

106TH CONGRESS
1ST SESSION

H. R. 2082

To amend the Internal Revenue Code of 1986 to restore pension limits to equitable levels, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JUNE 8, 1999

Mr. YOUNG of Alaska introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 to restore pension limits to equitable levels, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. AMENDMENT OF 1986 CODE.**

4 Whenever in this Act an amendment or repeal is ex-
5 pressed in terms of an amendment to, or repeal of, a sec-
6 tion or other provision, the reference shall be considered
7 to be made to a section or other provision of the Internal
8 Revenue Code.

9 **SEC. 2. INCREASE IN RETIREMENT PLAN LIMITS.**

10 (a) DEFINED BENEFIT PLANS.—

1 (1) DOLLAR LIMIT.—

2 (A) Subparagraph (A) of section 415(b)(1)
3 (relating to limitation for defined benefit plans)
4 is amended by striking “\$90,000” and inserting
5 “\$180,000”.

6 (B) Subparagraphs (C) and (D) of section
7 415(b)(2) are each amended by striking
8 “\$90,000” each place it appears in the head-
9 ings and the text and inserting “\$180,000”.

10 (2) LIMIT REDUCED WHEN BENEFIT BEGINS
11 BEFORE AGE 62.—Subparagraph (C) of section
12 415(b)(2) is amended by striking “the social security
13 retirement age” each place it appears in the heading
14 and text and inserting “age 62”.

15 (3) LIMIT INCREASED WHEN BENEFIT BEGINS
16 AFTER AGE 65.—Subparagraph (D) of section
17 415(b)(2) is amended by striking “the social security
18 retirement age” each place it appears in the heading
19 and text and inserting “age 65”.

20 (4) MULTIEMPLOYER PLANS AND PLANS MAIN-
21 TAINED BY GOVERNMENTS AND TAX EXEMPT ORGA-
22 NIZATIONS.—Subparagraph (F) of section 415(b)(2)
23 is amended to read as follows:

“(F) MULTEMPLOYER PLANS AND PLANS
MAINTAINED BY GOVERNMENTS AND TAX-EX-
EMPT ORGANIZATIONS.—

“(i) IN GENERAL.—In the case of a
governmental plan (within the meaning of
section 414(d)), a plan maintained by a
tax-exempt organization, a multiemployer
plan (as defined in section 414(f)), or a
qualified merchant marine plan, subpara-
graph (C) shall be applied as if the last
sentence thereof read as follows: ‘The re-
duction under this subparagraph shall not
reduce the limitation of paragraph (1)(A)
below (i) \$130,000 if the benefit begins at
or after age 55, or (ii) if the benefit begins
before age 55, the equivalent of the
\$130,000 limitation for age 55.’

“(ii) DEFINITIONS AND SPECIAL
RULE.—For purposes of this
subparagraph—

“(I) QUALIFIED MERCHANT MA-
RINE PLAN.—The term ‘qualified mer-
chant marine plan’ means a plan in
existence on January 1, 1986, the
participants in which are merchant

1 marine officers holding licenses issued
2 by the Secretary of Transportation
3 under title 46, United States Code.

4 “(II) TAX-EXEMPT ORGANIZA-
5 TION.—The term ‘tax-exempt organi-
6 zation’ means any organization (other
7 than a governmental unit) exempt
8 from tax under this subtitle.

9 “(III) TAX-EXEMPT ORGANIZA-
10 TION PLAN COVERING 50 PERCENT OF
11 ITS EMPLOYEES.—A plan shall be
12 treated as a plan maintained by a tax-
13 exempt organization if at least 50 per-
14 cent of the employees benefiting under
15 the plan are employees of a tax-ex-
16 empt organization. If less than 50
17 percent of the employees benefiting
18 under a plan are employees of a tax-
19 exempt organization, the plan shall be
20 treated as a plan maintained by a tax-
21 exempt organization only with respect
22 to employees of such an organiza-
23 tion.”.

