

107TH CONGRESS
2^D SESSION

H. R. 5553

To amend the Internal Revenue Code of 1986 to preserve retirement security by accelerating increases in retirement plan contribution limits and by eliminating rules that force depletion of retirement savings, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

OCTOBER 3, 2002

Mr. PORTMAN (for himself and Mr. CARDIN) introduced the following bill; which was referred to the Committee on Ways and Means, and in addition to the Committee on Government Reform, 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

A BILL

To amend the Internal Revenue Code of 1986 to preserve retirement security by accelerating increases in retirement plan contribution limits and by eliminating rules that force depletion of retirement savings, 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. SHORT TITLE; AMENDMENT OF 1986 CODE.**

4 (a) SHORT TITLE.—This Act may be cited as the
5 “Protecting America’s Savings Act of 2002”.

1 (b) AMENDMENT OF 1986 CODE.—Except as other-
2 wise expressly provided, whenever in this Act an amend-
3 ment or repeal is expressed in terms of an amendment
4 to, or repeal of, a section or other provision, the reference
5 shall be considered to be made to a section or other provi-
6 sion of the Internal Revenue Code of 1986.

7 **SEC. 2. ACCELERATION OF INCREASES IN IRA CONTRIBU-**
8 **TION LIMIT.**

9 (a) DEDUCTIBLE AMOUNT.—Subparagraph (A) of
10 section 219(b)(1) is amended to read as follows:

11 “(A) \$5,000, or”.

12 (b) CATCH-UP AMOUNT.—Paragraph (5) of section
13 219(b) is amended to read as follows:

14 “(5) CATCH-UP CONTRIBUTIONS FOR INDIVID-
15 UALS 50 OR OLDER.—In the case of an individual
16 who has attained the age of 50 before the close of
17 the taxable year, the dollar amount in effect under
18 paragraph (1)(A) for such taxable year (determined
19 without regard to this paragraph) shall be increased
20 by \$1,000.”.

21 (c) COST-OF-LIVING ADJUSTMENT.—Subsection (b)
22 of section 219 is amended by adding at the end the fol-
23 lowing new paragraph:

24 “(6) COST-OF-LIVING ADJUSTMENT.—

1 “(A) IN GENERAL.—In the case of any
2 taxable year beginning in a calendar year after
3 2002, the \$5,000 amount under paragraph
4 (1)(A) shall be increased by an amount equal
5 to—

6 “(i) such dollar amount, multiplied by

7 “(ii) the cost-of-living adjustment de-
8 termined under section 1(f)(3) for the cal-
9 endar year in which the taxable year be-
10 gins, determined by substituting ‘calendar
11 year 2001’ for ‘calendar year 1992’ in sub-
12 paragraph (B) thereof.

13 “(B) ROUNDING RULES.—If any amount
14 after adjustment under subparagraph (A) is not
15 a multiple of \$500, such amount shall be
16 rounded to the next lower multiple of \$500.”.

17 (d) EFFECTIVE DATE.—The amendments made by
18 this section shall apply to taxable years beginning after
19 December 31, 2001.

20 **SEC. 3. ACCELERATION OF SCHEDULED INCREASES IN ELI-**
21 **GIBILITY FOR DEDUCTIBLE IRAS AND ELIMI-**
22 **NATION OF MARRIAGE PENALTY; SIM-**
23 **PLIFICATION OF RULES.**

24 (a) DEDUCTIBLE IRAS.—

25 (1) INCREASE IN PHASEOUT AMOUNTS.—

1 (A) IN GENERAL.—Subclause (II) of sec-
2 tion 219(g)(2)(A)(i) is amended to read as fol-
3 lows:

4 “(II) \$50,000 (\$100,000 in the
5 case of a joint return and zero in the
6 case of a married individual filing a
7 separate return), bears to”.

8 (B) CONFORMING AMENDMENT.—Para-
9 graph (3) of section 219(g) is amended to read
10 as follows:

11 “(3) ADJUSTED GROSS INCOME.—For purposes
12 of this subsection, adjusted gross income of any tax-
13 payer shall be determined—

14 “(A) after application of sections 86 and
15 469, and

16 “(B) without regard to sections 135, 137,
17 221, 222, and 911 or the deduction allowable
18 under this section.”.

19 (2) INCREASE IN PHASEOUT RANGE.—Clause
20 (ii) of section 219(g)(2)(A) is amended by striking
21 “for a taxable year beginning after December 31,
22 2006”.

