

ESTIMATED REVENUE EFFECTS OF THE CHAIRMAN'S MODIFICATIONS TO  
 THE "NATIONAL EMPLOYEE SAVINGS AND TRUST EQUITY GUARANTEE ACT OF 2005,"  
 SCHEDULED FOR MARKUP BY THE COMMITTEE ON FINANCE ON JULY 26, 2005

Fiscal Years 2006 - 2015

[Millions of Dollars]

Provision	Effective	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2006-10	2006-15
<b>I. Diversification Rights and Other Defined Contribution Participant Protections</b>													
A. Employee Diversification Rights for Defined Contribution Plans Holding Employer Securities.....	generally pyba 12/31/05	----- Negligible Revenue Effect -----											
B. Notice of Freedom to Divest Employer Securities or Real Property.....	generally pyba 12/31/05	----- Negligible Revenue Effect -----											
C. Periodic Pension Benefit Statements for Defined Contribution Plans.....	generally pyba 12/31/06	----- Negligible Revenue Effect -----											
D. Notice to Participants and Beneficiaries of Blackout Periods.....	[1]	----- Negligible Revenue Effect -----											
E. Additional IRA Contributions and Credit for Certain Individuals (sunset taxable years beginning after 12/31/09; sunset credit taxable years beginning after 12/31/07).....	tyba 12/31/04	-87	-85	-51	-10	-8	-6	-6	-6	-6	-6	-240	-270
<b>Total of Diversification Rights and Other Defined Contribution Participant Protections .....</b>		<b>-87</b>	<b>-85</b>	<b>-51</b>	<b>-10</b>	<b>-8</b>	<b>-6</b>	<b>-6</b>	<b>-6</b>	<b>-6</b>	<b>-6</b>	<b>-240</b>	<b>-270</b>
<b>II. Providing Investment Advice and Investment Education to Plan Participants</b>													
A. Investment Education Requirements for Defined Contribution Plan Participants.....	generally pyba 12/31/06	----- Negligible Revenue Effect -----											
B. Information Relating to Investment in Employer Securities.....	generally pyba 12/31/05	----- Negligible Revenue Effect -----											
C. Safe Harbor for Independent Investment Advice Provided to Plan Participants.....	iada DOE	----- Negligible Revenue Effect -----											
D. Treatment of Employer-Provided Qualified Retirement Planning Services (sunset 12/31/10).....	tyba 12/31/05	-12	-24	-32	-36	-39	-43	-11	---	---	---	-142	-196
<b>Total of Providing Investment Advice and Investment Education to Plan Participants .....</b>		<b>-12</b>	<b>-24</b>	<b>-32</b>	<b>-36</b>	<b>-39</b>	<b>-43</b>	<b>-11</b>	<b>[2]</b>	<b>[2]</b>	<b>[2]</b>	<b>-142</b>	<b>-196</b>
<b>III. Improvements in Funding Rules for Single-Employer Defined Benefit Pension Plans and Related Provisions</b>													
A. Minimum Funding Rules for Single-Employer Defined Benefit Pension Plans [3].....	[4]	759	3,326	2,856	-1,644	-3,267	-2,391	-1,530	-1,007	-825	-298	2,030	-4,021
B. Benefit Limitations Under Single-Employer Defined Benefit Pension Plans.....	generally pyba 2006	----- Estimate Included in Item III.A. -----											
C. Increase in Deduction Limits.....	tyba 12/31/05	----- Estimate Included in Item III.A. -----											
D. Interest Rate Assumption for Determination of Lump-Sum Distributions.....	pyba 12/31/06	----- Negligible Revenue Effect -----											



