

109TH CONGRESS  
1ST SESSION

# H. R. 331

To amend the Internal Revenue Code of 1986 and the Employee Retirement Income Security Act of 1974 to clarify that federally recognized Indian tribal governments are to be regulated under the same government employer rules and procedures that apply to Federal, State, and other local government employers with regard to the establishment and maintenance of employee benefit plans.

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## IN THE HOUSE OF REPRESENTATIVES

JANUARY 25, 2005

Mr. HAYWORTH (for himself and Mr. KILDEE) introduced the following bill; which was referred to the Committee on Ways and Means, and in addition to the Committee on Education and the Workforce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

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## A BILL

To amend the Internal Revenue Code of 1986 and the Employee Retirement Income Security Act of 1974 to clarify that federally recognized Indian tribal governments are to be regulated under the same government employer rules and procedures that apply to Federal, State, and other local government employers with regard to the establishment and maintenance of employee benefit plans.

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

1 **SECTION 1. SHORT TITLE.**

2       This Act may be cited as the “Governmental Pension  
3 Plan Equalization Act of 2005”.

4 **SEC. 2. CLARIFICATION OF “GOVERNMENTAL PLAN” DEFINI-**  
5 **NITIONS.**

6       (a) AMENDMENT TO INTERNAL REVENUE CODE OF  
7 1986.—Section 414(d) of the Internal Revenue Code of  
8 1986 (definition of governmental plan) is amended by add-  
9 ing at the end thereof the following new sentence: “The  
10 term ‘governmental plan’ also includes a plan established  
11 or maintained for its employees by an Indian tribal gov-  
12 ernment (as defined in section 7701(a)(40)), a subdivision  
13 of an Indian tribal government (determined in accordance  
14 with section 7871(d)), an agency or instrumentality of an  
15 Indian tribal government or a subdivision thereof, or an  
16 entity established under tribal, Federal, or State law  
17 which is wholly owned or controlled by any of the fore-  
18 going.”.

19       (b) AMENDMENT TO EMPLOYEE RETIREMENT IN-  
20 COME SECURITY ACT OF 1974.—Section 3(32) of the Em-  
21 ployee Retirement Income Security Act of 1974 (29  
22 U.S.C. 1002(32)) is amended by adding at the end the  
23 following new sentence: “The term ‘governmental plan’  
24 also includes a plan established or maintained for its em-  
25 ployees by an Indian tribal government (as defined in sec-  
26 tion 7701(a)(40) of the Internal Revenue Code of 1986),

1 a subdivision of an Indian tribal government (determined  
 2 in accordance with section 7871(d) of such Code), an  
 3 agency or instrumentality of an Indian tribal government  
 4 or subdivision thereof, or an entity established under trib-  
 5 al, Federal, or State law which is wholly owned or con-  
 6 trolled by any of the foregoing.”.

7 **SEC. 3. EXTENSION TO ALL GOVERNMENTAL PLANS OF**  
 8 **CURRENT MORATORIUM ON APPLICATION OF**  
 9 **CERTAIN NONDISCRIMINATION RULES APPLI-**  
 10 **CABLE TO STATE AND LOCAL PLANS.**

11 (a) IN GENERAL.—

12 (1) Subparagraph (G) of section 401(a)(5) and  
 13 subparagraph (H) of section 401(a)(26) of the In-  
 14 ternal Revenue Code of 1986 are each amended by  
 15 striking “section 414(d))” and all that follows and  
 16 inserting “section 414(d)).”.

17 (2) Subparagraph (G) of section 401(k)(3) of  
 18 such Code and paragraph (2) of section 1505(d) of  
 19 the Taxpayer Relief Act of 1997 are each amended  
 20 by striking “maintained by a State or local govern-  
 21 ment or political subdivision thereof (or agency or  
 22 instrumentality thereof)”.