23 (b) ROTH IRAS.—Subclause (I) of section
24 408A(c)(3)(C)(ii) is amended by striking “\$150,000” and
25 inserting “\$190,000”.

1 (c) ELIMINATION OF MARRIAGE PENALTY ON IRA
2 DEDUCTION FOR ACTIVE PENSION PLAN PARTICI-
3 PANTS.—Section 219(g) is amended—

4 (1) by striking “or the individual’s spouse” in
5 paragraph (1), and

6 (2) by striking paragraph (7).

7 (d) EFFECTIVE DATE.—The amendments made by
8 this section shall apply to taxable years beginning after
9 December 31, 2002.

10 **SEC. 4. ACCELERATION OF SCHEDULED INCREASES IN**
11 **PENSION PLAN CONTRIBUTION LIMITS.**

12 (a) ELECTIVE DEFERRALS.—

13 (1) IN GENERAL.—Section 402(g)(1) is amend-
14 ed—

15 (A) in subparagraph (A) by striking “the
16 applicable dollar amount” and inserting
17 “\$15,000”,

18 (B) by striking subparagraph (B) and re-
19 designating subparagraph (C) as subparagraph
20 (B).

21 (2) CONFORMING AMENDMENTS.—

22 (A) Section 402(g)(1)(B) (as redesignated
23 by paragraph (1)) is amended by striking “ap-
24 plicable dollar amount under subparagraph

1 (B)” and inserting “amount in effect under
2 subparagraph (A)”.

3 (B) Section 402(g)(4) is amended—

4 (i) by striking “2006” and inserting
5 “2003”,

6 (ii) by striking “paragraph (1)(B)”
7 and inserting “paragraph (1)(A)”, and

8 (iii) by striking “2005” and inserting
9 “2002”.

10 (b) DEFERRED COMPENSATION PLANS OF STATE
11 AND LOCAL GOVERNMENTS AND TAX-EXEMPT ORGANI-
12 ZATIONS.—

13 (1) IN GENERAL.—Subsection (b)(2)(A) of sec-
14 tion 457 is amended by striking “the applicable dol-
15 lar amount” and inserting “\$15,000”.

16 (2) CONFORMING AMENDMENT.—Paragraph
17 (15) of section 457(e) is amended to read as follows:

18 “(15) COST-OF-LIVING ADJUSTMENTS.—In the
19 case of taxable years beginning after December 31,
20 2003, the Secretary shall adjust the \$15,000
21 amount in subsection (b)(2)(A) at the same time
22 and in the same manner as under section 415(d),
23 except that the base period shall be the calendar
24 quarter beginning July 1, 2002, and any increase
25 under this paragraph which is not a multiple of

1 \$500 shall be rounded to the next lowest multiple of
2 \$500.”.

3 (c) SIMPLE RETIREMENT ACCOUNTS.—

4 (1) IN GENERAL.—Clause (ii) of section
5 408(p)(2)(A) (relating to general rule for qualified
6 salary reduction arrangement) is amended by strik-
7 ing “the applicable dollar amount” and inserting
8 “\$10,000”.

9 (2) CONFORMING AMENDMENT.—Subparagraph
10 (E) of section 408(p)(2) is amended to read as fol-
11 lows:

12 “(E) COST-OF-LIVING ADJUSTMENT.—In
13 the case of a year beginning after December 31,
14 2003, the Secretary shall adjust the \$10,000
15 amount in subparagraph (A)(ii) at the same
16 time and in the same manner as under section
17 415(d), except that the base period taken into
18 account shall be the calendar quarter beginning
19 July 1, 2002, and any increase under this sub-
20 paragraph which is not a multiple of \$500 shall
21 be rounded to the next lower multiple of
22 \$500.”.

23 (d) CATCH-UP CONTRIBUTIONS.—

24 (1) IN GENERAL.—Subparagraph (B) of section
25 414(v)(2) is amended—

1 (A) in clause (i) by striking “shall be” and
2 all that follows and inserting “is \$5,000.”, and

3 (B) in clause (ii) by striking “shall be”
4 and all that follows and inserting “is \$2,500.”.

5 (2) CONFORMING AMENDMENTS.—Section
6 414(v)(2)(C) is amended—

7 (A) by striking “2006” and inserting
8 “2003”, and

9 (B) by striking “2005” and inserting
10 “2002”.