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<b>VII. Spousal Pension Protection</b>													
A. Study of Spousal Consent for Distributions from Defined Contribution Plans.....	DOE	----- No Revenue Effect -----											
B. Division of Pension Benefits Upon Divorce.....	DOE	----- Negligible Revenue Effect -----											
C. Protection of Rights of Former Spouses under the Railroad Retirement System .....	1ya DOE	----- Estimate to be Provided by the Congressional Budget Office -----											
D. Modifications of Joint and Survivor Annuity Requirements.....	generally pyba 12/31/05	----- Negligible Revenue Effect -----											
<b>Total of Spousal Pension Protection .....</b>		<b>[2]</b>	<b>[2]</b>	<b>[2]</b>	<b>[2]</b>	<b>[2]</b>	<b>[2]</b>	<b>[2]</b>	<b>[2]</b>	<b>[2]</b>	<b>[2]</b>	<b>[2]</b>	<b>[2]</b>
<b>VIII. Improvements in Portability and Distribution</b>													
<b>Rules for Defined Contribution Plans</b>													
A. Purchase of Permissive Service Credit.....	[8]	----- Negligible Revenue Effect -----											
B. Rollover of After-Tax Amounts in Annuity Contracts.....	tyba 12/31/05	----- Negligible Revenue Effect -----											
C. Application of Minimum Distribution Rules to Governmental Plans.....	DOE	----- No Revenue Effect -----											
D. Waiver of 10-Percent Early Withdrawal Tax on Certain Distributions from Pension Plans for Public Safety Employees.....	dma DOE	-1	-3	-3	-3	-3	-3	-4	-4	-4	-4	-13	-32
E. Rollovers by Nonspouse Beneficiaries of Certain Retirement Plan Distributions.....	dma 12/31/05	-8	-23	-32	-37	-35	-33	-30	-28	-26	-23	-134	-274
F. Faster Vesting of Employer Nonelective Contributions.....	generally cf pyba 12/31/05	-3	-6	-7	-7	-7	-7	-8	-8	-8	-8	-30	-69
G. Allow Direct Rollovers from Retirement Plans to Roth IRAs.....	dma 12/31/05	----- Negligible Revenue Effect -----											
H. Elimination of Higher Early Withdrawal Tax on Certain SIMPLE Plan Distributions.....	yba 12/31/05	[9]	-20	-21	-22	-22	-23	-24	-25	-26	-27	-85	-211
I. SIMPLE Plan Portability [10].....	yba 12/31/05	-6	-13	-13	-14	-14	-14	-14	-14	-13	-13	-60	-127
J. Eligibility for Participation in Eligible Deferred Compensation Plans.....	DOE	-1	-1	-1	-1	-1	-1	-1	-2	-2	-2	-5	-13
K. Benefit Transfers to the PBGC.....	[11]	----- Estimate to be Provided by the Congressional Budget Office -----											
L. Missing Participants.....	dma fripp	----- Estimate to be Provided by the Congressional Budget Office -----											
<b>Total of Improvements in Portability and Distribution Rules for Defined Contribution Plans .....</b>		<b>-19</b>	<b>-66</b>	<b>-77</b>	<b>-84</b>	<b>-82</b>	<b>-81</b>	<b>-81</b>	<b>-81</b>	<b>-79</b>	<b>-77</b>	<b>-327</b>	<b>-726</b>
<b>IX. Administrative Provisions</b>													
A. Updating of Employee Plans Compliance Resolution System.....	DOE	----- Negligible Revenue Effect -----											
B. Extension to all Governmental Plans of Moratorium on Application of Certain Nondiscrimination Rules.....	pyba 12/31/05	----- Negligible Revenue Effect -----											
C. Notice and Consent Period Regarding Distributions.....	yba 12/31/05	----- Negligible Revenue Effect -----											
D. Pension Plan Reporting Simplification.....	pybo/a 1/1/06 & DOE	----- No Revenue Effect -----											
E. Voluntary Early Retirement Incentive and Employment Retention Plans Maintained by Local Educational Agencies and Other Entities.....	generally DOE	[9]	-1	-1	-4	-9	-13	-15	-13	-11	-9	-14	-74
F. No Reduction in Unemployment Compensation as a Result of Pension Rollovers.....	wbo/a DOE	----- Estimate to be Provided by the Congressional Budget Office -----											
G. Withholding on Certain Distributions from Governmental Eligible Deferred Compensation Plans.....	[11]	-1	[12]	[12]	[12]	[12]	[12]	[12]	[12]	[12]	[12]	[9]	[9]