1 (5) COST-OF-LIVING ADJUSTMENTS.—Sub-
 2 section (d) of section 415 (related to cost-of-living
 3 adjustments) is amended—

4 (A) in paragraph (1)(A) by striking
 5 “\$90,000” and inserting “\$180,000”, and

6 (B) in paragraph (3)(A)—

7 (i) by striking “\$90,000” in the head-
 8 ing and inserting “\$180,000”, and

9 (ii) by striking “October 1, 1986” and
 10 inserting “July 1, 1999”.

11 (b) DEFINED CONTRIBUTION PLANS.—Subpara-
 12 graph (B) of section 415(c)(1) (relating to limitation for
 13 defined contribution plans) is amended to read as follows:

14 “(B) the participant’s compensation.”.

15 (c) COST-OF-LIVING ADJUSTMENTS.—

16 (1) PLANS MAINTAINED BY GOVERNMENTS AND
 17 TAX-EXEMPT ORGANIZATIONS.—Paragraph (1) of
 18 section 415(d) is amended by striking “and” at the
 19 end of subparagraph (B), by redesignating subpara-
 20 graph (C) as subparagraph (D), and by inserting
 21 after subparagraph (B) the following new subpara-
 22 graph:

23 “(C) the \$130,000 amount in subsection
 24 (b)(2)(F), and”.

1 (2) BASE PERIOD.—Paragraph (3) of section
2 415(d) is amended by redesignating subparagraph
3 (D) as subparagraph (E) and by inserting after sub-
4 paragraph (C) the following new subparagraph:

5 “(D) \$130,000 AMOUNT.—The base period
6 taken into account for purposes of paragraph
7 (1)(C) is the calendar quarter beginning July 1,
8 1999.”.

9 (3) ROUNDING RULE RELATING TO DEFINED
10 BENEFIT PLANS.—Paragraph (4) of section 415(d)
11 is amended to read as follows:

12 “(4) ROUNDING.—

13 “(A) IN GENERAL.—Any increase under
14 subparagraphs (A) and (D) of paragraph (1)
15 which is not a multiple of \$5,000 shall be
16 rounded to the next lowest multiple of \$5,000.

17 “(B) \$130,000 AMOUNT.—Any increase
18 under subparagraph (C) of paragraph (1) which
19 is not a multiple of \$1,000 shall be rounded to
20 the next lowest multiple of \$1,000.”.

21 (4) CONFORMING AMENDMENT.—Subparagraph
22 (E) of section 415(d)(3) (as redesignated by para-
23 graph (2)) is amended by striking “paragraph
24 (1)(C)” and inserting “paragraph (1)(D)”.

1 **SEC. 3. TREATMENT OF MULTIEMPLOYER PLANS UNDER**
2 **SECTION 415.**

3 (a) **COMPENSATION LIMIT.**—Paragraph (11) of sec-
4 tion 415(b) (relating to limitation for defined benefit
5 plans) is amended to read as follows:

6 “(11) **SPECIAL LIMITATION RULE FOR GOVERN-**
7 **MENTAL AND MULTIEMPLOYER PLANS.**—In the case
8 of a governmental plan (as defined in section
9 414(d)) or a multiemployer plan (as defined in sec-
10 tion 414(f)), subparagraph (B) of paragraph (1)
11 shall not apply.”.

12 (b) **COMBINING AND AGGREGATION OF PLANS.**—

13 (1) **COMBINING OF PLANS.**—Subsection (f) of
14 section 415 (relating to combining of plans) is
15 amended by adding at the end the following:

16 “(3) **EXCEPTION FOR MULTIEMPLOYER**
17 **PLANS.**—Notwithstanding paragraph (1) and sub-
18 section (g), a multiemployer plan (as defined in sec-
19 tion 414(f)) shall not be combined or aggregated
20 with any other plan maintained by an employer for
21 purposes of applying the limitations established in
22 this section.”.

23 (2) **CONFORMING AMENDMENT FOR AGGREGA-**
24 **TION OF PLANS.**—Subsection (g) of section 415 (re-
25 lating to aggregation of plans) is amended by strik-

1 ing “The Secretary” and inserting “Except as pro-
2 vided in subsection (f)(3), the Secretary”.

3 **SEC. 4. EFFECTIVE DATE.**

4 The amendments made by this Act shall apply to
5 years beginning after December 31, 1999.

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