11 (e) EFFECTIVE DATE.—The amendments made by
12 this section shall apply to years beginning after December
13 31, 2002.

14 **SEC. 5. CATCH-UP CONTRIBUTIONS FOR FEDERAL EMPLOY-**
15 **EES.**

16 (a) CIVIL SERVICE RETIREMENT SYSTEM.—Para-
17 graph (2) of section 8351(b) of title 5, United States
18 Code, is amended by adding at the end the following:

19 “(C) Notwithstanding any limitation under this para-
20 graph, an eligible participant (as defined by section 414(v)
21 of the Internal Revenue Code of 1986) may make such
22 additional contributions to the Thrift Savings Fund as are
23 permitted by such section 414(v) and regulations of the
24 Executive Director consistent therewith.”.

25 (b) FEDERAL EMPLOYEES’ RETIREMENT SYSTEM.—

1 (1) PROVISION APPLICABLE TO EMPLOYEES
2 GENERALLY.—Subsection (a) of section 8432 of title
3 5, United States Code, is amended by adding at the
4 end the following:

5 “(3) Notwithstanding any limitation under this sub-
6 section, an eligible participant (as defined by section
7 414(v) of the Internal Revenue Code of 1986) may make
8 such additional contributions to the Thrift Savings Fund
9 as are permitted by such section 414(v) and regulations
10 of the Executive Director consistent therewith.”.

11 (2) PROVISION APPLICABLE TO CERTAIN OTHER
12 INDIVIDUALS.—Section 8440f of title 5, United
13 States Code, is amended—

14 (A) by striking “The maximum” and in-
15 serting “(a) The maximum”; and

16 (B) by adding at the end the following:

17 “(b) Notwithstanding any limitation under this sec-
18 tion, an eligible participant (as defined by section 414(v)
19 of the Internal Revenue Code of 1986) may make such
20 additional contributions to the Thrift Savings Fund as are
21 permitted by such section 414(v) and regulations of the
22 Executive Director consistent therewith.”.

23 (c) EFFECTIVE DATE.—The amendments made by
24 this section shall take effect as of the earliest practicable
25 date, as determined by the Executive Director (appointed

1 under section 8474(a) of title 5, United States Code) in
2 regulations.

3 **SEC. 6. EXTENSION AND EXPANSION OF CREDIT FOR CER-**
4 **TAIN INDIVIDUALS FOR ELECTIVE DEFER-**
5 **RALS AND IRA CONTRIBUTIONS.**

6 (a) EXTENSION.—Section 25B (relating to elective
7 deferrals and IRA contributions by certain individuals) is
8 amended by striking subsection (h).

9 (b) EXPANSION.—The table contained in subsection
10 (b) of section 25B (relating to applicable percentage) is
11 amended to read as follows:

“Adjusted Gross Income						Applicable per- centage
Joint return		Head of a household		All other cases		
Over	Not over	Over	Not over	Over	Not over	
	\$30,000		\$22,500		\$15,000	60
30,000	40,000	22,500	30,000	15,000	20,000	35
40,000	50,000	30,000	37,500	20,000	25,000	20
50,000	65,000	37,500	48,750	25,000	32,500	10
65,000		48,750		32,500		0”.

12 (c) EGTRRA SUNSET NOT TO APPLY.—Title IX of
13 the Economic Growth and Tax Relief Reconciliation Act
14 of 2001 shall not apply with respect to section 25B of
15 the Internal Revenue Code of 1986.

16 (d) EFFECTIVE DATE.—The amendment made by
17 this section shall apply to taxable years beginning after
18 December 31, 2002.

19 **SEC. 7. SIMPLIFICATION AND UPDATING OF THE MINIMUM**
20 **DISTRIBUTION RULES.**

21 (a) REQUIRED DISTRIBUTIONS.—

1 (1) INCREASE IN AGE FOR REQUIRED BEGIN-
2 NING DATE.—Subparagraphs (C)(i)(I) and (C)(ii)(I)
3 of section 401(a)(9) are each amended by striking
4 “70½” and inserting “75”.

5 (2) ACTUARIAL ADJUSTMENT OF BENEFIT
6 UNDER DEFINED BENEFIT PLAN.—Clause (iii) of
7 section 401(a)(9)(C) is amended to read as follows:

8 “(iii) ACTUARIAL ADJUSTMENT.—

9 “(I) IN GENERAL.—In the case
10 of a defined benefit plan, an employ-
11 ee’s accrued benefit shall be actuari-
12 ally increased to take into account the
13 period after the applicable date during
14 which the employee was not eligible to
15 receive any benefits under the plan.