Provision	Effective	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2006-10	2006-15
H. Provisions Relating to Plan Amendments.....	DOE	----- <i>No Revenue Effect</i> -----											
<b>Total of Administrative Provisions .....</b>		<b>-1</b>	<b>-1</b>	<b>-1</b>	<b>-4</b>	<b>-9</b>	<b>-13</b>	<b>-15</b>	<b>-13</b>	<b>-11</b>	<b>-9</b>	<b>-14</b>	<b>-74</b>
<b>X. United States Tax Court Modernization</b>													
A. Tax Court Procedure.....	generally DOE	----- <i>Negligible Revenue Effect</i> -----											
B. Tax Court Pension and Compensation [13] .....	generally DOE	[9]	[9]	[9]	[9]	[9]	[9]	[9]	[9]	[9]	[9]	[9]	-1
<b>Total of United States Tax Court Modernization .....</b>		<b>[9]</b>	<b>[9]</b>	<b>[9]</b>	<b>[9]</b>	<b>[9]</b>	<b>[9]</b>	<b>[9]</b>	<b>[9]</b>	<b>[9]</b>	<b>[9]</b>	<b>[9]</b>	<b>-1</b>
<b>XI. Other Provisions</b>													
A. Eliminate Aggregate Limit on Amount of Black Lung Trust Assets.....	tyba 12/31/02	9	16	17	8	2	1	1	1	1	1	53	55
B. Transfer of Funds Attributable to Black Lung Trust Funds to Combined Benefit Fund.....	tyba 12/31/02	----- <i>Estimate to be Provided by the Congressional Budget Office</i> -----											
C. Tax Treatment of Company-Owned Life Insurance ("COLI").....	generally cia DOE	----- <i>Negligible Revenue Effect</i> -----											
<b>Total of Other Provisions .....</b>		<b>9</b>	<b>16</b>	<b>17</b>	<b>8</b>	<b>2</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>53</b>	<b>55</b>
<b>XII. Additional Provisions</b>													
1. Rules relating to cash balance and other hybrid plans.....	[14]	-24	-26	-33	-35	-42	-34	2	45	67	61	-160	-19
2. Defined benefit plans maintained by tribal governments.....	DOE	[9]	[9]	[9]	[9]	[9]	[9]	[9]	[9]	[9]	[9]	[9]	[9]
3. Treatment of plan of certain nonprofit organization as a governmental plan.....	DOE	[9]	[9]	[9]	[9]	[9]	-1	-1	-1	-1	-1	-2	-5
<b>Total of Additional Provisions .....</b>		<b>-24</b>	<b>-26</b>	<b>-33</b>	<b>-35</b>	<b>-42</b>	<b>-35</b>	<b>1</b>	<b>44</b>	<b>66</b>	<b>60</b>	<b>-162</b>	<b>-24</b>
<b>NET TOTAL .....</b>		<b>623</b>	<b>3,128</b>	<b>2,642</b>	<b>-1,878</b>	<b>-3,566</b>	<b>-2,754</b>	<b>-1,883</b>	<b>-1,357</b>	<b>-1,206</b>	<b>-743</b>	<b>954</b>	<b>-6,991</b>

Joint Committee on Taxation

NOTE: Details may not add to totals due to rounding. Date of enactment is assumed to be October 1, 2005.

Legend for "Effective" column:

cia = contracts issued after	noit/a = notice of intent to terminate on or after	tyba = taxable years beginning after
DOE = date of enactment	pfea = plans first effective after	wbo/a = weeks beginning on or after
dma = distributions made after	pyba = plan years beginning after	yba = years beginning after
iada = investment advisors designated after	pybo/a = plan years beginning on or after	30da = 30 days after
iafpbnet = interest accruing for periods beginning not earlier than	taoora = transfers and other reservations of assets after	1ya = 1 year after
frpp = final regulations implementing the provision are prescribed		

- [1] The amendments to the Internal Revenue Code apply to failures to provide the required notice after the date of enactment. The amendments to ERISA made by the proposal are effective as if included in section 306 of the Sarbanes-Oxley Act of 2002.
- [2] Negligible revenue effect.
- [3] Estimate does not include effects on PBGC premiums which will be estimated by the Congressional Budget Office.
- [4] The extension of the present-law interest rate is effective for plan years beginning after December 31, 2005, and before January 1, 2007. The modifications to the single-employer plan funding rules are generally effective for plan years beginning after December 31, 2006.
- [5] Effective with respect to Federal bankruptcy or similar proceedings or arrangements for the benefit of creditors which are initiated on or after the date that is 30 days after enactment.
- [6] Effective for benefits that become payable as a result of a plant shutdown or other covered event that occurs after July 21, 2005.
- [7] Effective for plan terminations with respect to which notices of intent to terminate are provided, or for which proceedings for termination are instituted by the PBGC after December 31, 2005.

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**Footnotes for JCX-58-05 continued:**

- [8] Generally effective as if included in the amendments made by section 1526 of the Taxpayer Relief Act of 1997, except that the provision regarding trustee-to-trustee transfers is effective as if included in the amendments made by section 647 of the Economic Growth and Tax Relief Act of 2001.
- [9] Loss of less than \$500,000.
- [10] Estimate includes interaction effects with item VIII. H.
- [11] Effective as if included in the Economic Growth and Tax Relief Reconciliation Act of 2001.
- [12] Gain of less than \$500,000.
- [13] Only includes the estimated revenue effects associated with the provision relating to participation by Tax Court judges in the Thrift Savings Plan and does not include any outlay or revenue effects associated with other provisions included in the proposal. These remaining items will be estimated by the Congressional Budget Office.
- [14] The proposals relating to the age discrimination rules and minimum lump-sum distributions are effective July 26, 2005. The proposal relating to conversions is effective for conversions made pursuant to a plan amendment adopted and effective after July 26, 2005. In addition, in the case of a conversion pursuant to a plan amendment adopted before July 26, 2005, but effective after that date, the employer may elect to apply the proposal to the conversion. The proposals relating to interest credits and vesting are effective for plan years beginning after December 31, 2006. No inference is intended to be drawn from the proposal as to the treatment of cash balance plans (and other hybrid plans) or conversions under present law.