

106TH CONGRESS
1ST SESSION

S. 132

To amend the Internal Revenue Code of 1986 to provide comprehensive pension protection for women.

IN THE SENATE OF THE UNITED STATES

JANUARY 19, 1999

Ms. SNOWE introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To amend the Internal Revenue Code of 1986 to provide comprehensive pension protection for women.

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. SHORT TITLE.**

4 (a) SHORT TITLE.—This Act may be cited as the
5 “Women’s Pension Protection Act of 1999”.

6 (b) TABLE OF CONTENTS.—

Sec. 1. Short title.

TITLE I—PENSION REFORM

Sec. 101. Pension integration rules.

Sec. 102. Application of minimum coverage requirements with respect to separate lines of business.

Sec. 103. Division of pension benefits upon divorce.

Sec. 104. Clarification of continued availability of remedies relating to matters treated in domestic relations orders entered before 1985.

- Sec. 105. Entitlement of divorced spouses to railroad retirement annuities independent of actual entitlement of employee.
- Sec. 106. Effective dates.

TITLE II—PROTECTION OF RIGHTS OF FORMER SPOUSES TO PENSION BENEFITS UNDER CERTAIN GOVERNMENT AND GOVERNMENT-SPONSORED RETIREMENT PROGRAMS

- Sec. 201. Extension of tier II railroad retirement benefits to surviving former spouses pursuant to divorce agreements.
- Sec. 202. Survivor annuities for widows, widowers, and former spouses of Federal employees who die before attaining age for deferred annuity under civil service retirement system.
- Sec. 203. Court orders relating to Federal retirement benefits for former spouses of Federal employees.

TITLE III—REFORMS RELATED TO 401(k) PLANS

- Sec. 301. Requirement of annual, detailed investment reports applied to certain 401(k) plans.

TITLE IV—MODIFICATIONS OF JOINT AND SURVIVOR ANNUITY REQUIREMENTS

- Sec. 401. Modifications of joint and survivor annuity requirements.

TITLE V—SPOUSAL CONSENT REQUIRED FOR DISTRIBUTIONS FROM SECTION 401(k) PLANS

- Sec. 501. Spousal consent required for distributions from section 401(k) plans.

TITLE VI—WOMEN'S PENSION TOLL-FREE PHONE NUMBER

- Sec. 601. Women's pension toll-free phone number.

TITLE VII—PERIODIC PENSION BENEFITS STATEMENTS

- Sec. 701. Periodic pension benefits statements.

1 **TITLE I—PENSION REFORM**

2 **SEC. 101. PENSION INTEGRATION RULES.**

- 3 (a) APPLICABILITY OF NEW INTEGRATION RULES
- 4 EXTENDED TO ALL EXISTING ACCRUED BENEFITS.—
- 5 Notwithstanding subsection (c)(1) of section 1111 of the
- 6 Tax Reform Act of 1986 (relating to effective date of ap-
- 7 plication of nondiscrimination rules to integrated plans)
- 8 (100 Stat. 2440), effective for plan years beginning after
- 9 the date of the enactment of this Act, the amendments

1 made by subsection (a) of such section 1111 shall also
 2 apply to benefits attributable to plan years beginning on
 3 or before December 31, 1988.

4 (b) INTEGRATION DISALLOWED FOR SIMPLIFIED
 5 EMPLOYEE PENSIONS.—

6 (1) IN GENERAL.—Subparagraph (D) of section
 7 408(k)(3) of the Internal Revenue Code of 1986 (re-
 8 lating to permitted disparity under rules limiting
 9 discrimination under simplified employee pensions)
 10 is repealed.

11 (2) CONFORMING AMENDMENT.—Subparagraph
 12 (C) of such section 408(k)(3) is amended by striking
 13 “and except as provided in subparagraph (D),”.

14 (3) EFFECTIVE DATE.—The amendments made
 15 by this subsection shall apply with respect to taxable
 16 years beginning on or after January 1, 2000.

17 (c) EVENTUAL REPEAL OF INTEGRATION RULES.—
 18 Effective for plan years beginning on or after January 1,
 19 2006—

20 (1) subparagraphs (C) and (D) of section
 21 401(a)(5) of the Internal Revenue Code of 1986 (re-
 22 lating to pension integration exceptions under non-
 23 discrimination requirements for qualification) are re-
 24 pealed, and subparagraph (E) of such section
 25 401(a)(5) is redesignated as subparagraph (C); and

1 (2) subsection (l) of section 401 of such Code
 2 (relating to nondiscriminatory coordination of de-
 3 fined contribution plans with OASDI) is repealed.

