**H.R.1865 - Further Consolidated Appropriations Act, 2020**

**DIVISION O--SETTING EVERY COMMUNITY UP FOR RETIREMENT ENHANCEMENT (SECURE)**

# SEC. 1. SHORT TITLE, ETC.

(a) Short Title.--This Act may be cited as the ``Setting Every

Community Up for Retirement Enhancement Act of 2019''.

(b) Table of Contents.--The table of contents of this Act is as

follows:

Sec. 1. Short title, etc.

TITLE I--EXPANDING AND PRESERVING RETIREMENT SAVINGS

Sec. 101. Multiple employer plans; pooled employer plans.

Sec. 102. Increase in 10 percent cap for automatic enrollment safe

harbor after 1st plan year.

Sec. 103. Rules relating to election of safe harbor 401(k) status.

Sec. 104. Increase in credit limitation for small employer pension plan

startup costs.

Sec. 105. Small employer automatic enrollment credit.

Sec. 106. Certain taxable non-tuition fellowship and stipend payments

treated as compensation for IRA purposes.

Sec. 107. Repeal of maximum age for traditional IRA contributions.

Sec. 108. Qualified employer plans prohibited from making loans through

credit cards and other similar arrangements.

Sec. 109. Portability of lifetime income options.

Sec. 110. Treatment of custodial accounts on termination of section

403(b) plans.

Sec. 111. Clarification of retirement income account rules relating to

church-controlled organizations.

Sec. 112. Qualified cash or deferred arrangements must allow long-term

employees working more than 500 but less than 1,000 hours per

year to participate.

Sec. 113. Penalty-free withdrawals from retirement plans for individuals

in case of birth of child or adoption.

Sec. 114. Increase in age for required beginning date for mandatory

distributions.

Sec. 115. Special rules for minimum funding standards for community

newspaper plans.

Sec. 116. Treating excluded difficulty of care payments as compensation

for determining retirement contribution limitations.

TITLE II--ADMINISTRATIVE IMPROVEMENTS

Sec. 201. Plan adopted by filing due date for year may be treated as in

effect as of close of year.

Sec. 202. Combined annual report for group of plans.

Sec. 203. Disclosure regarding lifetime income.

Sec. 204. Fiduciary safe harbor for selection of lifetime income

provider.

Sec. 205. Modification of nondiscrimination rules to protect older,

longer service participants.

Sec. 206. Modification of PBGC premiums for CSEC plans.

TITLE III--OTHER BENEFITS

Sec. 301. Benefits provided to volunteer firefighters and emergency

medical responders.

Sec. 302. Expansion of section 529 plans.

TITLE IV--REVENUE PROVISIONS

Sec. 401. Modification of required distribution rules for designated

beneficiaries.

Sec. 402. Increase in penalty for failure to file.

Sec. 403. Increased penalties for failure to file retirement plan

returns.

Sec. 404. Increase information sharing to administer excise taxes.

TITLE V--TAX RELIEF FOR CERTAIN CHILDREN

Sec. 501. Modification of rules relating to the taxation of unearned

income of certain children.

TITLE VI--ADMINISTRATIVE PROVISIONS

Sec. 601. Provisions relating to plan amendments.

TITLE I--EXPANDING AND PRESERVING RETIREMENT SAVINGS

# SEC. 101. MULTIPLE EMPLOYER PLANS; POOLED EMPLOYER PLANS.

## (a) Qualification Requirements.--

## (1) In general.--Section 413 of the Internal Revenue Code of

1986 is amended by adding at the end the following new subsection:

### ``(e) Application of Qualification Requirements for Certain

Multiple Employer Plans With Pooled Plan Providers.--

#### ``(1) In general.--Except as provided in paragraph (2), if a

defined contribution plan to which subsection (c) applies--

``(A) is maintained by employers which have a common

interest other than having adopted the plan, or

``(B) in the case of a plan not described in subparagraph

(A), has a pooled plan provider,

then the plan shall not be treated as failing to meet the

requirements under this title applicable to a plan described in

section 401(a) or to a plan that consists of individual retirement

accounts described in section 408 (including by reason of

subsection (c) thereof), whichever is applicable, merely because

one or more employers of employees covered by the plan fail to take

such actions as are required of such employers for the plan to meet

such requirements.

#### ``(2) Limitations.--

##### ``(A) In general.--Paragraph (1) shall not apply to any

plan unless the terms of the plan provide that in the case of

any employer in the plan failing to take the actions described

in paragraph (1)--

``(i) the assets of the plan attributable to employees

of such employer (or beneficiaries of such employees) will

be transferred to a plan maintained only by such employer

(or its successor), to an eligible retirement plan as

defined in section 402(c)(8)(B) for each individual whose

account is transferred, or to any other arrangement that

the Secretary determines is appropriate, unless the

Secretary determines it is in the best interests of the

employees of such employer (and the beneficiaries of such

employees) to retain the assets in the plan, and

``(ii) such employer (and not the plan with respect to

which the failure occurred or any other employer in such

plan) shall, except to the extent provided by the

Secretary, be liable for any liabilities with respect to

such plan attributable to employees of such employer (or

beneficiaries of such employees).

##### ``(B) Failures by pooled plan providers.--If the pooled

plan provider of a plan described in paragraph (1)(B) does not

perform substantially all of the administrative duties which

are required of the provider under paragraph (3)(A)(i) for any

plan year, the Secretary may provide that the determination as

to whether the plan meets the requirements under this title

applicable to a plan described in section 401(a) or to a plan

that consists of individual retirement accounts described in

section 408 (including by reason of subsection (c) thereof),

whichever is applicable, shall be made in the same manner as

would be made without regard to paragraph (1).

