

ESTIMATED REVENUE EFFECTS OF THE CHAIRMAN'S AMENDMENT IN THE NATURE OF A SUBSTITUTE TO H.R. 1776,
 THE "PENSION PRESERVATION AND SAVINGS EXPANSION ACT OF 2003"
 SCHEDULED FOR MARKUP BY THE COMMITTEE ON WAYS AND MEANS ON JULY 18, 2003

Fiscal Years 2003 - 2013

[Millions of Dollars]

Provision	Effective	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2003-08	2003-13
I. Provisions to Build and Preserve Retirement Assets and Enhance Portability														
1. Accelerate scheduled increases in pension plan contribution limits into 2004	yba 12/31/03	---	-78	-55	-34	-73	-57	-64	-71	-37	-23	-23	-298	-516
2. Accelerate scheduled increase in IRA contribution limit to \$5,000 in 2004.....	tyba 12/31/03	---	-303	-522	-467	-540	-510	-470	-517	-514	-504	-516	-2,341	-4,863
3. Accelerate IRA catchup contribution to \$1,000 in 2004	tyba 12/31/03	---	-6	-13	-9	-4	-4	-4	-4	-4	-4	-4	-37	-57
4. Extension and expansion of the Saver's Credit (through 12/31/10)	tyba 12/31/06	---	---	---	---	-710	-2,379	-2,213	-2,218	-1,580	-44	-44	-3,089	-9,190
5. Faster vesting of employer nonelective contributions	pyba 12/31/03	----- Negligible Revenue Effect -----												
6. Allow transfer to spouse's retirement plans	yba DOE	---	-54	-113	-122	-132	-143	-154	-166	-191	-217	-235	-565	-1,528
7. Rollovers by nonspouse beneficiaries	da 12/31/03	---	-8	-24	-32	-35	-32	-28	-25	-21	-17	-14	-131	-236
8. Rollover of after-tax amounts in annuity contracts	tyba 12/31/03	----- Negligible Revenue Effect -----												
9. Permit disabled individuals to contribute to an IRA without regard to the individual's compensation for the taxable year	tyba 12/31/03	---	-17	-44	-63	-80	-91	-105	-121	-134	-145	-154	-295	-953
10. Exclusion for certain annuity payments	dma 12/31/03	---	-227	-446	-429	-412	-399	-385	-369	-359	-349	-333	-1,913	-3,706
Total of Provisions to Build and Preserve Retirement Assets and Enhance Portability		---	-693	-1,217	-1,156	-1,986	-3,615	-3,423	-3,491	-2,840	-1,303	-1,323	-8,669	-21,049
II. Provisions to Revitalize Defined Benefit Pension Plans														
1. Treatment of employee contributions to contributory defined benefit plans	cmi yba 12/31/03	---	-55	-80	-82	-85	-88	-91	-94	-97	-100	-103	-390	-874
2. Reform of the minimum participation rule	DOE	----- Negligible Revenue Effect -----												
3. Temporary replacement of interest rate on 30-year Treasury securities with interest rate on conservatively-invested long-term corporate bonds (sunset 12/31/06) [1]	generally pyba 12/31/03	---	2,855	3,818	1,194	-1,077	-1,645	-496	-1,136	-1,620	-1,045	-809	5,145	39
4. Update deduction rules for combination of plans	cf tyba 12/31/03	---	-12	-24	-30	-30	-30	-30	-30	-30	-30	-30	-126	-276
Total of Provisions to Revitalize Defined Benefit Pension Plans		---	2,788	3,714	1,082	-1,192	-1,763	-617	-1,260	-1,747	-1,175	-942	4,629	-1,111
III. Provisions to Expand Small Business Retirement Plan Coverage														
1. Additional nonelective employer contributions to SIMPLE plans up to 10%	yba 12/31/03	---	-69	-110	-118	-125	-132	-138	-145	-152	-160	-168	-555	-1,319
2. Matching contribution rules for SIMPLE IRAs and SIMPLE 401(k)s conformed	yba 12/31/03	----- Negligible Revenue Effect -----												