4 **SEC. 102. APPLICATION OF MINIMUM COVERAGE REQUIRE-**
 5 **MENTS WITH RESPECT TO SEPARATE LINES**
 6 **OF BUSINESS.**

7 (a) IN GENERAL.—Subsection (b) of section 410 of
 8 the Internal Revenue Code of 1986 (relating to minimum
 9 coverage requirements) is amended—

10 (1) in paragraph (1), by striking “A trust” and
 11 inserting “In any case in which the employer with
 12 respect to a plan is treated, under section 414(r), as
 13 operating separate lines of business for a plan year,
 14 a trust”, and by inserting “for such plan year” after
 15 “requirements”; and

16 (2) by redesignating paragraphs (3) through
 17 (6) as paragraphs (4) through (7), respectively and
 18 by inserting after paragraph (2) the following new
 19 paragraph:

20 “(3) SPECIAL RULE WHERE EMPLOYER OPER-
 21 ATES SINGLE LINE OF BUSINESS.—In any case in
 22 which the employer with respect to a plan is not
 23 treated, under section 414(r), as operating separate
 24 lines of business for a plan year, a trust shall not
 25 constitute a qualified trust under section 401(a) un-

1 less such trust is designated by the employer as part
 2 of a plan which benefits all employees of the em-
 3 ployer.”.

4 (b) LIMITATION ON LINE OF BUSINESS EXCEP-
 5 TION.—Paragraph (6) of section 410(b) of such Code (as
 6 redesignated by subsection (a)(2) of this section) is
 7 amended by inserting “other than paragraph (1)(A)” after
 8 “this subsection”.

9 **SEC. 103. DIVISION OF PENSION BENEFITS UPON DIVORCE.**

10 (a) AMENDMENTS TO THE INTERNAL REVENUE
 11 CODE OF 1986.—

12 (1) IN GENERAL.—Paragraph (1) of section
 13 414(p) of the Internal Revenue Code of 1986 (relat-
 14 ing to qualified domestic relations order defined) is
 15 amended by adding at the end the following new
 16 subparagraph:

17 “(C) DEEMED DOMESTIC RELATIONS
 18 ORDER UPON DIVORCE.—

19 “(i) IN GENERAL.—Except as pro-
 20 vided in clause (iv), a domestic relations
 21 order with respect to a marriage of at least
 22 5 years duration between the participant
 23 and the former spouse (including an annul-
 24 ment or other order of marital dissolution)
 25 shall, if the former spouse, within 60 days

1 after the receipt of notice under paragraph
2 (6)(B)(i)(II), so elects, be deemed by the
3 plan to be a domestic relations order that
4 specifies that 50 percent of the marital
5 share of the participant's accrued benefit
6 is to be provided to such former spouse.

7 “(ii) MARITAL SHARE.—The marital
8 share shall be the accrued benefit of the
9 participant under the plan as of the date
10 of the first payment under the plan (to the
11 extent such accrued benefit is vested at the
12 date of the divorce or any later date) mul-
13 tiplied by a fraction, the numerator of
14 which is the period of participation by the
15 participant under the plan starting with
16 the date of marriage and ending with the
17 date of divorce, and the denominator of
18 which is the total period of participation by
19 the participant under the plan.

20 “(iii) INTERPRETATION AS QUALIFIED
21 DOMESTIC RELATIONS ORDER.—Each plan
22 shall establish reasonable rules for deter-
23 mining how any such deemed domestic re-
24 lations order is to be interpreted under the
25 plan so as to constitute a qualified domes-

1 tic relations order that satisfies paragraphs
2 (2) through (4) (and a copy of such rules
3 shall be provided to such former spouse
4 promptly after delivery of the divorce de-
5 cree). Such rules—

6 “(I) may delay the effect of such
7 an order until the earlier of the date
8 the participant is fully vested or has
9 terminated employment,

10 “(II) may allow the former
11 spouse to be paid out immediately,

12 “(III) shall permit the former
13 spouse to be paid not later than the
14 earliest retirement age under the plan
15 or the participant’s death,

16 “(IV) may require the submitter
17 of the divorce decree to present a
18 marriage certificate or other evidence
19 of the marriage date to assist in bene-
20 fit calculations, and

21 “(V) may conform to the rules
22 applicable to qualified domestic rela-
23 tions orders regarding form or type of
24 benefit.

1 “(iv) APPLICATION.—This subpara-
 2 graph shall not apply—

3 “(I) if the domestic relations
 4 order states that pension benefits
 5 were considered by the parties and no
 6 division is intended, or

7 “(II) to the extent that a quali-
 8 fied domestic relations order issued in
 9 connection with such divorce provides
 10 otherwise.”.

11 (2) NOTIFICATION PROCEDURES.—Section
 12 414(p)(6) of such Code (relating to plan procedures
 13 with respect to orders) is amended by striking sub-
 14 paragraph (A), by redesignating subparagraph (B)
 15 as subparagraph (C), and by inserting before sub-
 16 paragraph (C) (as so redesignated) the following
 17 new subparagraphs:

18 “(A) NOTICE AND DETERMINATION BY AD-
 19 MINISTRATOR.—In the case of any domestic re-
 20 lations order received by a plan, including such
 21 an order received under subparagraph (B) or
 22 section 4980B(f)(6)(C)—

23 “(i) within 14 days after receipt of
 24 such order, the plan administrator shall—

1 “(I) notify the participant and
2 each alternate payee of the receipt of
3 such order and the plan’s procedures
4 for determining the qualified status of
5 domestic relation orders, and

6 “(II) notify the former spouse of
7 such former spouse’s rights under
8 paragraph (1)(C), and

9 “(ii) within a reasonable period after
10 receipt of such order, the plan adminis-
11 trator shall determine whether such order
12 is a qualified domestic relations order and
13 notify the participant and each alternate
14 payee of such determination.