#### ``(3) Pooled plan provider.--

##### ``(A) In general.--For purposes of this subsection, the

term `pooled plan provider' means, with respect to any plan, a

person who--

``(i) is designated by the terms of the plan as a named

fiduciary (within the meaning of section 402(a)(2) of the

Employee Retirement Income Security Act of 1974), as the

plan administrator, and as the person responsible to

perform all administrative duties (including conducting

proper testing with respect to the plan and the employees

of each employer in the plan) which are reasonably

necessary to ensure that--

``(I) the plan meets any requirement applicable

under the Employee Retirement Income Security Act of

1974 or this title to a plan described in section

401(a) or to a plan that consists of individual

retirement accounts described in section 408 (including

by reason of subsection (c) thereof), whichever is

applicable, and

``(II) each employer in the plan takes such actions

as the Secretary or such person determines are

necessary for the plan to meet the requirements

described in subclause (I), including providing to such

person any disclosures or other information which the

Secretary may require or which such person otherwise

determines are necessary to administer the plan or to

allow the plan to meet such requirements,

``(ii) registers as a pooled plan provider with the

Secretary, and provides such other information to the

Secretary as the Secretary may require, before beginning

operations as a pooled plan provider,

``(iii) acknowledges in writing that such person is a

named fiduciary (within the meaning of section 402(a)(2) of

the Employee Retirement Income Security Act of 1974), and

the plan administrator, with respect to the plan, and

``(iv) is responsible for ensuring that all persons who

handle assets of, or who are fiduciaries of, the plan are

bonded in accordance with section 412 of the Employee

Retirement Income Security Act of 1974.

##### ``(B) Audits, examinations and investigations.--The

Secretary may perform audits, examinations, and investigations

of pooled plan providers as may be necessary to enforce and

carry out the purposes of this subsection.

##### ``(C) Aggregation rules.--For purposes of this paragraph,

in determining whether a person meets the requirements of this

paragraph to be a pooled plan provider with respect to any

plan, all persons who perform services for the plan and who are

treated as a single employer under subsection (b), (c), (m), or

(o) of section 414 shall be treated as one person.

##### ``(D) Treatment of employers as plan sponsors.--Except with

respect to the administrative duties of the pooled plan

provider described in subparagraph (A)(i), each employer in a

plan which has a pooled plan provider shall be treated as the

plan sponsor with respect to the portion of the plan

attributable to employees of such employer (or beneficiaries of

such employees).

#### ``(4) Guidance.--

##### ``(A) In general.--The Secretary shall issue such guidance

as the Secretary determines appropriate to carry out this

subsection, including guidance--

``(i) to identify the administrative duties and other

actions required to be performed by a pooled plan provider

under this subsection,

``(ii) which describes the procedures to be taken to

terminate a plan which fails to meet the requirements to be

a plan described in paragraph (1), including the proper

treatment of, and actions needed to be taken by, any

employer in the plan and the assets and liabilities of the

plan attributable to employees of such employer (or

beneficiaries of such employees), and

``(iii) identifying appropriate cases to which the

rules of paragraph (2)(A) will apply to employers in the

plan failing to take the actions described in paragraph

(1).

The Secretary shall take into account under clause (iii)

whether the failure of an employer or pooled plan provider to

provide any disclosures or other information, or to take any

other action, necessary to administer a plan or to allow a plan

to meet requirements applicable to the plan under section

401(a) or 408, whichever is applicable, has continued over a

period of time that demonstrates a lack of commitment to

compliance.

##### ``(B) Good faith compliance with law before guidance.--An

employer or pooled plan provider shall not be treated as

failing to meet a requirement of guidance issued by the

Secretary under this paragraph if, before the issuance of such

guidance, the employer or pooled plan provider complies in good

faith with a reasonable interpretation of the provisions of

this subsection to which such guidance relates.

#### ``(5) Model plan.--The Secretary shall publish model plan

language which meets the requirements of this subsection and of

paragraphs (43) and (44) of section 3 of the Employee Retirement

Income Security Act of 1974 and which may be adopted in order for a

plan to be treated as a plan described in paragraph (1)(B).''.

## (2) Conforming amendment.--Section 413(c)(2) of such Code is

amended by striking ``section 401(a)'' and inserting ``sections

401(a) and 408(c)''.

## (3) Technical amendment.--Section 408(c) of such Code is

amended by inserting after paragraph (2) the following new

paragraph:

``(3) There is a separate accounting for any interest of an

employee or member (or spouse of an employee or member) in a Roth

IRA.''.

## (b) No Common Interest Required for Pooled Employer Plans.--Section

3(2) of the Employee Retirement Income Security Act of 1974 (29 U.S.C.

1002(2)) is amended by adding at the end the following:

``(C) A pooled employer plan shall be treated as--

``(i) a single employee pension benefit plan or single

pension plan; and

``(ii) a plan to which section 210(a) applies.''.

## (c) Pooled Employer Plan and Provider Defined.--

## (1) In general.--Section 3 of the Employee Retirement Income

Security Act of 1974 (29 U.S.C. 1002) is amended by adding at the

end the following:

## ``(43) Pooled employer plan.--

### ``(A) In general.--The term `pooled employer plan' means a

plan--

``(i) which is an individual account plan established

or maintained for the purpose of providing benefits to the

employees of 2 or more employers;

``(ii) which is a plan described in section 401(a) of

the Internal Revenue Code of 1986 which includes a trust

exempt from tax under section 501(a) of such Code or a plan

that consists of individual retirement accounts described

in section 408 of such Code (including by reason of

subsection (c) thereof); and

``(iii) the terms of which meet the requirements of

subparagraph (B).

Such term shall not include a plan maintained by employers

which have a common interest other than having adopted the

plan.