16 “(II) APPLICABLE DATE.—For
17 purposes of clause (I), the term ‘appli-
18 cable date’ means the April 1st fol-
19 lowing the calendar year in which the
20 employee attains age 70½.”.

21 (b) AMOUNT NOT SUBJECT TO MINIMUM DISTRIBU-
22 TION REQUIREMENTS.—Paragraph (9) of section 401(a)
23 is amended—

1 (1) in subparagraph (A), by inserting “(minus
2 the exclusion amount)” after “the entire interest”,
3 and

4 (2) by adding at the end the following:

5 “(H) EXCLUSION AMOUNT.—

6 “(i) IN GENERAL.—For purposes of
7 this paragraph, the term ‘exclusion
8 amount’ means—

9 “(I) \$300,000 in the case of a
10 defined contribution plan,

11 “(II) \$300,000 in the case of an
12 individual retirement plan, and

13 “(III) \$0 in the case of a defined
14 benefit plan.

15 “(ii) AGGREGATION OF PLANS.—For
16 purposes of determining the exclusion
17 amount under clause (i)—

18 “(I) all defined contribution
19 plans maintained by the same em-
20 ployer shall be treated as a single
21 plan, and

22 “(II) all individual retirement
23 plans (other than Roth IRAs) of the
24 individual shall be treated as a single
25 plan.

1 “(iii) COST-OF-LIVING ADJUST-
2 MENT.—The Secretary shall adjust the
3 \$300,000 exclusion amount specified in
4 clause (i) at the same time and in the
5 same manner as under section 415(d), ex-
6 cept that the base period shall be the cal-
7 endar quarter beginning July 1, 2002.”

8 (c) REDUCTION IN EXCISE TAX.—Subsection (a) of
9 section 4974 is amended by striking “50 percent” and in-
10 serting “25 percent”.

11 (d) EFFECTIVE DATE.—The amendments made by
12 this section shall apply to years beginning after December
13 31, 2002.

14 **SEC. 8. ALLOW ROLLOVERS TO SPOUSE’S RETIREMENT**
15 **PLANS.**

16 (a) EXEMPT TRUSTS.—Paragraph (9) of section
17 402(c) (relating to rollover where spouse receives distribu-
18 tion after death of employee) is amended—

19 (1) by inserting “or transferred by the employee
20 to the spouse” after “after the employee’s death” in
21 the text, and

22 (2) by amending the heading to read as follows:
23 “ROLLOVER WHERE SPOUSE OF EMPLOYEE RE-
24 CEIVES DISTRIBUTION.—”.

1 (b) IRAS.—Paragraph (3) of section 408(d) (relating
2 to rollover contributions) is amended by adding at the end
3 the following:

4 “(J) ROLLOVERS TO SPOUSE’S AC-
5 COUNT.—For purposes of this paragraph, rules
6 similar to the rules of section 402(c)(9) shall
7 apply, except that the term ‘individual’ shall be
8 applied in lieu of ‘employee’.”.

9 (c) EMPLOYEE ANNUITIES.—Subparagraph (B) of
10 section 403(a)(4) (relating to rollover amounts) is amend-
11 ed by inserting “and (9)” after “through (7)”.

12 (d) EFFECTIVE DATE.—The amendments made by
13 this section shall apply to years beginning after the date
14 of the enactment of this Act.

15 **SEC. 9. ROLLOVERS BY NONSPOUSE BENEFICIARIES.**

16 (a) IN GENERAL.—

17 (1) QUALIFIED PLANS.—Section 402(c) (relat-
18 ing to rollovers from exempt trusts) is amended by
19 adding at the end the following new paragraph:

20 “(11) ROLLOVER WHERE NONSPOUSE BENE-
21 FICIARY RECEIVES DISTRIBUTION AFTER DEATH OF
22 EMPLOYEE.—If any distribution attributable to an
23 employee is paid to a designated beneficiary (as de-
24 fined by section 401(a)(9)(E)) other than the sur-
25 viving spouse of the employee after the employee’s

1 death, the preceding provisions of this subsection
2 shall apply to such distribution in the same manner
3 as if the designated beneficiary were the employee,
4 except that only a plan described in clause (i) or
5 (ii) of paragraph (8)(B) that is established in the
6 name of the employee for the benefit of the des-
7 ignated beneficiary shall be treated as an eligible re-
8 tirement plan with respect to such distribution.”.