15 “(B) NOTIFICATION OF PLAN ADMINIS-
16 TRATOR.—In the case of a domestic relations
17 order which is not a qualified domestic relations
18 order, each plan—

19 “(i) shall require that each participant
20 is responsible for notifying the plan admin-
21 istrator of the occurrence of a divorce of
22 the participant from the former spouse and
23 for delivery to the plan administrator of
24 the domestic relations order along with the
25 information required by paragraph (2)(A)

1 within 60 days after the date of the di-
 2 vorce, and

3 “(ii) shall allow a former spouse to so
 4 notify the plan administrator and deliver to
 5 the plan administrator the domestic rela-
 6 tions order within 60 days after the date
 7 of the divorce.”.

8 (b) AMENDMENTS TO THE EMPLOYEE RETIREMENT
 9 INCOME SECURITY ACT OF 1974.—

10 (1) IN GENERAL.—Subsection (d)(3)(B) of sec-
 11 tion 206 of the Employee Retirement Income Secu-
 12 rity Act of 1974 (29 U.S.C. 1056) is amended—

13 (A) by striking “this paragraph—” and in-
 14 serting “this paragraph:”,

15 (B) in clause (i)—

16 (i) by striking “the term” and insert-
 17 ing “The term”, and

18 (ii) by striking “met, and” and insert-
 19 ing “met.”,

20 (C) in clause (ii), by striking “the term”
 21 and inserting “The term”, and

22 (D) by adding at the end the following new
 23 clause:

24 “(iii)(I) Except as provided on subclause (IV),
 25 a domestic relations order with respect to a marriage

1 of at least 5 years duration between the participant
2 and the former spouse (including an annulment or
3 other order of marital dissolution) shall, if the
4 former spouse, within 60 days after the receipt of
5 notice under subparagraph (G)(ii)(I)(bb), so elects,
6 be deemed by the plan to be a domestic relations
7 order that specifies that 50 percent of the marital
8 share of the participant's accrued benefit is to be
9 provided to such former spouse.

10 “(II) The marital share shall be the accrued
11 benefit of the participant under the plan as of the
12 date of the first payment under the plan (to the ex-
13 tent such accrued benefit is vested at the date of the
14 divorce or any later date) multiplied by a fraction,
15 the numerator of which is the period of participation
16 by the participant under the plan starting with the
17 date of marriage and ending with the date of di-
18 vorce, and the denominator of which is the total pe-
19 riod of participation by the participant under the
20 plan.

21 “(III) Each plan shall establish reasonable rules
22 for determining how any such deemed domestic rela-
23 tions order is to be interpreted under the plan so as
24 to constitute a qualified domestic relations order
25 that satisfies subparagraphs (C) through (E) (and a

1 copy of such rules shall be provided to such former
2 spouse promptly after delivery of the divorce decree).

3 Such rules—

4 “(aa) may delay the effect of such an order
5 until the earlier of the date the participant is
6 fully vested or has terminated employment,

7 “(bb) may allow the former spouse to be
8 paid out immediately,

9 “(cc) shall permit the spouse to be paid
10 not later than the earliest retirement age under
11 the plan or the participant’s death,

12 “(dd) may require the submitter of the di-
13 vorce decree to present a marriage certificate or
14 other evidence of the marriage date to assist in
15 benefit calculations, and

16 “(ee) may conform to the rules applicable
17 to qualified domestic relations orders regarding
18 form or type of benefit.

19 “(IV) This clause shall not apply—

20 “(aa) if the domestic relations order states
21 that pension benefits were considered by the
22 parties and no division is intended, or

23 “(bb) to the extent that a qualified domes-
24 tic relations order issued in connection with
25 such divorce provides otherwise.”.

1 (2) NOTIFICATION PROCEDURES.—Section
 2 206(d)(3)(G) of such Act (29 U.S.C. 1056(d)(3)(G))
 3 is amended by striking all matter before clause (ii),
 4 by redesignating clause (ii) as clause (iii), and by in-
 5 serting before clause (iii) (as so redesignated) the
 6 following:

7 “(G)(i) In the case of any domestic relations order
 8 received by a plan, including such an order received under
 9 clause (ii) or section 606(a)(3)—

10 “(I) within 14 days after receipt of such order,
 11 the plan administrator shall—

12 “(aa) notify the participant and each alter-
 13 nate payee of the receipt of such order and the
 14 plan’s procedures for determining the qualified
 15 status of domestic relation orders, and

16 “(bb) notify the former spouse of such
 17 former spouse’s rights under subparagraph
 18 (B)(iii), and

19 “(II) within a reasonable period after receipt of
 20 such order, the plan administrator shall determine
 21 whether such order is a qualified domestic relations
 22 order and notify the participant and each alternate
 23 payee of such determination.