### ``(B) Requirements for plan terms.--The requirements of

this subparagraph are met with respect to any plan if the terms

of the plan--

``(i) designate a pooled plan provider and provide that

the pooled plan provider is a named fiduciary of the plan;

``(ii) designate one or more trustees meeting the

requirements of section 408(a)(2) of the Internal Revenue

Code of 1986 (other than an employer in the plan) to be

responsible for collecting contributions to, and holding

the assets of, the plan and require such trustees to

implement written contribution collection procedures that

are reasonable, diligent, and systematic;

``(iii) provide that each employer in the plan retains

fiduciary responsibility for--

``(I) the selection and monitoring in accordance

with section 404(a) of the person designated as the

pooled plan provider and any other person who, in

addition to the pooled plan provider, is designated as

a named fiduciary of the plan; and

``(II) to the extent not otherwise delegated to

another fiduciary by the pooled plan provider and

subject to the provisions of section 404(c), the

investment and management of the portion of the plan's

assets attributable to the employees of the employer

(or beneficiaries of such employees);

``(iv) provide that employers in the plan, and

participants and beneficiaries, are not subject to

unreasonable restrictions, fees, or penalties with regard

to ceasing participation, receipt of distributions, or

otherwise transferring assets of the plan in accordance

with section 208 or paragraph (44)(C)(i)(II);

``(v) require--

``(I) the pooled plan provider to provide to

employers in the plan any disclosures or other

information which the Secretary may require, including

any disclosures or other information to facilitate the

selection or any monitoring of the pooled plan provider

by employers in the plan; and

``(II) each employer in the plan to take such

actions as the Secretary or the pooled plan provider

determines are necessary to administer the plan or for

the plan to meet any requirement applicable under this

Act or the Internal Revenue Code of 1986 to a plan

described in section 401(a) of such Code or to a plan

that consists of individual retirement accounts

described in section 408 of such Code (including by

reason of subsection (c) thereof), whichever is

applicable, including providing any disclosures or

other information which the Secretary may require or

which the pooled plan provider otherwise determines are

necessary to administer the plan or to allow the plan

to meet such requirements; and

``(vi) provide that any disclosure or other information

required to be provided under clause (v) may be provided in

electronic form and will be designed to ensure only

reasonable costs are imposed on pooled plan providers and

employers in the plan.

### ``(C) Exceptions.--The term `pooled employer plan' does not

include--

``(i) a multiemployer plan; or

``(ii) a plan established before the date of the

enactment of the Setting Every Community Up for Retirement

Enhancement Act of 2019 unless the plan administrator

elects that the plan will be treated as a pooled employer

plan and the plan meets the requirements of this title

applicable to a pooled employer plan established on or

after such date.

### ``(D) Treatment of employers as plan sponsors.--Except with

respect to the administrative duties of the pooled plan

provider described in paragraph (44)(A)(i), each employer in a

pooled employer plan shall be treated as the plan sponsor with

respect to the portion of the plan attributable to employees of

such employer (or beneficiaries of such employees).

## ``(44) Pooled plan provider.--

### ``(A) In general.--The term `pooled plan provider' means a

person who--

``(i) is designated by the terms of a pooled employer

plan as a named fiduciary, as the plan administrator, and

as the person responsible for the performance of all

administrative duties (including conducting proper testing

with respect to the plan and the employees of each employer

in the plan) which are reasonably necessary to ensure

that--

``(I) the plan meets any requirement applicable

under this Act or the Internal Revenue Code of 1986 to

a plan described in section 401(a) of such Code or to a

plan that consists of individual retirement accounts

described in section 408 of such Code (including by

reason of subsection (c) thereof), whichever is

applicable; and

``(II) each employer in the plan takes such actions

as the Secretary or pooled plan provider determines are

necessary for the plan to meet the requirements

described in subclause (I), including providing the

disclosures and information described in paragraph

(43)(B)(v)(II);

``(ii) registers as a pooled plan provider with the

Secretary, and provides to the Secretary such other

information as the Secretary may require, before beginning

operations as a pooled plan provider;

``(iii) acknowledges in writing that such person is a

named fiduciary, and the plan administrator, with respect

to the pooled employer plan; and

``(iv) is responsible for ensuring that all persons who

handle assets of, or who are fiduciaries of, the pooled

employer plan are bonded in accordance with section 412.

### ``(B) Audits, examinations and investigations.--The

Secretary may perform audits, examinations, and investigations

of pooled plan providers as may be necessary to enforce and

carry out the purposes of this paragraph and paragraph (43).

### ``(C) Guidance.--The Secretary shall issue such guidance as

the Secretary determines appropriate to carry out this

paragraph and paragraph (43), including guidance--

``(i) to identify the administrative duties and other

actions required to be performed by a pooled plan provider

under either such paragraph; and

``(ii) which requires in appropriate cases that if an

employer in the plan fails to take the actions required

under subparagraph (A)(i)(II)--

``(I) the assets of the plan attributable to

employees of such employer (or beneficiaries of such

employees) are transferred to a plan maintained only by

such employer (or its successor), to an eligible

retirement plan as defined in section 402(c)(8)(B) of

the Internal Revenue Code of 1986 for each individual

whose account is transferred, or to any other

arrangement that the Secretary determines is

appropriate in such guidance; and

``(II) such employer (and not the plan with respect

to which the failure occurred or any other employer in

such plan) shall, except to the extent provided in such

guidance, be liable for any liabilities with respect to

such plan attributable to employees of such employer

(or beneficiaries of such employees).

The Secretary shall take into account under clause (ii)

whether the failure of an employer or pooled plan provider

to provide any disclosures or other information, or to take

any other action, necessary to administer a plan or to

allow a plan to meet requirements described in subparagraph

(A)(i)(II) has continued over a period of time that

demonstrates a lack of commitment to compliance. The

Secretary may waive the requirements of subclause (ii)(I)

in appropriate circumstances if the Secretary determines it

is in the best interests of the employees of the employer

referred to in such clause (and the beneficiaries of such

employees) to retain the assets in the plan with respect to

which the employer's failure occurred.

### ``(D) Good faith compliance with law before guidance.--An

employer or pooled plan provider shall not be treated as

failing to meet a requirement of guidance issued by the

Secretary under subparagraph (C) if, before the issuance of

such guidance, the employer or pooled plan provider complies in

good faith with a reasonable interpretation of the provisions

of this paragraph, or paragraph (43), to which such guidance

relates.