9 (2) SECTION 403(a) PLANS.—Subparagraph (B)
10 of section 403(a)(4) (as amended by section 8) is
11 further amended by striking “and (9)” and inserting
12 “, (9), and (11)”.

13 (3) SECTION 403(b) PLANS.—Subparagraph (B)
14 of section 403(b)(8) is amended by striking “and
15 (9)” and inserting “, (9), and (10)”.

16 (4) SECTION 457 PLANS.—Subparagraph (B) of
17 section 457(e)(16) is amended by striking “and (9)”
18 and inserting “, (9), and (10)”.

19 (b) EFFECTIVE DATE.—The amendments made by
20 this section shall apply to distributions after December 31,
21 2002.

22 **SEC. 10. FAIR TREATMENT UNDER SUBSTANTIALLY EQUAL**
23 **PERIODIC PAYMENTS RULE.**

24 Not later than 30 days after the date of enactment
25 of this Act, the Secretary of Treasury shall issue rules

1 under sections 72(t)(2)(A)(iv) and 72(t)(4)(A) of the In-
2 ternal Revenue Code of 1986 which provide that if—

3 (1) a taxpayer changes from one permissible
4 method of determining substantially equal periodic
5 payments to another permissible method for pur-
6 poses of such determination, and

7 (2) such change results in an initial reduction
8 in the amount of payments made,
9 such change shall not be treated as a modification under
10 section 72(t)(4)(A)(ii) of such Code.

11 **SEC. 11. ADDITIONAL NONELECTIVE EMPLOYER CON-**
12 **TRIBUTIONS TO SIMPLE PLANS.**

13 (a) IN GENERAL.—

14 (1) MODIFICATION TO DEFINITION.—Subpara-
15 graph (A) of section 408(p)(2) is amended by strik-
16 ing “and” at the end of clause (iii), by redesignating
17 clause (iv) as clause (v), and by inserting after
18 clause (iii) the following new clause:

19 “(iv) the employer may make nonelec-
20 tive contributions of a uniform percentage
21 (up to 10 percent) of compensation for
22 each employee who is eligible to participate
23 in the arrangement and who has at least
24 \$5,000 of compensation from the employer
25 for the year, and”.

1 ment and who has at least \$5,000 of
 2 compensation from the employer for
 3 the year, and”

4 (4) Section 401(k)(11)(B)(i)(IV), as redesign-
 5 nated by paragraph (2), is amended by striking “or
 6 (II)” and inserting “, (II), or (III)”.

7 (c) EFFECTIVE DATE.—The amendments made by
 8 this section shall apply to years beginning after December
 9 31, 2002.

10 **SEC 12. GOLDEN PARACHUTE EXCISE TAX TO APPLY TO EX-**
 11 **CESSIVE EMPLOYEE REMUNERATION PAID**
 12 **BY CORPORATION AFTER DECLARATION OF**
 13 **BANKRUPTCY.**

14 (a) IN GENERAL.—Section 4999 of the Internal Rev-
 15 enue Code of 1986 (relating to golden parachute pay-
 16 ments) is amended by redesignating subsection (c) as sub-
 17 section (d) and by inserting after subsection (b) the fol-
 18 lowing new subsection:

19 “(c) TAX ON EXCESSIVE EMPLOYEE REMUNERATION
 20 IN THE CASE OF BANKRUPTCY.—

21 “(1) IN GENERAL.—There is hereby imposed a
 22 tax on any person who is a covered employee equal
 23 to 50 percent of any payment of excessive employee
 24 remuneration from a corporation which becomes a
 25 debtor in a title 11 or similar case (as defined in

1 section 368(a)(3)(A) of this title, but not including
2 a case under chapter 12 of title 11, United States
3 Code). The tax imposed under subsection (a) shall
4 not apply to the extent that a tax is imposed under
5 this subsection.