24 “(ii) In the case of a domestic relations order which
 25 is not a qualified domestic relations order, each plan—

1 “(I) shall require that each participant is re-
 2 sponsible for notifying the plan administrator of the
 3 occurrence of a divorce of the participant from the
 4 former spouse and for delivery to the plan adminis-
 5 trator of the domestic relations order along with the
 6 information required by subparagraph (C)(i) within
 7 60 days after the date of the divorce, and

8 “(II) shall allow a former spouse to so notify
 9 the plan administrator and deliver to the plan ad-
 10 ministrators the domestic relations order within 60
 11 days after the date of the divorce.”.

12 **SEC. 104. CLARIFICATION OF CONTINUED AVAILABILITY OF**
 13 **REMEDIES RELATING TO MATTERS TREATED**
 14 **IN DOMESTIC RELATIONS ORDERS ENTERED**
 15 **BEFORE 1985.**

16 (a) IN GENERAL.—In any case in which—

17 (1) under a prior domestic relations order en-
 18 tered before January 1, 1985, in an action for
 19 divorce—

20 (A) the right of a spouse under a pension
 21 plan to an accrued benefit under such plan was
 22 not divided between spouses,

23 (B) any right of a spouse with respect to
 24 such an accrued benefit was waived without the
 25 informed consent of such spouse, or -

1 (C) the right of a spouse as a participant
2 under a pension plan to an accrued benefit
3 under such plan was divided so that the other
4 spouse received less than such other spouse's
5 pro rata share of the accrued benefit under the
6 plan, or

7 (2) a court of competent jurisdiction determines
8 that any further action is appropriate with respect
9 to any matter to which a prior domestic relations
10 order entered before such date applies,
11 nothing in the provisions of section 104, 204, or 303 of
12 the Retirement Equity Act of 1984 (Public Law 98-397)
13 or the amendments made thereby shall be construed to
14 require or permit the treatment, for purposes of such pro-
15 visions, of a domestic relations order, which is entered on
16 or after the date of the enactment of this Act and which
17 supersedes, amends the terms of, or otherwise affects such
18 prior domestic relations order, as other than a qualified
19 domestic relations order solely because such prior domestic
20 relations order was entered before January 1, 1985.

21 (b) DEFINITIONS.—For purposes of this section—

22 (1) IN GENERAL.—Terms used in this section
23 which are defined in section 3 of the Employee Re-
24 tirement Income Security Act of 1974 (29 U.S.C.

1 1002) shall have the meanings provided such terms
2 by such section.

3 (2) PRO RATA SHARE.—The term “pro rata
4 share” of a spouse means, in connection with an ac-
5 crued benefit under a pension plan, 50 percent of
6 the product derived by multiplying—

7 (A) the actuarial present value of the ac-
8 crued benefit, by

9 (B) a fraction—

10 (i) the numerator of which is the pe-
11 riod of time, during the marriage between
12 the spouse and the participant in the plan,
13 which constitutes creditable service by the
14 participant under the plan, and

15 (ii) the denominator of which is the
16 total period of time which constitutes cred-
17 itable service by the participant under the
18 plan.

19 (3) PLAN.—All pension plans in which a person
20 has been a participant shall be treated as one plan
21 with respect to such person.

1 **SEC. 105. ENTITLEMENT OF DIVORCED SPOUSES TO RAIL-**
 2 **ROAD RETIREMENT ANNUITIES INDEPEND-**
 3 **ENT OF ACTUAL ENTITLEMENT OF EM-**
 4 **PLOYEE.**

5 Section 2 of the Railroad Retirement Act of 1974 (45
 6 U.S.C. 231a) is amended—

7 (1) in subsection (c)(4)(i), by striking “(A) is
 8 entitled to an annuity under subsection (a)(1) and
 9 (B)”;

10 (2) in subsection (e)(5), by striking “or di-
 11 vorced wife” the second place it appears.

12 **SEC. 106. EFFECTIVE DATES.**

13 (a) IN GENERAL.—Except as provided in subsection
 14 (b), the amendments made by this title, other than section
 15 101, shall apply with respect to plan years beginning on
 16 or after January 1, 2000, and the amendments made by
 17 section 103 shall apply only with respect to divorces be-
 18 coming final in such plan years.

19 (b) SPECIAL RULE FOR COLLECTIVELY BARGAINED
 20 PLANS.—In the case of a plan maintained pursuant to 1
 21 or more collective bargaining agreements between em-
 22 ployee representatives and 1 or more employers ratified
 23 on or before the date of the enactment of this Act, sub-
 24 section (a) shall be applied to benefits pursuant to, and
 25 individuals covered by, any such agreement by substituting

1 for “January 1, 2000” the date of the commencement of
 2 the first plan year beginning on or after the earlier of—

3 (1) the later of—

4 (A) January 1, 2001, or

5 (B) the date on which the last of such col-
 6 lective bargaining agreements terminates (de-
 7 termined without regard to any extension there-
 8 of after the date of the enactment of this Act),
 9 or

10 (2) January 1, 2002.

