

HR 3669

Employee Retirement Savings Bill of Rights

Congress: 107 (2001–2003, Ended)

Chamber: House

Policy Area: Labor and Employment

Introduced: Feb 4, 2002

Current Status: Placed on the Union Calendar, Calendar No. 232.

Latest Action: Placed on the Union Calendar, Calendar No. 232. (Apr 9, 2002)

Official Text: <https://www.congress.gov/bill/107th-congress/house-bill/3669>

Sponsor

Name: Rep. Portman, Rob [R-OH-2]

Party: Republican • **State:** OH • **Chamber:** Senate

Cosponsors (21 total)

Cosponsor	Party / State	Role	Date Joined
Rep. Cardin, Benjamin L. [D-MD-3]	D · MD		Feb 4, 2002
Rep. Bereuter, Doug [R-NE-1]	R · NE		Feb 13, 2002
Rep. Blunt, Roy [R-MO-7]	R · MO		Feb 13, 2002
Rep. Brady, Kevin [R-TX-8]	R · TX		Feb 13, 2002
Rep. Forbes, J. Randy [R-VA-4]	R · VA		Feb 13, 2002
Rep. Frelinghuysen, Rodney P. [R-NJ-11]	R · NJ		Feb 13, 2002
Rep. Frost, Martin [D-TX-24]	D · TX		Feb 13, 2002
Rep. Lucas, Ken [D-KY-4]	D · KY		Feb 13, 2002
Rep. Pomeroy, Earl [D-ND-At Large]	D · ND		Feb 13, 2002
Rep. Abercrombie, Neil [D-HI-1]	D · HI		Feb 26, 2002
Rep. Hart, Melissa A. [R-PA-4]	R · PA		Feb 26, 2002
Rep. Jones, Walter B., Jr. [R-NC-3]	R · NC		Feb 26, 2002
Rep. Latham, Tom [R-IA-5]	R · IA		Feb 26, 2002
Rep. Oxley, Michael G. [R-OH-4]	R · OH		Feb 26, 2002
Rep. Kennedy, Mark R. [R-MN-2]	R · MN		Mar 12, 2002
Rep. Nussle, Jim [R-IA-2]	R · IA		Mar 12, 2002
Rep. Roukema, Marge [R-NJ-5]	R · NJ		Mar 12, 2002
Rep. Walsh, James T. [R-NY-25]	R · NY		Mar 12, 2002
Rep. Weldon, Dave [R-FL-15]	R · FL		Mar 12, 2002
Rep. Moore, Dennis [D-KS-3]	D · KS		Mar 13, 2002
Rep. Horn, Stephen [R-CA-38]	R · CA		Mar 18, 2002

Committee Activity

Committee	Chamber	Activity	Date
Education and Workforce Committee	House	Discharged From	Apr 10, 2002
Ways and Means Committee	House	Reported By	Mar 21, 2002

Subjects & Policy Tags

Policy Area:

Labor and Employment

Related Bills

Bill	Relationship	Last Action
107 HR 3762	Related bill	May 9, 2002: Referred to the Subcommittee on Capital Markets, Insurance and Government Sponsored Enterprises, for a period to be subsequently determined by the Chairman.
107 HR 3769	Related bill	May 9, 2002: Referred to the Subcommittee on Capital Markets, Insurance and Government Sponsored Enterprises.

Employee Retirement Savings Bill of Rights - **Title I: Defined Contribution Plan Protections** - Amends the Internal Revenue Code to require a retirement plan, in the case of a plan permitting a participant to direct the investment of all or some of his or her account, or a plan in which a participant's accrued benefit depends on hypothetical investments directed by the participant, to provide investment education notices on at least a quarterly basis and on enrollment in the plan. Establishes a tax of \$100 per plan participant for failure to provide such notice.

(Sec. 102) Establishes an excise tax on the failure of a pension plan to provide notice of transaction restriction periods, with special rule for employer securities.

(Sec. 103) Requires a plan holding employer securities to: (1) permit a participant to reinvest the applicable percentage of employer securities annually (from 20 percent in 2003 to 100 percent in years 2007 and thereafter); (2) offer at least three investment options other than employer securities; and (3) permit elections at least quarterly.

(Sec. 104) Provides, with respect to the treatment of qualified retirement planning services, that no amount shall be included in the gross income of any employee solely because the employee may choose between any qualified retirement planning services provided by a qualified investment advisor and compensation which would otherwise be includible in the gross income of such employee.