6 “(2) SPECIAL RULES RELATING TO EXCESSIVE
7 EMPLOYEE REMUNERATION.—For purposes of this
8 subsection—

9 “(A) EXCESS EMPLOYEE REMUNERATION
10 DEFINED.—The term ‘excess employee remun-
11 eration’ means remuneration paid directly or
12 indirectly to a covered employee during the
13 bankruptcy period—

14 “(i) for which a deduction is not al-
15 lowed under chapter 1 by reason of the ap-
16 plication of section 162(m) or would not be
17 allowed if section 162(m) applied to the
18 covered employee at the time of payment,
19 or

20 “(ii) in the case of remuneration to a
21 covered employee of a corporation that is
22 not a publicly held corporation described in
23 section 162(m)(2), that exceeds
24 \$1,000,000, other than remuneration that
25 meets requirements similar to the stand-

1 ards for performance-based compensation
2 under section 162(m)(4)(C).

3 “(B) Such term shall not include—

4 “(i) remuneration that, on the date
5 immediately prior to the beginning of the
6 bankruptcy period, was payable to the cov-
7 ered employee under a binding obligation
8 and not subject to a substantial risk of for-
9 feiture,

10 “(ii) remuneration attributable to con-
11 tributions to or benefits from an excess re-
12 tirement plan to the extent that such plan
13 is maintained solely for the purpose of pro-
14 viding benefits to employees in excess of
15 the limitations imposed by 1 or more of
16 sections 401(a)(17), 401(k), 401(m), and
17 415,

18 “(iii) contributions to or benefits from
19 a qualified employer plan (as defined in
20 section 132(m)), or

21 “(iv) any payment that is avoided or
22 approved by a bankruptcy trustee.

23 “(C) BANKRUPTCY PERIOD.—The term
24 ‘bankruptcy period’ means any time during the
25 period beginning 2 years before the date on

1 which the corporation becomes a debtor de-
2 scribed in paragraph (1) and ending on the
3 date such corporation ceases to be such a debt-
4 or.

5 “(D) COVERED EMPLOYEE.—The term
6 ‘covered employee’—

7 “(i) has the meaning given such term
8 by section 162(m)(3), except that such
9 term shall include an individual who is not
10 a covered employee under section
11 162(m)(3) for the taxable year in which
12 such remuneration is paid but who pre-
13 viously was a covered employee within the
14 meaning of section 162(m)(3) during the
15 bankruptcy period, and

16 “(ii) with respect to an employee of a
17 corporation that is not subject to section
18 162(m), includes any employee of such cor-
19 poration who would be subject to the re-
20 quirement described in section
21 162(m)(3)(B) (as modified by this para-
22 graph) if such corporation were a publicly
23 held corporation (as defined in section
24 162(m)(2)).

1 “(E) 100 PERCENT TAX FOR GROSS UP
2 PAYMENTS.—Subsection (b) shall be applied by
3 substituting ‘100 percent’ for ‘50 percent’ to
4 the extent that any payment is made during the
5 bankruptcy period that is contingent upon a tax
6 being imposed under this section.

7 “(E) CHANGE IN OWNERSHIP CONTIN-
8 GENY NOT TO APPLY.—Subsection (b) shall be
9 applied without regard to clause (i) of section
10 280G(b)(2)(A).”.

11 (b) EFFECTIVE DATE.—The amendment made this
12 section shall apply to payments received after the date of
13 the enactment of this Act with respect to any title 11 or
14 similar case (as defined in section 4999(c) of the Internal
15 Revenue Code of 1986) commenced after such date.

16 **SEC. 13. STUDY CONCERNING DEFINED CONTRIBUTION**
17 **PLAN LOSSES DUE TO MARKET VOLATILITY.**

18 (a) IN GENERAL.—The Secretary of the Treasury
19 shall conduct a study to evaluate possible ways to lessen
20 defined contribution plan losses due volatility of the eco-
21 nomic markets.

22 (b) REQUIREMENTS.—In conducting the study, the
23 Secretary shall investigate—

1 (1) the extent to which both long- and short-
2 term stock market volatility affects defined contribu-
3 tion savings;

4 (2) the effect that this volatility has on the con-
5 tinuation and creation of defined contribution plans;

6 (3) investment alternatives and lifetime dis-
7 tribution options for defined contribution plans that
8 may help to ameliorate market risks; and

9 (4) what legislative or administrative steps may
10 be taken to lessen defined contribution plan losses in
11 the future.

12 (c) REPORT.—The Secretary shall transmit to the
13 Committee on Ways and Means of the House of Rep-
14 resentatives and the Committee on Finance of the Senate,
15 within 1 year after the date of enactment of this Act, a
16 report containing the findings and conclusions of such
17 study, together with recommendations for any legislation
18 or administrative actions which the Secretary considers
19 appropriate.

○