11 (c) PLAN AMENDMENTS.—If any amendment made
 12 by this title requires an amendment to any plan, such plan
 13 amendment shall not be required to be made before the
 14 first plan year beginning on or after January 1, 2002, if—

15 (1) during the period after such amendment
 16 made by this title takes effect and before such first
 17 plan year, the plan is operated in accordance with
 18 the requirements of such amendment made by this
 19 title, and

20 (2) such plan amendment applies retroactively
 21 to the period after such amendment made by this
 22 title takes effect and such first plan year.

23 A plan shall not be treated as failing to provide definitely
 24 determinable benefits or contributions, or to be operated

1 in accordance with the provisions of the plan, merely be-
 2 cause it operates in accordance with this subsection.

3 **TITLE II—PROTECTION OF**
 4 **RIGHTS OF FORMER SPOUSES**
 5 **TO PENSION BENEFITS**
 6 **UNDER CERTAIN GOVERN-**
 7 **MENT AND GOVERNMENT-**
 8 **SPONSORED RETIREMENT**
 9 **PROGRAMS**

10 **SEC. 201. EXTENSION OF TIER II RAILROAD RETIREMENT**
 11 **BENEFITS TO SURVIVING FORMER SPOUSES**
 12 **PURSUANT TO DIVORCE AGREEMENTS.**

13 (a) IN GENERAL.—Section 5 of the Railroad Retire-
 14 ment Act of 1974 (45 U.S.C. 231d) is amended by adding
 15 at the end the following new subsection:

16 “(d) Notwithstanding any other provision of law, the
 17 payment of any portion of an annuity computed under sec-
 18 tion 3(b) to a surviving former spouse in accordance with
 19 a court decree of divorce, annulment, or legal separation
 20 or the terms of any court-approved property settlement
 21 incident to any such court decree shall not be terminated
 22 upon the death of the individual who performed the service
 23 with respect to which such annuity is so computed unless
 24 such termination is otherwise required by the terms of
 25 such court decree.”.

1 (b) EFFECTIVE DATE.—The amendment made by
 2 this section shall take effect on the date of the enactment
 3 of this Act.

4 **SEC. 202. SURVIVOR ANNUITIES FOR WIDOWS, WIDOWERS,**
 5 **AND FORMER SPOUSES OF FEDERAL EM-**
 6 **PLOYEES WHO DIE BEFORE ATTAINING AGE**
 7 **FOR DEFERRED ANNUITY UNDER CIVIL**
 8 **SERVICE RETIREMENT SYSTEM.**

9 (a) BENEFITS FOR WIDOW OR WIDOWER.—Section
 10 8341(f) of title 5, United States Code, is amended—

11 (1) in the matter preceding paragraph (1) by—

12 (A) by inserting “a former employee sepa-
 13 rated from the service with title to deferred an-
 14 nuity from the Fund dies before having estab-
 15 lished a valid claim for annuity and is survived
 16 by a spouse, or if” before “a Member”; and

17 (B) by inserting “of such former employee
 18 or Member” after “the surviving spouse”;

19 (2) in paragraph (1)—

20 (A) by inserting “former employee or” be-
 21 fore “Member commencing”; and

22 (B) by inserting “former employee or” be-
 23 fore “Member dies”; and

24 (3) in the undesignated sentence following para-
 25 graph (2)—

1 (A) in the matter preceding subparagraph
 2 (A) by inserting “former employee or” before
 3 “Member”; and

4 (B) in subparagraph (B) by inserting
 5 “former employee or” before “Member”.

6 (b) BENEFITS FOR FORMER SPOUSE.—Section
 7 8341(h) of title 5, United States Code, is amended—

8 (1) in paragraph (1) by adding after the first
 9 sentence “Subject to paragraphs (2) through (5) of
 10 this subsection, a former spouse of a former em-
 11 ployee who dies after having separated from the
 12 service with title to a deferred annuity under section
 13 8338(a) but before having established a valid claim
 14 for annuity is entitled to a survivor annuity under
 15 this subsection, if and to the extent expressly pro-
 16 vided for in an election under section 8339(j)(3) of
 17 this title, or in the terms of any decree of divorce
 18 or annulment or any court order or court-approved
 19 property settlement agreement incident to such de-
 20 cree.”; and

21 (2) in paragraph (2)—

22 (A) in subparagraph (A)(ii) by striking “or
 23 annuitant,” and inserting “annuitant, or former
 24 employee”; and

1 (B) in subparagraph (B)(iii) by inserting
 2 “former employee or” before “Member”.