Provision	Effective	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2003-08	2003-13
3. Simplified employee pension compensation limit	tyba 12/31/03	---	-1	-3	-3	-3	-3	-3	-3	-4	-4	-4	-13	-33
4. Level dollar contributions to SEPs	yba 12/31/03	---	-6	-10	-12	-12	-12	-13	-13	-14	-14	-14	-52	-121
5. Tax on nondeductible contributions not to apply to certain non-trade or business SEP contributions	yba 12/31/03	---	-1	-4	-4	-4	-5	-5	-5	-5	-5	-6	-18	-44
Total of Provisions to Expand Small Business Retirement Plan Coverage		---	-77	-127	-137	-144	-152	-159	-166	-175	-183	-192	-638	-1,517
IV. Provisions to Expand Retirement Savings for Tax-Exempt Organization and Government Employees														
1. Inapplicability of 10 percent additional tax on early distributions of pension plans of public safety employees	dma DOE	---	[2]	-2	-2	-2	-2	-2	-2	-2	-3	-3	-8	-21
2. Clarifications regarding purchase of permissive service credit	[3]	----- Negligible Revenue Effect -----												
3. Participation in eligible deferred compensation plan.....	DOE	----- Negligible Revenue Effect -----												
4. Minimum distribution rules [4].....	DOE	----- No Revenue Effect -----												
5. Annual benefits under Church plans	pyba 12/31/03	----- Negligible Revenue Effect -----												
Total of Provisions to Expand Retirement Savings for Tax-Exempt Organization and Government Employees		---	[2]	-2	-2	-2	-2	-2	-2	-2	-3	-3	-8	-21
V. Simplification and Equity Provisions														
1. Simplification and updating of the minimum distribution rules: increase age for mandatory withdrawals from an IRA or pension plan to age 72 in 2004 through 2007, age 75 in 2008 and thereafter, and other changes to minimum distribution rules	generally yba 12/31/03	---	-393	-917	-1,057	-1,150	-2,058	-3,207	-3,676	-3,703	-3,949	-4,100	-5,574	-24,208
2. Catch-up contributions	[3]	----- Negligible Revenue Effect -----												
3. Transfer of certain benefits to the PBGC [5]	generally yba 12/31/04	----- To Be Provided by the Congressional Budget Office -----												
4. Allow direct rollovers from retirement plans to Roth IRAs	da 12/31/03	----- Negligible Revenue Effect -----												
5. Excise tax on excess contributions	yba 12/31/03	---	-13	-3	-3	-3	-3	-3	-3	-3	-3	-3	-25	-41
6. Intermediate sanctions for inadvertent failures	DOE	----- Negligible Revenue Effect -----												
7. Fair treatment under substantially equal periodic payments rule	rmo pbo/a DOE	----- Negligible Revenue Effect -----												
8. Treatment of annuity contracts	[6]	----- Negligible Revenue Effect -----												
9. Certain plan transfers and mergers	[7]	----- Negligible Revenue Effect -----												
10. Treatment of Young Men's Christian Association Retirement Fund	pyba 12/31/02	----- Negligible Revenue Effect -----												
Total of Simplification and Equity Provisions		---	-406	-920	-1,060	-1,153	-2,061	-3,210	-3,679	-3,706	-3,952	-4,103	-5,599	-24,249
VI. Other Tax Provisions Relating to Pensions														
1. Reporting simplification [8]	pybo/a 1/1/03	----- No Revenue Effect -----												
2. Improvement of employee plans compliance resolution system	DOE	----- Negligible Revenue Effect -----												
3. Extension to all governmental plans of moratorium on application of certain nondiscrimination rules applicable to State and local plans	yba 12/31/03	----- Negligible Revenue Effect -----												

Provision	Effective	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2003-08	2003-13	
4. Notice and consent period regarding distributions	yba 12/31/03	----- Negligible Revenue Effect -----													
5. Reduce PBGC premium for new plans of small employers; reduce additional PBGC premium for new and small plans [9]	pfea 12/31/03 & pyba 12/31/03	---	[2]	-3	-5	-6	-7	-7	-7	-8	-8	-8	-21	-59	
6. Authorization for PBGC to pay interest on premium overpayment refunds [10]	iafpbnet DOE	---	-3	-3	-3	-3	-3	-3	-3	-3	-3	-3	-15	-30	
7. Substantial owner benefits in terminated plans [10]	noitta 12/31/03	---	[2]	[2]	[2]	[2]	[2]	[2]	[2]	[2]	[2]	[2]	[2]	[2]	
Total of Other Tax Provisions Relating to Pensions		---	-3	-6	-8	-9	-10	-10	-10	-11	-11	-11	-36	-89	
VII. Stock Options - Exclusion of Incentive Stock Options and Employee Stock Purchase Plan Stock Options from Wages	efsaptoea DOE	----- No Revenue Effect -----													
VIII. Provisions Relating to Plan Amendments	DOE	----- No Revenue Effect -----													
NET TOTAL		---	1,609	1,442	-1,281	-4,486	-7,603	-7,421	-8,608	-8,481	-6,627	-6,574	-10,321	-48,036	

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

Legend for "Effective" column:

cf = contributions for
 cmi = contributions made in
 da = distributions after
 DOE = date of enactment
 dma = distributions made after

efsaptoea = effective for stock acquired pursuant to options exercised after
 iafpbnet = interest accruing for periods beginning not earlier than
 noitta = notice of intent to terminate after
 pea = plans established after
 pfea = plans first effective after

pyba = plan years beginning after
 pbo/a = payments beginning on or after
 rmo = rollovers made or
 tyba = taxable years ending after
 yba = years beginning after

- [1] Estimate does not includes effects on PBGC variable-rate premiums, which will be provided by the Congressional Budget Office.
- [2] Loss of less than \$500,000.
- [3] Effective as if included in the Economic Growth and Tax Relief Reconciliation Act of 2001.
- [4] Directs the Secretary of the Treasury to issue regulations.
- [5] Estimate to be provided by the Congressional Budget Office.
- [6] Effective as if included in the Small Business Job Protection Act of 1996.
- [7] Effective for transfers and mergers in years beginning after the Secretary issues regulations, which are required to be issued within one year of enactment.
- [8] Directs the Secretary of the Treasury to modify rules through regulations.
- [9] Estimate provided by the Congressional Budget Office. PBGC premiums are offsetting collections to a mandatory spending account, thus reductions (increases) in premium receipts are reflected as increases (decreases) in direct spending.
- [10] Estimate reflects outlay effects provided by the Congressional Budget Office.