23 (b) CONFORMING AMENDMENTS.—

24 (1) The heading for section 401(a)(5)(G) of  
 25 such Code is amended to read as follows:

1 “(G) GOVERNMENTAL PLANS.—”.

2 (2) The heading for section 401(a)(26)(H) of  
3 such Code is amended to read as follows:

4 “(H) EXCEPTION FOR GOVERNMENTAL  
5 PLANS.—”.

6 (3) Section 401(k)(3)(G) of such Code is  
7 amended by inserting “Governmental plan.—” after  
8 “(G)”.

9 **SEC. 4. CLARIFICATION THAT TRIBAL GOVERNMENTS ARE**  
10 **SUBJECT TO THE SAME DEFINED BENEFIT**  
11 **PLAN RULES AND REGULATIONS APPLIED TO**  
12 **STATE AND OTHER LOCAL GOVERNMENTS,**  
13 **THEIR POLICE AND FIREFIGHTERS.**

14 (a) AMENDMENTS TO INTERNAL REVENUE CODE OF  
15 1986.—

16 (1) POLICE AND FIREFIGHTERS.—Subpara-  
17 graph (H) section 415(b)(2) of the Internal Revenue  
18 Code of 1986 (defining participant) is amended—

19 (A) in clause (i) by striking “State or po-  
20 litical subdivision” and inserting “State, Indian  
21 tribal government (as defined in section  
22 7701(a)(40)), or any political subdivision”, and

23 (B) in clause (ii)(I) by striking “State or  
24 political subdivision” both places it appears and

1 inserting “State, Indian tribal government (as  
2 so defined), or any political subdivision”.

3 (2) STATE AND LOCAL GOVERNMENT PLANS.—

4 (A) IN GENERAL.—Subparagraph (A) of  
5 section 415(b)(10) of such Code (relating to  
6 limitation to equal accrued benefit) is amend-  
7 ed—

8 (i) by inserting “, Indian tribal gov-  
9 ernment (as defined in section  
10 7701(a)(40)),” after “State”,

11 (ii) by inserting “any” before “polit-  
12 ical subdivision”, and

13 (iii) by inserting “any of” before “the  
14 foregoing”.

15 (B) CONFORMING AMENDMENT.—The  
16 heading for section 415(b)(10) of such Code is  
17 amended to read as follows:

18 “(10) SPECIAL RULE FOR STATE, INDIAN TRIB-  
19 AL, AND LOCAL GOVERNMENT PLANS.—”.

20 (3) GOVERNMENT PICK UP CONTRIBUTIONS.—

21 Paragraph (2) of section 414(h) of such Code (relat-  
22 ing to designation by units of government) is amend-  
23 ed by striking “State or political subdivision” insert-  
24 ing “State, Indian tribal government (as defined in  
25 section 7701(a)(40)), or any political subdivision”.

1 (b) AMENDMENTS TO EMPLOYEE RETIREMENT IN-  
2 COME SECURITY ACT OF 1974.—Section 4021(b) of the  
3 Employee Retirement Income Security Act of 1974 (29  
4 U.S.C. 1321(b)) is amended—

5 (1) in paragraph (12), by striking “or” at the  
6 end;

7 (2) in paragraph (13), by striking “plan.” and  
8 inserting “plan; or”; and

9 (3) by adding at the end the following new  
10 paragraph:

11 “(14) established and maintained for its em-  
12 ployees by an Indian tribal government (as defined  
13 in section 7701(a)(40) of the Internal Revenue Code  
14 of 1986), a subdivision of an Indian tribal govern-  
15 ment (determined in accordance with section  
16 7871(d) of such Code), an agency or instrumentality  
17 of an Indian tribal government or subdivision there-  
18 of, or an entity established under tribal, Federal, or  
19 State law which is wholly owned or controlled by any  
20 of the foregoing.”.

21 **SEC. 5. EFFECTIVE DATE.**

22 The amendments made by this Act shall apply to  
23 years beginning before, on, or after the date of the enact-  
24 ment of this Act.

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