3 (c) PROTECTION OF SURVIVOR BENEFIT RIGHTS.—
 4 Section 8339(j)(3) of title 5, United States Code, is
 5 amended by inserting at the end the following:

6 “The Office shall provide by regulation for the appli-
 7 cation of this subsection to the widow, widower, or surviv-
 8 ing former spouse of a former employee who dies after
 9 having separated from the service with title to a deferred
 10 annuity under section 8338(a) but before having estab-
 11 lished a valid claim for annuity.”.

12 (d) EFFECTIVE DATE.—The amendments made by
 13 this section shall take effect on the date of the enactment
 14 of this Act and shall apply only in the case of a former
 15 employee who dies on or after such date.

16 **SEC. 203. COURT ORDERS RELATING TO FEDERAL RETIRE-**
 17 **MENT BENEFITS FOR FORMER SPOUSES OF**
 18 **FEDERAL EMPLOYEES.**

19 (a) CIVIL SERVICE RETIREMENT SYSTEM.—

20 (1) IN GENERAL.—Section 8345(j) of title 5,
 21 United States Code, is amended—

22 (A) by redesignating paragraph (3) as
 23 paragraph (4); and

24 (B) by inserting after paragraph (2) the
 25 following new paragraph:

1 “(3) Payment to a person under a court decree, court
 2 order, property settlement, or similar process referred to
 3 under paragraph (1) shall include payment to a former
 4 spouse of the employee, Member, or annuitant.”.

5 (2) LUMP-SUM BENEFITS.—Section 8342 of
 6 title 5, United States Code, is amended—

7 (A) in subsection (c) by striking “Lump-
 8 sum benefits” and inserting “Subject to sub-
 9 section (j), lump-sum benefits”; and

10 (B) in subsection (j)(1) by striking “the
 11 lump-sum credit under subsection (a) of this
 12 section” and inserting “any lump-sum credit or
 13 lump-sum benefit under this section”.

14 (b) FEDERAL EMPLOYEES RETIREMENT SYSTEM.—
 15 Section 8467 of title 5, United States Code, is amended—

16 (1) by redesignating subsection (c) as sub-
 17 section (d); and

18 (2) by inserting after subsection (b) the follow-
 19 ing new subsection:

20 “(c) Payment to a person under a court decree, court
 21 order, property settlement, or similar process referred to
 22 under subsection (a) shall include payment to a former
 23 spouse of the employee, Member, or annuitant.”.

1 (c) EFFECTIVE DATE.—The amendments made by
 2 this section shall take effect on the date of the enactment
 3 of this Act.

4 **TITLE III—REFORMS RELATED**
 5 **TO 401(k) PLANS**

6 **SEC. 301. REQUIREMENT OF ANNUAL, DETAILED INVEST-**
 7 **MENT REPORTS APPLIED TO CERTAIN 401(k)**
 8 **PLANS.**

9 (a) IN GENERAL.—Section 104(b)(3) of the Em-
 10 ployee Retirement Income Security Act of 1974 (29
 11 U.S.C. 1024(b)(3)) is amended—

12 (1) by inserting “(A)” after “(3)”; and

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

15 “(B)(i) If a plan includes a qualified cash or
 16 deferred arrangement (as defined in section
 17 401(k)(2) of the Internal Revenue Code of 1986)
 18 and is maintained by an employer with less than 100
 19 participants, the administrators shall furnish to each
 20 participant and to each beneficiary receiving benefits
 21 under the plan an annual investment report detail-
 22 ing such information as the Secretary by regulation
 23 shall require.

24 “(ii) Clause (i) shall not apply with respect to
 25 any participant described in section 404(c).”.

1 (b) REGULATIONS.—

2 (1) IN GENERAL.—The Secretary of Labor, in
 3 prescribing regulations required under section
 4 104(b)(3)(B)(i) of the Employee Retirement Income
 5 Security Act of 1974 (29 U.S.C. 1023(b)(3)(B)(i)),
 6 as added by subsection (a), shall consider including
 7 in the information required in an annual investment
 8 report the following:

9 (A) Total plan assets and liabilities as of
 10 the beginning and ending of the plan year.

11 (B) Plan income and expenses and con-
 12 tributions made and benefits paid for the plan
 13 year.

14 (C) Any transaction between the plan and
 15 the employer, any fiduciary, or any 10-percent
 16 owner during the plan year, including the acqui-
 17 sition of any employer security or employer real
 18 property.

19 (D) Any noncash contributions made to or
 20 purchases of nonpublicly traded securities made
 21 by the plan during the plan year without an ap-
 22 praisal by an independent third party.

23 (2) ELECTRONIC TRANSFER.—The Secretary of
 24 Labor in prescribing such regulations shall also
 25 make provision for the electronic transfer of the re-

1 quired annual investment report by a plan adminis-
2 trator to plan participants and beneficiaries.

3 (c) EFFECTIVE DATE.—The amendment made by
4 subsection (a) shall apply to plan years beginning after
5 the date of the enactment of this Act.