### ``(E) Aggregation rules.--For purposes of this paragraph,

in determining whether a person meets the requirements of this

paragraph to be a pooled plan provider with respect to any

plan, all persons who perform services for the plan and who are

treated as a single employer under subsection (b), (c), (m), or

(o) of section 414 of the Internal Revenue Code of 1986 shall

be treated as one person.''.

## (2) Bonding requirements for pooled employer plans.--The last

sentence of section 412(a) of the Employee Retirement Income

Security Act of 1974 (29 U.S.C. 1112(a)) is amended by inserting

``or in the case of a pooled employer plan (as defined in section

3(43))'' after ``section 407(d)(1))''.

## (3) Conforming and technical amendments.--Section 3 of the

Employee Retirement Income Security Act of 1974 (29 U.S.C. 1002) is

amended--

### (A) in paragraph (16)(B)--

(i) by striking ``or'' at the end of clause (ii); and

(ii) by striking the period at the end and inserting

``, or (iv) in the case of a pooled employer plan, the

pooled plan provider.''; and

### (B) by striking the second paragraph (41).

## (d) Pooled Employer and Multiple Employer Plan Reporting.--

### (1) Additional information.--Section 103 of the Employee

Retirement Income Security Act of 1974 (29 U.S.C. 1023) is

amended--

#### (A) in subsection (a)(1)(B), by striking ``applicable

subsections (d), (e), and (f)'' and inserting ``applicable

subsections (d), (e), (f), and (g)''; and

#### (B) by amending subsection (g) to read as follows:

``(g) Additional Information With Respect to Pooled Employer and

Multiple Employer Plans.--An annual report under this section for a

plan year shall include--

``(1) with respect to any plan to which section 210(a) applies

(including a pooled employer plan), a list of employers in the plan

and a good faith estimate of the percentage of total contributions

made by such employers during the plan year and the aggregate

account balances attributable to each employer in the plan

(determined as the sum of the account balances of the employees of

such employer (and the beneficiaries of such employees)); and

``(2) with respect to a pooled employer plan, the identifying

information for the person designated under the terms of the plan

as the pooled plan provider.''.

(2) Simplified annual reports.--Section 104(a) of the Employee

Retirement Income Security Act of 1974 (29 U.S.C. 1024(a)) is

amended by striking paragraph (2)(A) and inserting the following:

``(2)(A) With respect to annual reports required to be filed with

the Secretary under this part, the Secretary may by regulation

prescribe simplified annual reports for any pension plan that--

``(i) covers fewer than 100 participants; or

``(ii) is a plan described in section 210(a) that covers fewer

than 1,000 participants, but only if no single employer in the plan

has 100 or more participants covered by the plan.''.

## (e) Effective Date.--

### (1) In general.--The amendments made by this section shall

apply to plan years beginning after December 31, 2020.

### (2) Rule of construction.--Nothing in the amendments made by

subsection (a) shall be construed as limiting the authority of the

Secretary of the Treasury or the Secretary's delegate (determined

without regard to such amendment) to provide for the proper

treatment of a failure to meet any requirement applicable under the

Internal Revenue Code of 1986 with respect to one employer (and its

employees) in a multiple employer plan.

# SEC. 102. INCREASE IN 10 PERCENT CAP FOR AUTOMATIC ENROLLMENT SAFE HARBOR AFTER 1ST PLAN YEAR.

## (a) In General.--Section 401(k)(13)(C)(iii) of the Internal Revenue

Code of 1986 is amended by striking ``does not exceed 10 percent'' and

inserting ``does not exceed 15 percent (10 percent during the period

described in subclause (I))''.

## (b) Effective Date.--The amendments made by this section shall

apply to plan years beginning after December 31, 2019.

# SEC. 103. RULES RELATING TO ELECTION OF SAFE HARBOR 401(k) STATUS.

## (a) Limitation of Annual Safe Harbor Notice to Matching

Contribution Plans.--

### (1) In general.--Subparagraph (A) of section 401(k)(12) of the

Internal Revenue Code of 1986 is amended by striking ``if such

arrangement'' and all that follows and inserting ``if such

arrangement--

``(i) meets the contribution requirements of

subparagraph (B) and the notice requirements of

subparagraph (D), or

``(ii) meets the contribution requirements of

subparagraph (C).''.

### (2) Automatic contribution arrangements.--Subparagraph (B) of

section 401(k)(13) of such Code is amended by striking ``means''

and all that follows and inserting ``means a cash or deferred

arrangement--

``(i) which is described in subparagraph (D)(i)(I) and

meets the applicable requirements of subparagraphs (C)

through (E), or

``(ii) which is described in subparagraph (D)(i)(II)

and meets the applicable requirements of subparagraphs (C)

and (D).''.

## (b) Nonelective Contributions.--Section 401(k)(12) of the Internal

Revenue Code of 1986 is amended by redesignating subparagraph (F) as

subparagraph (G), and by inserting after subparagraph (E) the following

new subparagraph:

### ``(F) Timing of plan amendment for employer making

nonelective contributions.--

#### ``(i) In general.--Except as provided in clause (ii), a

plan may be amended after the beginning of a plan year to

provide that the requirements of subparagraph (C) shall

apply to the arrangement for the plan year, but only if the

amendment is adopted--

``(I) at any time before the 30th day before the

close of the plan year, or

``(II) at any time before the last day under

paragraph (8)(A) for distributing excess contributions

for the plan year.

#### ``(ii) Exception where plan provided for matching

contributions.--Clause (i) shall not apply to any plan year

if the plan provided at any time during the plan year that

the requirements of subparagraph (B) or paragraph

(13)(D)(i)(I) applied to the plan year.

#### ``(iii) 4-percent contribution requirement.--Clause

(i)(II) shall not apply to an arrangement unless the amount

of the contributions described in subparagraph (C) which

the employer is required to make under the arrangement for

the plan year with respect to any employee is an amount

equal to at least 4 percent of the employee's

compensation.''.