(Sec. 105) Provides for a delayed effective date for amendments made by this title for plans maintained pursuant to a collective bargaining agreement.

Title II: Other Tax Provisions Relating to Pensions - Modifies the special funding rule under the Retirement Protection Act of 1994 for plans sponsored by a company engaged primarily in interurban or interstate passenger bus service by making the rule permanent and treating the plan as meeting certain levels of funded.

(Sec. 202) Directs the Secretary of the Treasury and the Secretary of Labor to modify the requirements for filing annual returns with respect to one-participant retirement plans to ensure that such plans with assets of \$250,000 or less as of the close of the plan year need not file a return for that year. Permits the filing of a simplified annual return for any retirement plan which covers fewer than 25 employees on the first day of a plan year and meets certain other requirements.

(Sec. 203) Directs the Secretary of the Treasury to continue to update and improve the Employee Plans Compliance Resolution System giving special attention to specified aspects. Authorizes the Secretary of the Treasury to effectuate these and any other employee plans correction policies, including waiving income, excise, or other taxes to ensure that any tax, penalty, or sanction is not excessive and bears a reasonable relationship to the nature, extent, and severity of the failure.

(Sec. 204) Directs the Secretary to specify by regulation circumstances under which plans can use a facts and circumstances test, which was in effect before 1994, to satisfy nondiscrimination, coverage, and line of business rules.

(Sec. 205) Exempts plans maintained by any governmental entity from certain nondiscrimination rules.

(Sec. 206) Directs the Secretary to modify specified regulations to require: (1) that the applicable distribution notice period be not more than 180 (currently, 90) and not less than 30 days before the date distribution commences; and (2) the description of a participant's right, if any, to defer receipt of a distribution include a description of the consequences of failing to defer such receipt.

(Sec. 207) Reduces Pension Benefit Guaranty Corporation (PBGC) premiums for new plans of small employers. Sets the flat-rate premium at five dollars per plan participant for the first five years of a new single-employer plan of an employer with 100 or fewer employees.

(Sec. 208) Reduces PBGC additional premiums for new and small plans. Phases in, over a six-year period, the variable-rate premium for a new defined benefit plan. Limits, for a plan maintained by an employer with 25 or fewer employees, the variable-rate premium to no more than five dollars times the number of plan participants at the end of the preceding year.

(Sec. 209) Authorizes the PBGC to pay interest on premium overpayment refunds.

(Sec. 210) Revises rules for substantial owner benefits in terminated plans. Reduces the phase-in periods for guaranteed benefits for a ten-percent or more owner (substantial owner) in the case of plan termination. Applies the allocation of asset rules to a substantial owner with less than 50 percent ownership in the same manner as other participants.

(Sec. 211) Directs the Secretary of Labor to report on: (1) model small employer group plans; and (2) the effect of this Act on pension plan coverage.

(Sec. 212) Applies to 2001 the 2002 and 2003 special interest rate range for additional funding requirements for pension plans by the PBGC.

(Sec. 213) Sets forth provisions relating to the retroactive effect of certain amendments to pension plans or annuity contracts.

Title III: Stock Options - Excludes incentive stock options and employee stock purchase plan stock options from the definition of wages (thus excluding them from employment taxes, including social security taxes, railroad retirement taxes, and unemployment taxes). Provides that wage withholding is not required on: (1) disqualifying dispositions; and (2) compensation where the option price is between 85 and 100 percent of the value of the stock.

Title IV: Social Security and Medicare Held Harmless - Provides that the amounts transferred to any trust fund under the Social Security Act shall be determined as if this Act had not been enacted.

Actions Timeline

- **Apr 9, 2002:** Committee on Education and the Workforce discharged.
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- **Apr 9, 2002:** Placed on the Union Calendar, Calendar No. 232.
- **Mar 20, 2002:** Reported (Amended) by the Committee on Ways and Means. H. Rept. 107-382, Part I.
- **Mar 20, 2002:** Reported (Amended) by the Committee on Ways and Means. H. Rept. 107-382, Part I.
- **Mar 20, 2002:** House Committee on Education and the Workforce Granted an extension for further consideration ending not later than April 9, 2002.
- **Mar 14, 2002:** Committee Consideration and Mark-up Session Held.
- **Mar 14, 2002:** Ordered to be Reported (Amended) by Voice Vote.
- **Feb 4, 2002:** Introduced in House
- **Feb 4, 2002:** Introduced in House
- **Feb 4, 2002:** 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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