6 **TITLE IV—MODIFICATIONS OF** 7 **JOINT AND SURVIVOR ANNU-** 8 **ITY REQUIREMENTS**

9 **SEC. 401. MODIFICATIONS OF JOINT AND SURVIVOR ANNU-** 10 **ITY REQUIREMENTS.**

11 (a) AMENDMENTS TO ERISA.—

12 (1) AMOUNT OF ANNUITY.—

13 (A) IN GENERAL.—Paragraph (1) of sec-
14 tion 205(a) of the Employee Retirement Income
15 Security Act of 1974 (29 U.S.C. 1055(a)) is
16 amended by inserting “or, at the election of the
17 participant, shall be provided in the form of a
18 qualified joint and $\frac{2}{3}$ survivor annuity” after
19 “survivor annuity,”.

20 (B) DEFINITION.—Subsection (d) of sec-
21 tion 205 of such Act (29 U.S.C. 1055) is
22 amended—

23 (i) by redesignating paragraphs (1)
24 and (2) as subparagraphs (A) and (B), re-
25 spectively,

1 (ii) by inserting “(1)” after “(d)”,

2 and

3 (iii) by adding at the end the follow-

4 ing new paragraph:

5 “(2) For purposes of this section, the term “qualified
6 joint and $\frac{2}{3}$ survivor annuity” means an annuity—

7 “(A) for the participant while both the partici-
8 pant and the spouse are alive with a survivor annu-
9 ity for the life of surviving individual (either the par-
10 ticipant or the spouse) equal to 67 percent of the
11 amount of the annuity which is payable to the par-
12 ticipant while both the participant and the spouse
13 are alive,

14 “(B) which is the actuarial equivalent of a sin-
15 gle annuity for the life of the participant, and

16 “(C) which, for all other purposes of this Act,
17 is treated as a qualified joint and survivor annuity.”.

18 (2) ILLUSTRATION REQUIREMENT.—Clause (i)
19 of section 205(c)(3)(A) of such Act (29 U.S.C.
20 1055(c)(3)(A)) is amended to read as follows:

21 “(i) the terms and conditions of each qualified
22 joint and survivor annuity and qualified joint and $\frac{2}{3}$
23 survivor annuity offered, accompanied by an illustra-
24 tion of the benefits under each such annuity for the
25 particular participant and spouse and an acknowl-

1 edgement form to be signed by the participant and
 2 the spouse that they have read and considered the
 3 illustration before any form of retirement benefit is
 4 chosen,”.

5 (b) AMENDMENTS TO INTERNAL REVENUE CODE.—

6 (1) AMOUNT OF ANNUITY.—

7 (A) IN GENERAL.—Clause (i) of section
 8 401(a)(11)(A) of the Internal Revenue Code of
 9 1986 (relating to requirement of joint and sur-
 10 vivor annuity and preretirement survivor annu-
 11 ity) is amended by inserting “or, at the election
 12 of the participant, shall be provided in the form
 13 of a qualified joint and $\frac{2}{3}$ survivor annuity”
 14 after “survivor annuity,”.

15 (B) DEFINITION.—Section 417 of such
 16 Code (relating to definitions and special rules
 17 for purposes of minimum survivor annuity re-
 18 quirements) is amended by redesignating sub-
 19 section (f) as subsection (g) and by inserting
 20 after subsection (e) the following new sub-
 21 section:

22 “(f) DEFINITION OF QUALIFIED JOINT AND $\frac{2}{3}$ SUR-
 23 VIVOR ANNUITY.—For purposes of this section and section
 24 401(a)(11), the term “qualified joint and $\frac{2}{3}$ survivor an-
 25 nuity” means an annuity—

1 “(1) for the participant while both the partici-
 2 pant and the spouse are alive with a survivor annu-
 3 ity for the life of surviving individual (either the par-
 4 ticipant or the spouse) equal to 67 percent of the
 5 amount of the annuity which is payable to the par-
 6 ticipant while both the participant and the spouse
 7 are alive,

8 “(2) which is the actuarial equivalent of a sin-
 9 gle annuity for the life of the participant, and

10 “(3) which, for all other purposes of this title,
 11 is treated as a qualified joint and survivor annuity.”.

12 (2) ILLUSTRATION REQUIREMENT.—Clause (i)
 13 of section 417(a)(3)(A) of such Code (relating to ex-
 14 planation of joint and survivor annuity) is amended
 15 to read as follows:

16 “(i) the terms and conditions of each
 17 qualified joint and survivor annuity and
 18 qualified joint and $\frac{2}{3}$ survivor annuity of-
 19 fered, accompanied by an illustration of
 20 the benefits under each such annuity for
 21 the particular participant and spouse and
 22 an acknowledgement form to be signed by
 23 the participant and the spouse that they
 24 have read and considered the illustration

1 before any form of retirement benefit is
2 chosen.”.

3 (c) EFFECTIVE DATES.—

4 (1) IN GENERAL.—The amendments made by
5 this section shall apply to plan years beginning on
6 or after January 1, 2000.