## (c) Automatic Contribution Arrangements.--Section 401(k)(13) of the

Internal Revenue Code of 1986 is amended by adding at the end the

following:

### ``(F) Timing of plan amendment for employer making

nonelective contributions.--

#### ``(i) In general.--Except as provided in clause (ii), a

plan may be amended after the beginning of a plan year to

provide that the requirements of subparagraph (D)(i)(II)

shall apply to the arrangement for the plan year, but only

if the amendment is adopted--

``(I) at any time before the 30th day before the

close of the plan year, or

``(II) at any time before the last day under

paragraph (8)(A) for distributing excess contributions

for the plan year.

#### ``(ii) Exception where plan provided for matching

contributions.--Clause (i) shall not apply to any plan year

if the plan provided at any time during the plan year that

the requirements of subparagraph (D)(i)(I) or paragraph

(12)(B) applied to the plan year.

#### ``(iii) 4-percent contribution requirement.--Clause

(i)(II) shall not apply to an arrangement unless the amount

of the contributions described in subparagraph (D)(i)(II)

which the employer is required to make under the

arrangement for the plan year with respect to any employee

is an amount equal to at least 4 percent of the employee's

compensation.''.

## (d) Effective Date.--The amendments made by this section shall

apply to plan years beginning after December 31, 2019.

# SEC. 104. INCREASE IN CREDIT LIMITATION FOR SMALL EMPLOYER PENSION PLAN STARTUP COSTS.

## (a) In General.--Paragraph (1) of section 45E(b) of the Internal

Revenue Code of 1986 is amended to read as follows:

``(1) for the first credit year and each of the 2 taxable years

immediately following the first credit year, the greater of--

``(A) $500, or

``(B) the lesser of--

``(i) $250 for each employee of the eligible employer

who is not a highly compensated employee (as defined in

section 414(q)) and who is eligible to participate in the

eligible employer plan maintained by the eligible employer,

or

``(ii) $5,000, and''.

## (b) Effective Date.--The amendment made by this section shall apply

to taxable years beginning after December 31, 2019.

# SEC. 105. SMALL EMPLOYER AUTOMATIC ENROLLMENT CREDIT.

## (a) In General.--Subpart D of part IV of subchapter A of chapter 1

of the Internal Revenue Code of 1986 is amended by adding at the end

the following new section:

## ``SEC. 45T. AUTO-ENROLLMENT OPTION FOR RETIREMENT SAVINGS OPTIONS

PROVIDED BY SMALL EMPLOYERS.

### ``(a) In General.--For purposes of section 38, in the case of an

eligible employer, the retirement auto-enrollment credit determined

under this section for any taxable year is an amount equal to--

``(1) $500 for any taxable year occurring during the credit

period, and

``(2) zero for any other taxable year.

### ``(b) Credit Period.--For purposes of subsection (a)--

#### ``(1) In general.--The credit period with respect to any

eligible employer is the 3-taxable-year period beginning with the

first taxable year for which the employer includes an eligible

automatic contribution arrangement (as defined in section

414(w)(3)) in a qualified employer plan (as defined in section

4972(d)) sponsored by the employer.

#### ``(2) Maintenance of arrangement.--No taxable year with respect

to an employer shall be treated as occurring within the credit

period unless the arrangement described in paragraph (1) is

included in the plan for such year.

### ``(c) Eligible Employer.--For purposes of this section, the term

`eligible employer' has the meaning given such term in section

408(p)(2)(C)(i).''.

## (b) Credit To Be Part of General Business Credit.--Subsection (b)

of section 38 of the Internal Revenue Code of 1986 is amended by

striking ``plus'' at the end of paragraph (31), by striking the period

at the end of paragraph (32) and inserting ``, plus'', and by adding at

the end the following new paragraph:

``(33) in the case of an eligible employer (as defined in

section 45T(c)), the retirement auto-enrollment credit determined

under section 45T(a).''.

## (c) Clerical Amendment.--The table of sections for subpart D of

part IV of subchapter A of chapter 1 of the Internal Revenue Code of

1986 is amended by inserting after the item relating to section 45S the

following new item:

``Sec. 45T. Auto-enrollment option for retirement savings options

provided by small employers.''.

## (d) Effective Date.--The amendments made by this section shall

apply to taxable years beginning after December 31, 2019.

# SEC. 106. CERTAIN TAXABLE NON-TUITION FELLOWSHIP AND STIPEND PAYMENTS TREATED AS COMPENSATION FOR IRA PURPOSES.

## (a) In General.--Paragraph (1) of section 219(f) of the Internal

Revenue Code of 1986 is amended by adding at the end the following:

``The term `compensation' shall include any amount which is included in

the individual's gross income and paid to the individual to aid the

individual in the pursuit of graduate or postdoctoral study.''.

## (b) Effective Date.--The amendment made by this section shall apply

to taxable years beginning after December 31, 2019.

# SEC. 107. REPEAL OF MAXIMUM AGE FOR TRADITIONAL IRA CONTRIBUTIONS.

## (a) In General.--Paragraph (1) of section 219(d) of the Internal

Revenue Code of 1986 is repealed.

## (b) Coordination With Qualified Charitable Distributions.--Add at

the end of section 408(d)(8)(A) of such Code the following: ``The

amount of distributions not includible in gross income by reason of the

preceding sentence for a taxable year (determined without regard to

this sentence) shall be reduced (but not below zero) by an amount equal

to the excess of--

``(i) the aggregate amount of deductions allowed to the

taxpayer under section 219 for all taxable years ending on

or after the date the taxpayer attains age 70\1/2\, over

``(ii) the aggregate amount of reductions under this

sentence for all taxable years preceding the current

taxable year.''.

## (c) Conforming Amendment.--Subsection (c) of section 408A of the

Internal Revenue Code of 1986 is amended by striking paragraph (4) and

by redesignating paragraphs (5), (6), and (7) as paragraphs (4), (5),

and (6), respectively.

