.

14 (b) EFFECTIVE DATES.—

15 (1) IN GENERAL.—Except as provided in this
16 subsection, the amendments made by this section
17 shall apply to distributions with respect to employees
18 who die after December 31, 2019.

19 (2) COLLECTIVE BARGAINING EXCEPTION.—In
20 the case of a plan maintained pursuant to 1 or more
21 collective bargaining agreements between employee
22 representatives and 1 or more employers ratified be-
23 fore the date of enactment of this Act, the amend-
24 ments made by this section shall apply to distribu-

1 tions with respect to employees who die in calendar
2 years beginning after the earlier of—

3 (A) the later of—

4 (i) the date on which the last of such
5 collective bargaining agreements termi-
6 nates (determined without regard to any
7 extension thereof agreed to on or after the
8 date of the enactment of this Act), or

9 (ii) December 31, 2019, or

10 (B) December 31, 2021.

11 For purposes of subparagraph (A)(i), any plan
12 amendment made pursuant to a collective bargaining
13 agreement relating to the plan which amends the
14 plan solely to conform to any requirement added by
15 this section shall not be treated as a termination of
16 such collective bargaining agreement.

17 (3) GOVERNMENTAL PLANS.—In the case of a
18 governmental plan (as defined in section 414(d) of
19 the Internal Revenue Code of 1986), paragraph (1)
20 shall be applied by substituting “December 31,
21 2021” for “December 31, 2019”.

22 (4) EXCEPTION FOR CERTAIN EXISTING ANNU-
23 ITY CONTRACTS.—

24 (A) IN GENERAL.—The amendments made
25 by this section shall not apply to a qualified an-

1 nuity which is a binding annuity contract in ef-
2 fect on the date of enactment of this Act and
3 at all times thereafter.

4 (B) QUALIFIED ANNUITY.—For purposes
5 of this paragraph, the term “qualified annuity”
6 means, with respect to an employee, an annu-
7 ity—

8 (i) which is a commercial annuity (as
9 defined in section 3405(e)(6) of the Inter-
10 nal Revenue Code of 1986);

11 (ii) under which the annuity payments
12 are made over the life of the employee or
13 over the joint lives of such employee and a
14 designated beneficiary (or over a period
15 not extending beyond the life expectancy of
16 such employee or the joint life expectancy
17 of such employee and a designated bene-
18 ficiary) in accordance with the regulations
19 described in section 401(a)(9)(A)(ii) of
20 such Code (as in effect before such amend-
21 ments) and which meets the other require-
22 ments of section 401(a)(9) of such Code
23 (as so in effect) with respect to such pay-
24 ments; and

25 (iii) with respect to which—

1 (I) annuity payments to the em-
2 ployee have begun before the date of
3 enactment of this Act, and the em-
4 ployee has made an irrevocable elec-
5 tion before such date as to the method
6 and amount of the annuity payments
7 to the employee or any designated
8 beneficiaries; or

9 (II) if subclause (I) does not
10 apply, the employee has made an ir-
11 revocable election before the date of
12 enactment of this Act as to the meth-
13 od and amount of the annuity pay-
14 ments to the employee or any des-
15 ignated beneficiaries.

16 (5) EXCEPTION FOR CERTAIN BENE-
17 FICIARIES.—

18 (A) IN GENERAL.—If an employee dies be-
19 fore the effective date, then, in applying the
20 amendments made by this section to such em-
21 ployee's designated beneficiary who dies after
22 such date—

23 (i) such amendments shall apply to
24 any beneficiary of such designated bene-
25 ficiary; and

1 (ii) the designated beneficiary shall be
2 treated as an eligible designated bene-
3 ficiary for purposes of applying section
4 401(a)(9)(H)(ii) of the Internal Revenue
5 Code of 1986 (as in effect after such
6 amendments).

7 (B) EFFECTIVE DATE.—For purposes of
8 this paragraph, the term “effective date” means
9 the first day of the first calendar year to which
10 the amendments made by this section apply to
11 a plan with respect to employees dying on or
12 after such date.

13 **SEC. 402. INCREASE IN PENALTY FOR FAILURE TO FILE.**

14 (a) IN GENERAL.—The second sentence of subsection
15 (a) of section 6651 of the Internal Revenue Code of 1986
16 is amended by striking “\$330” and inserting “\$435”.

17 (b) INFLATION ADJUSTMENT.—Section 6651(j)(1) of
18 such Code is amended by striking “\$330” and inserting
19 “\$435”.

20 (c) EFFECTIVE DATE.—The amendments made by
21 this section shall apply to returns the due date for which
22 (including extensions) is after December 31, 2019.

1 **SEC. 403. INCREASED PENALTIES FOR FAILURE TO FILE**
2 **RETIREMENT PLAN RETURNS.**

3 (a) IN GENERAL.—Subsection (e) of section 6652 of
4 the Internal Revenue Code of 1986 is amended—

5 (1) by striking “\$25” and inserting “\$250”;

6 and

7 (2) by striking “\$15,000” and inserting
8 “\$150,000”.

