

JOINT COMMITTEE ON TAXATION
November 9, 2005
JCX-74-05

**ESTIMATED REVENUE EFFECTS OF THE CHAIRMAN'S AMENDMENT IN THE NATURE OF A SUBSTITUTE TO H.R. 2830,
THE "PENSION PROTECTION ACT OF 2005,"
SCHEDULED FOR MARKUP BY THE COMMITTEE ON WAYS AND MEANS ON NOVEMBER 9, 2005**

Fiscal Years 2006 - 2015

[Millions of Dollars]

Provision	Effective	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2006-10	2006-15
I. Reform of Funding Rules for Single-Employer Defined Benefit Pension Plans	generally pyba 12/31/05	823	2,698	1,884	-1,345	-2,460	-2,179	-1,790	-1,115	-805	-711	1,599	-5,001
II. Funding Rules for Multiemployer Defined Benefit Plans	generally pyba 12/31/05	[1]	-2	-8	-18	-28	-34	-40	-46	-52	-58	-56	-287
III. Other Provisions													
A. Provisions Related to Interest Rates.....	generally yba 12/31/05												
B. Distributions During Working Retirement.....	dmi pyba 12/31/05	1	4	11	20	28	32	33	33	32	32	64	226
Total of Other Provisions.....		1	4	11	20	28	32	33	33	32	32	64	226
IV. Improvements in PBGC Guarantee Provisions	generally pyba 12/31/05												
V. Disclosure: Section 4010 Filings with the PBGC	pyba 12/31/06												
VI. Prohibited Transaction Exemption for the Provision of Investment Advice	[2]												
VII. Improvements in Benefit Accrual Standards	pbo/a 6/29/05	-24	-9	1	6	-3	-8	6	25	29	13	-29	36
VIII. Deduction Limitations	cf tyba 12/31/06												
IX. Enhanced Retirement Savings and Defined Contribution Plans													
A. Permanency of EGTRRA Pension and IRA Provisions													
1. EGTRRA pension provisions.....	generally yba 12/31/10	---	---	---	---	---	-1,349	-2,302	-2,618	-2,947	-3,214	---	-12,429
2. EGTRRA IRA provisions.....	generally tyba 12/31/10	---	---	---	---	---	-550	-1,279	-1,656	-2,030	-2,411	---	-7,926
B. Saver's Credit for Elective Deferrals and IRA Contributions Made Permanent.....	tyba 12/31/06	---	-481	-1,428	-1,318	-1,238	-1,210	-1,181	-1,093	-1,009	-943	-4,464	-9,901
C. Increase Participation Through Automatic Enrollment Arrangements.....	yba 12/31/05	-50	-174	-358	-528	-655	-749	-818	-875	-927	-979	-1,766	-6,114

Provision	Effective	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2006-10	2006-15
D. Treatment of Distributions to Guardsmen Called to Active Duty.....	dma 9/11/01	-2	-1	-1	-1	[1]	---	---	---	---	---	-5	-5
E. Inapplicability of 10-Percent Additional Tax on Early Distributions of Pension Plans of Public Safety Employees.....	dma DOE	-1	-3	-3	-3	-3	-3	-4	-4	-4	-4	-13	-32
F. Combat Zone Compensation Taken into Account for Purposes of IRA Contributions.....	tyba 12/31/05	-2	-2	-2	-3	-4	-4	-3	-3	-3	-3	-13	-31
G. Direct Deposit of Tax Refunds in an IRA.....	DOE	Negligible Revenue Effect											
Total of Enhanced Retirement Savings and Defined Contribution Plans		-55	-661	-1,792	-1,853	-1,900	-3,865	-5,587	-6,249	-6,920	-7,554	-6,261	-36,438
X. Provisions to Enhance Health Care Affordability													
A. Tax Treatment of Combined Annuity and Life Insurance Contracts with a Long-Term Care Insurance Feature.....	[3]	---	-63	-159	-284	-502	-833	-1,200	-1,523	-1,852	-2,188	-1,009	-8,606
B. Disposition of Unused Health Benefits in Flexible Spending Arrangements.....	tyba 12/31/05	-682	-1,181	-1,441	-1,637	-1,748	-1,867	-1,958	-2,035	-2,115	-2,188	-6,688	-16,852
C. Permit Tax-Free Distributions from Governmental Retirement Plans for Premiums for Health and Long-Term Care Insurance for Public Safety Officers.....	dmi tyba 12/31/05	-185	-246	-279	-317	-344	-371	-437	-470	-505	-542	-1,371	-3,694
Total of Provisions to Enhance Health Care Affordability		-867	-1,490	-1,879	-2,238	-2,594	-3,071	-3,595	-4,028	-4,472	-4,918	-9,068	-29,152
NET TOTAL		-122	540	-1,783	-5,428	-6,957	-9,125	-10,973	-11,380	-12,188	-13,196	-13,751	-70,616

Joint Committee on Taxation

NOTE: Details may not add to totals due to rounding. Date of enactment is assumed to be December 1, 2005.

Legend for "Effective" column:

cf = contributions for

dma = distributions made after

dmi = distributions made in

DOE = date of enactment

pbo/a = periods beginning on or after

pyba = plan years beginning after

tyba = taxable years beginning after

yba = years beginning after

[1] Loss of less than \$500,000.

[2] The proposal applies with respect to advice referred to in section 3(21)(A)(ii) of ERISA provided on or after January 1, 2006.

[3] Generally effective for contracts issued before, on, or after December 31, 2006, but only with respect to periods beginning after that date. The proposal expanding the rules for tax-free exchanges of certain insurance contracts applies with respect to exchanges occurring after December 31, 2006.