7 (2) SPECIAL RULE FOR COLLECTIVELY BAR-
8 GAINED PLANS.—In the case of a plan maintained
9 pursuant to 1 or more collective bargaining agree-
10 ments between employee representatives and 1 or
11 more employers ratified on or before the date of en-
12 actment of this Act, the amendments made by this
13 section shall apply to the first plan year beginning
14 on or after the earlier of—

15 (A) the later of—

16 (i) January 1, 2001, or

17 (ii) the date on which the last of such
18 collective bargaining agreements termi-
19 nates (determined without regard to any
20 extension thereof after the date of enact-
21 ment of this Act), or

22 (B) January 1, 2002.

23 (3) PLAN AMENDMENTS.—If any amendment
24 made by this section requires an amendment to any
25 plan, such plan amendment shall not be required to

1 be made before the first plan year beginning on or
 2 after January 1, 2002, if—

3 (A) during the period after such amend-
 4 ment made by this section takes effect and be-
 5 fore such first plan year, the plan is operated
 6 in accordance with the requirements of such
 7 amendment made by this section, and

8 (B) such plan amendment applies retro-
 9 actively to the period after such amendment
 10 made by this section takes effect and such first
 11 plan year.

12 A plan shall not be treated as failing to provide defi-
 13 nitely determinable benefits or contributions, or to
 14 be operated in accordance with the provisions of the
 15 plan, merely because it operates in accordance with
 16 this paragraph.

17 **TITLE V—SPOUSAL CONSENT**
 18 **REQUIRED FOR DISTRIBUTIONS FROM SECTION 401(k)**
 19 **PLANS**
 20

21 **SEC. 501. SPOUSAL CONSENT REQUIRED FOR DISTRIBUTIONS FROM SECTION 401(k) PLANS.**
 22

23 (a) IN GENERAL.—Paragraph (2) of section 401(k)
 24 of the Internal Revenue Code of 1986 (defining qualified
 25 cash or deferred arrangement) is amended by striking

1 “and” at the end of subparagraph (C), by striking the pe-
 2 riod at the end of subparagraph (D) and inserting “, and”,
 3 and by adding at the end the following new subparagraph:

4 “(E) which provides that no distribution
 5 may be made unless—

6 “(i) the spouse of the employee (if
 7 any) consents in writing (during the 90-
 8 day period ending on the date of the dis-
 9 tribution) to such distribution, and

10 “(ii) requirements comparable to the
 11 requirements of section 417(a)(2) are met
 12 with respect to such consent.”

13 (b) EFFECTIVE DATE.—The amendments made by
 14 this section shall apply to distributions in plan years be-
 15 ginning on or after January 1, 2002.

16 **TITLE VI—WOMEN’S PENSION** 17 **TOLL-FREE PHONE NUMBER**

18 **SEC. 601. WOMEN’S PENSION TOLL-FREE PHONE NUMBER.**

19 (a) IN GENERAL.—The Secretary of Labor shall con-
 20 tract with an independent organization to create a wom-
 21 en’s pension toll-free telephone number and contact to
 22 serve as—

23 (1) a resource for women on pension questions
 24 and issues;

1 (2) a source for referrals to appropriate agen-
2 cies; and

3 (3) a source for printed information.

4 (b) AUTHORIZATION OF APPROPRIATIONS.—There
5 are authorized to be appropriated \$500,000 for each of
6 the fiscal years 2000, 2001, 2002, and 2003 to carry out
7 subsection (a).

8 **TITLE VII—PERIODIC PENSION** 9 **BENEFITS STATEMENTS**

10 **SEC. 701. PERIODIC PENSION BENEFITS STATEMENTS.**

11 (a) IN GENERAL.—Subsection (a) of section 105 of
12 the Employee Retirement Income Security Act of 1974
13 (29 U.S.C. 1025) is amended by striking “shall furnish
14 to any plan participant or beneficiary who so requests in
15 writing,” and inserting “shall furnish at least once every
16 3 years, in the case of a defined benefit plan, and annu-
17 ally, in the case of a defined contribution plan, to each
18 plan participant, and shall furnish to any plan participant
19 or beneficiary who so requests,”.

20 (b) RULE FOR MULTIEMPLOYER PLANS.—Subsection
21 (d) of section 105 of the Employee Retirement Income Se-
22 curity Act of 1974 (29 U.S.C. 1025) is amended to read
23 as follows:

24 “(d) Each administrator of a plan to which more than
25 1 unaffiliated employer is required to contribute shall fur-

1 nish to any plan participant or beneficiary who so requests
2 in writing, a statement described in subsection (a).”.

3 (c) EFFECTIVE DATE.—The amendments made by
4 this section shall apply to plan years beginning after the
5 earlier of—

6 (1) the date of issuance by the Secretary of
7 Labor of regulations providing guidance for simplify-
8 ing defined benefit plan calculations with respect to
9 the information required under section 105 of the
10 Employee Retirement Income Security Act of 1974
11 (29 U.S.C. 1025), or

12 (2) December 31, 1999.

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