9 (b) ANNUAL REGISTRATION STATEMENT AND NOTI-
10 FICATION OF CHANGES.—Subsection (d) of section 6652
11 of the Internal Revenue Code of 1986 is amended—

12 (1) by striking “\$1” both places it appears in
13 paragraphs (1) and (2) and inserting “\$10”;

14 (2) by striking “\$5,000” in paragraph (1) and
15 inserting “\$50,000”; and

16 (3) by striking “\$1,000” in paragraph (2) and
17 inserting “\$10,000”.

18 (c) FAILURE TO PROVIDE NOTICE.—Subsection (h)
19 of section 6652 of the Internal Revenue Code of 1986 is
20 amended—

21 (1) by striking “\$10” and inserting “\$100”;

22 and

23 (2) by striking “\$5,000” and inserting
24 “\$50,000”.

25 (d) EFFECTIVE DATE.—The amendments made by
26 this section shall apply to returns, statements, and notifi-

1 cations required to be filed, and notices required to be pro-
2 vided, after December 31, 2019.

3 **SEC. 404. INCREASE INFORMATION SHARING TO ADMIN-**
4 **ISTER EXCISE TAXES.**

5 (a) IN GENERAL.—Section 6103(o) of the Internal
6 Revenue Code of 1986 is amended by adding at the end
7 the following new paragraph:

8 “(3) TAXES IMPOSED BY SECTION 4481.—Re-
9 turns and return information with respect to taxes
10 imposed by section 4481 shall be open to inspection
11 by or disclosure to officers and employees of United
12 States Customs and Border Protection of the De-
13 partment of Homeland Security whose official duties
14 require such inspection or disclosure for purposes of
15 administering such section.”.

16 (b) CONFORMING AMENDMENTS.—Paragraph (4) of
17 section 6103(p) of the Internal Revenue Code of 1986 is
18 amended by striking “or (o)(1)(A)” each place it appears
19 and inserting “, (o)(1)(A), or (o)(3)”.

1 **TITLE V—TAX RELIEF FOR**
2 **CERTAIN CHILDREN**

3 **SEC. 501. MODIFICATION OF RULES RELATING TO THE TAX-**
4 **ATION OF UNEARNED INCOME OF CERTAIN**
5 **CHILDREN.**

6 (a) **IN GENERAL.**—Section 1(j) of the Internal Rev-
7 enue Code of 1986 is amended by striking paragraph (4).

8 (b) **COORDINATION WITH ALTERNATIVE MINIMUM**
9 **TAX.**—Section 55(d)(4)(A) of the Internal Revenue Code
10 of 1986 is amended by striking “and” at the end of clause
11 (i)(II), by striking the period at the end of clause (ii)(III)
12 and inserting “, and”, and by adding at the end the fol-
13 lowing new clause:

14 “(iii) subsection (j) of section 59 shall
15 not apply.”.

16 (c) **EFFECTIVE DATE.**—

17 (1) **IN GENERAL.**—Except as otherwise pro-
18 vided in this subsection, the amendment made by
19 subsection (a) shall apply to taxable years beginning
20 after December 31, 2019.

21 (2) **COORDINATION WITH ALTERNATIVE MIN-**
22 **IMUM TAX.**—The amendment made by subsection
23 (b) shall apply to taxable years beginning after De-
24 cember 31, 2017.

1 (1) IN GENERAL.—This section shall apply to
2 any amendment to any retirement plan or annuity
3 contract which is made—

4 (A) pursuant to any amendment made by
5 this Act or pursuant to any regulation issued by
6 the Secretary of the Treasury or the Secretary
7 of Labor (or a delegate of either such Sec-
8 retary) under this Act; and

9 (B) on or before the last day of the first
10 plan year beginning on or after January 1,
11 2022, or such later date as the Secretary of the
12 Treasury may prescribe.

13 In the case of a governmental plan (as defined in
14 section 414(d) of the Internal Revenue Code of
15 1986), or an applicable collectively bargained plan in
16 the case of section 401 (and the amendments made
17 thereby), this paragraph shall be applied by sub-
18 stituting “2024” for “2022”. For purposes of the
19 preceding sentence, the term “applicable collectively
20 bargained plan” means a plan maintained pursuant
21 to 1 or more collective bargaining agreements be-
22 tween employee representatives and 1 or more em-
23 ployers ratified before the date of enactment of this
24 Act.

1 (2) CONDITIONS.—This section shall not apply
2 to any amendment unless—

3 (A) during the period—

4 (i) beginning on the date the legisla-
5 tive or regulatory amendment described in
6 paragraph (1)(A) takes effect (or in the
7 case of a plan or contract amendment not
8 required by such legislative or regulatory
9 amendment, the effective date specified by
10 the plan); and

11 (ii) ending on the date described in
12 paragraph (1)(B) (as modified by the sec-
13 ond sentence of paragraph (1)) (or, if ear-
14 lier, the date the plan or contract amend-
15 ment is adopted),

16 the plan or contract is operated as if such plan
17 or contract amendment were in effect; and

18 (B) such plan or contract amendment ap-
19 plies retroactively for such period.