## (d) Effective Date.--

### (1) In general.--Except as provided in paragraph (2), the

amendments made by this section shall apply to contributions made

for taxable years beginning after December 31, 2019.

### (2) Subsection (b).--The amendment made by subsection (b) shall

apply to distributions made for taxable years beginning after

December 31, 2019.

# SEC. 108. QUALIFIED EMPLOYER PLANS PROHIBITED FROM MAKING LOANS THROUGH CREDIT CARDS AND OTHER SIMILAR ARRANGEMENTS.

## (a) In General.--Paragraph (2) of section 72(p) of the Internal

Revenue Code of 1986 is amended by redesignating subparagraph (D) as

subparagraph (E) and by inserting after subparagraph (C) the following

new subparagraph:

``(D) Prohibition of loans through credit cards and other

similar arrangements.--Subparagraph (A) shall not apply to any

loan which is made through the use of any credit card or any

other similar arrangement.''.

## (b) Effective Date.--The amendments made by subsection (a) shall

apply to loans made after the date of the enactment of this Act.

# SEC. 109. PORTABILITY OF LIFETIME INCOME OPTIONS.

## (a) In General.--Subsection (a) of section 401 of the Internal

Revenue Code of 1986 is amended by inserting after paragraph (37) the

following new paragraph:

## ``(38) Portability of lifetime income.--

### ``(A) In general.--Except as may be otherwise provided by

regulations, a trust forming part of a defined contribution

plan shall not be treated as failing to constitute a qualified

trust under this section solely by reason of allowing--

``(i) qualified distributions of a lifetime income

investment, or

``(ii) distributions of a lifetime income investment in

the form of a qualified plan distribution annuity contract,

on or after the date that is 90 days prior to the date on which

such lifetime income investment is no longer authorized to be

held as an investment option under the plan.

### ``(B) Definitions.--For purposes of this subsection--

#### ``(i) the term `qualified distribution' means a direct

trustee-to-trustee transfer described in paragraph (31)(A)

to an eligible retirement plan (as defined in section

402(c)(8)(B)),

#### ``(ii) the term `lifetime income investment' means an

investment option which is designed to provide an employee

with election rights--

``(I) which are not uniformly available with

respect to other investment options under the plan, and

``(II) which are to a lifetime income feature

available through a contract or other arrangement

offered under the plan (or under another eligible

retirement plan (as so defined), if paid by means of a

direct trustee-to-trustee transfer described in

paragraph (31)(A) to such other eligible retirement

plan),

#### ``(iii) the term `lifetime income feature' means--

``(I) a feature which guarantees a minimum level of

income annually (or more frequently) for at least the

remainder of the life of the employee or the joint

lives of the employee and the employee's designated

beneficiary, or

``(II) an annuity payable on behalf of the employee

under which payments are made in substantially equal

periodic payments (not less frequently than annually)

over the life of the employee or the joint lives of the

employee and the employee's designated beneficiary, and

``(iv) the term `qualified plan distribution annuity

contract' means an annuity contract purchased for a

participant and distributed to the participant by a plan or

contract described in subparagraph (B) of section 402(c)(8)

(without regard to clauses (i) and (ii) thereof).''.

## (b) Cash or Deferred Arrangement.--

### (1) In general.--Clause (i) of section 401(k)(2)(B) of the

Internal Revenue Code of 1986 is amended by striking ``or'' at the

end of subclause (IV), by striking ``and'' at the end of subclause

(V) and inserting ``or'', and by adding at the end the following

new subclause:

``(VI) except as may be otherwise provided by

regulations, with respect to amounts invested in a

lifetime income investment (as defined in subsection

(a)(38)(B)(ii)), the date that is 90 days prior to the

date that such lifetime income investment may no longer

be held as an investment option under the arrangement,

and''.

### (2) Distribution requirement.--Subparagraph (B) of section

401(k)(2) of such Code, as amended by paragraph (1), is amended by

striking ``and'' at the end of clause (i), by striking the

semicolon at the end of clause (ii) and inserting ``, and'', and by

adding at the end the following new clause:

``(iii) except as may be otherwise provided by

regulations, in the case of amounts described in clause

(i)(VI), will be distributed only in the form of a

qualified distribution (as defined in subsection

(a)(38)(B)(i)) or a qualified plan distribution annuity

contract (as defined in subsection (a)(38)(B)(iv)),''.

## (c) Section 403(b) Plans.--

### (1) Annuity contracts.--Paragraph (11) of section 403(b) of the

Internal Revenue Code of 1986 is amended by striking ``or'' at the

end of subparagraph (B), by striking the period at the end of

subparagraph (C) and inserting ``, or'', and by inserting after

subparagraph (C) the following new subparagraph:

``(D) except as may be otherwise provided by regulations,

with respect to amounts invested in a lifetime income

investment (as defined in section 401(a)(38)(B)(ii))--

``(i) on or after the date that is 90 days prior to the

date that such lifetime income investment may no longer be

held as an investment option under the contract, and

``(ii) in the form of a qualified distribution (as

defined in section 401(a)(38)(B)(i)) or a qualified plan

distribution annuity contract (as defined in section

401(a)(38)(B)(iv)).''.

### (2) Custodial accounts.--Subparagraph (A) of section 403(b)(7)

of such Code is amended by striking ``if--'' and all that follows

and inserting ``if the amounts are to be invested in regulated

investment company stock to be held in that custodial account, and

under the custodial account--

``(i) no such amounts may be paid or made available to

any distributee (unless such amount is a distribution to

which section 72(t)(2)(G) applies) before--

``(I) the employee dies,

``(II) the employee attains age 59\1/2\,

``(III) the employee has a severance from

employment,

``(IV) the employee becomes disabled (within the

meaning of section 72(m)(7)),

``(V) in the case of contributions made pursuant to

a salary reduction agreement (within the meaning of

section 3121(a)(5)(D)), the employee encounters

financial hardship, or

``(VI) except as may be otherwise provided by

regulations, with respect to amounts invested in a

lifetime income investment (as defined in section

401(a)(38)(B)(ii)), the date that is 90 days prior to

the date that such lifetime income investment may no

longer be held as an investment option under the

contract, and

``(ii) in the case of amounts described in clause

(i)(VI), such amounts will be distributed only in the form

of a qualified distribution (as defined in section

401(a)(38)(B)(i)) or a qualified plan distribution annuity

contract (as defined in section 401(a)(38)(B)(iv)).''.

## (d) Eligible Deferred Compensation Plans.--

### (1) In general.--Subparagraph (A) of section 457(d)(1) of the

Internal Revenue Code of 1986 is amended by striking ``or'' at the

end of clause (ii), by inserting ``or'' at the end of clause (iii),

and by adding after clause (iii) the following:

``(iv) except as may be otherwise provided by

regulations, in the case of a plan maintained by an

employer described in subsection (e)(1)(A), with respect to

amounts invested in a lifetime income investment (as

defined in section 401(a)(38)(B)(ii)), the date that is 90

days prior to the date that such lifetime income investment

may no longer be held as an investment option under the

plan,''.

### (2) Distribution requirement.--Paragraph (1) of section 457(d)

of such Code is amended by striking ``and'' at the end of

subparagraph (B), by striking the period at the end of subparagraph

(C) and inserting ``, and'', and by inserting after subparagraph

(C) the following new subparagraph:

``(D) except as may be otherwise provided by regulations,

in the case of amounts described in subparagraph (A)(iv), such

amounts will be distributed only in the form of a qualified

distribution (as defined in section 401(a)(38)(B)(i)) or a

qualified plan distribution annuity contract (as defined in

section 401(a)(38)(B)(iv)).''.

## (e) Effective Date.--The amendments made by this section shall

apply to plan years beginning after December 31, 2019.

# SEC. 110. TREATMENT OF CUSTODIAL ACCOUNTS ON TERMINATION OF SECTION 403(b) PLANS.

Not later than six months after the date of enactment of this Act,

the Secretary of the Treasury shall issue guidance to provide that, if

an employer terminates the plan under which amounts are contributed to

a custodial account under subparagraph (A) of section 403(b)(7), the

plan administrator or custodian may distribute an individual custodial

account in kind to a participant or beneficiary of the plan and the

distributed custodial account shall be maintained by the custodian on a

tax-deferred basis as a section 403(b)(7) custodial account, similar to

the treatment of fully-paid individual annuity contracts under Revenue

Ruling 2011-7, until amounts are actually paid to the participant or

beneficiary. The guidance shall provide further (i) that the section

403(b)(7) status of the distributed custodial account is generally

maintained if the custodial account thereafter adheres to the

requirements of section 403(b) that are in effect at the time of the

distribution of the account and (ii) that a custodial account would not

be considered distributed to the participant or beneficiary if the

employer has any material retained rights under the account (but the

employer would not be treated as retaining material rights simply

because the custodial account was originally opened under a group

contract). Such guidance shall be retroactively effective for taxable

years beginning after December 31, 2008.

# SEC. 111. CLARIFICATION OF RETIREMENT INCOME ACCOUNT RULES RELATING TO CHURCH-CONTROLLED ORGANIZATIONS.

## (a) In General.--Subparagraph (B) of section 403(b)(9) of the

Internal Revenue Code of 1986 is amended by inserting ``(including an

employee described in section 414(e)(3)(B))'' after ``employee

described in paragraph (1)''.

## (b) Effective Date.--The amendment made by this section shall apply

to years beginning before, on, or after the date of the enactment of

this Act.

# SEC. 112. QUALIFIED CASH OR DEFERRED ARRANGEMENTS MUST ALLOW LONG-TERM EMPLOYEES WORKING MORE THAN 500 BUT LESS THAN 1,000 HOURS PER YEAR TO PARTICIPATE.

## (a) Participation Requirement.--

### (1) In general.--Section 401(k)(2)(D) of the Internal Revenue

Code of 1986 is amended to read as follows:

``(D) which does not require, as a condition of

participation in the arrangement, that an employee complete a

period of service with the employer (or employers) maintaining

the plan extending beyond the close of the earlier of--

``(i) the period permitted under section 410(a)(1)

(determined without regard to subparagraph (B)(i) thereof),

or

``(ii) subject to the provisions of paragraph (15), the

first period of 3 consecutive 12-month periods during each

of which the employee has at least 500 hours of service.''.

### (2) Special rules.--Section 401(k) of such Code is amended by

adding at the end the following new paragraph:

### ``(15) Special rules for participation requirement for long-

term, part-time workers.--For purposes of paragraph (2)(D)(ii)--

#### ``(A) Age requirement must be met.--Paragraph (2)(D)(ii)

shall not apply to an employee unless the employee has met the

requirement of section 410(a)(1)(A)(i) by the close of the last

of the 12-month periods described in such paragraph.

#### ``(B) Nondiscrimination and top-heavy rules not to apply.--

##### ``(i) Nondiscrimination rules.--In the case of

employees who are eligible to participate in the

arrangement solely by reason of paragraph (2)(D)(ii)--

``(I) notwithstanding subsection (a)(4), an

employer shall not be required to make nonelective or

matching contributions on behalf of such employees even

if such contributions are made on behalf of other

employees eligible to participate in the arrangement,

and

``(II) an employer may elect to exclude such

employees from the application of subsection (a)(4),

paragraphs (3), (12), and (13), subsection (m)(2), and

section 410(b).

##### ``(ii) Top-heavy rules.--An employer may elect to

exclude all employees who are eligible to participate in a

plan maintained by the employer solely by reason of

paragraph (2)(D)(ii) from the application of the vesting

and benefit requirements under subsections (b) and (c) of

section 416.

##### ``(iii) Vesting.--For purposes of determining whether

an employee described in clause (i) has a nonforfeitable

right to employer contributions (other than contributions

described in paragraph (3)(D)(i)) under the arrangement,

each 12-month period for which the employee has at least

500 hours of service shall be treated as a year of service,

and section 411(a)(6) shall be applied by substituting `at

least 500 hours of service' for `more than 500 hours of

service' in subparagraph (A) thereof.

##### ``(iv) Employees who become full-time employees.--This

subparagraph (other than clause (iii)) shall cease to apply

to any employee as of the first plan year beginning after

the plan year in which the employee meets the requirements

of section 410(a)(1)(A)(ii) without regard to paragraph

(2)(D)(ii).

#### ``(C) Exception for employees under collectively bargained

plans, etc.--Paragraph (2)(D)(ii) shall not apply to employees

described in section 410(b)(3).

#### ``(D) Special rules.--

##### ``(i) Time of participation.--The rules of section

410(a)(4) shall apply to an employee eligible to

participate in an arrangement solely by reason of paragraph

(2)(D)(ii).

##### ``(ii) 12-month periods.--12-month periods shall be

determined in the same manner as under the last sentence of

section 410(a)(3)(A).''.

## (b) Effective Date.--The amendments made by this section shall

apply to plan years beginning after December 31, 2020, except that, for

purposes of section 401(k)(2)(D)(ii) of the Internal Revenue Code of

1986 (as added by such amendments), 12-month periods beginning before

January 1, 2021, shall not be taken into account.

# SEC. 113. PENALTY-FREE WITHDRAWALS FROM RETIREMENT PLANS FOR INDIVIDUALS IN CASE OF BIRTH OF CHILD OR ADOPTION.

## (a) In General.--Section 72(t)(2) of the Internal Revenue Code of

1986 is amended by adding at the end the following new subparagraph:

## ``(H) Distributions from retirement plans in case of birth

of child or adoption.--

### ``(i) In general.--Any qualified birth or adoption

distribution.

### ``(ii) Limitation.--The aggregate amount which may be

treated as qualified birth or adoption distributions by any

individual with respect to any birth or adoption shall not

exceed $5,000.

### ``(iii) Qualified birth or adoption distribution.--For

purposes of this subparagraph--

#### ``(I) In general.--The term `qualified birth or

adoption distribution' means any distribution from an

applicable eligible retirement plan to an individual if

made during the 1-year period beginning on the date on

which a child of the individual is born or on which the

legal adoption by the individual of an eligible adoptee

is finalized.

#### ``(II) Eligible adoptee.--The term `eligible

adoptee' means any individual (other than a child of

the taxpayer's spouse) who has not attained age 18 or

is physically or mentally incapable of self-support.

### ``(iv) Treatment of plan distributions.--

#### ``(I) In general.--If a distribution to an

individual would (without regard to clause (ii)) be a

qualified birth or adoption distribution, a plan shall

not be treated as failing to meet any requirement of

this title merely because the plan treats the

distribution as a qualified birth or adoption

distribution, unless the aggregate amount of such

distributions from all plans maintained by the employer

(and any member of any controlled group which includes

the employer) to such individual exceeds $5,000.

#### ``(II) Controlled group.--For purposes of subclause

(I), the term `controlled group' means any group

treated as a single employer under subsection (b), (c),

(m), or (o) of section 414.

### ``(v) Amount distributed may be repaid.--

#### ``(I) In general.--Any individual who receives a

qualified birth or adoption distribution may make one

or more contributions in an aggregate amount not to

exceed the amount of such distribution to an applicable

eligible retirement plan of which such individual is a

beneficiary and to which a rollover contribution of

such distribution could be made under section 402(c),

403(a)(4), 403(b)(8), 408(d)(3), or 457(e)(16), as the

case may be.

#### ``(II) Limitation on contributions to applicable

eligible retirement plans other than IRAs.--The

aggregate amount of contributions made by an individual

under subclause (I) to any applicable eligible

retirement plan which is not an individual retirement

plan shall not exceed the aggregate amount of qualified

birth or adoption distributions which are made from

such plan to such individual. Subclause (I) shall not

apply to contributions to any applicable eligible

retirement plan which is not an individual retirement

plan unless the individual is eligible to make

contributions (other than those described in subclause

(I)) to such applicable eligible retirement plan.

#### ``(III) Treatment of repayments of distributions

from applicable eligible retirement plans other than

IRAs.--If a contribution is made under subclause (I)

with respect to a qualified birth or adoption

distribution from an applicable eligible retirement

plan other than an individual retirement plan, then the

taxpayer shall, to the extent of the amount of the

contribution, be treated as having received such

distribution in an eligible rollover distribution (as

defined in section 402(c)(4)) and as having transferred

the amount to the applicable eligible retirement plan

in a direct trustee to trustee transfer within 60 days

of the distribution.

#### ``(IV) Treatment of repayments for distributions

from IRAs.--If a contribution is made under subclause

(I) with respect to a qualified birth or adoption

distribution from an individual retirement plan, then,

to the extent of the amount of the contribution, such

distribution shall be treated as a distribution

described in section 408(d)(3) and as having been

transferred to the applicable eligible retirement plan

in a direct trustee to trustee transfer within 60 days

of the distribution.

### ``(vi) Definition and special rules.--For purposes of

this subparagraph--

#### ``(I) Applicable eligible retirement plan.--The

term `applicable eligible retirement plan' means an

eligible retirement plan (as defined in section

402(c)(8)(B)) other than a defined benefit plan.

#### ``(II) Exemption of distributions from trustee to

trustee transfer and withholding rules.--For purposes

of sections 401(a)(31), 402(f), and 3405, a qualified

birth or adoption distribution shall not be treated as

an eligible rollover distribution.

#### ``(III) Taxpayer must include tin.--A distribution

shall not be treated as a qualified birth or adoption

distribution with respect to any child or eligible

adoptee unless the taxpayer includes the name, age, and

TIN of such child or eligible adoptee on the taxpayer's

return of tax for the taxable year.

#### ``(IV) Distributions treated as meeting plan

distribution requirements.--Any qualified birth or

adoption distribution shall be treated as meeting the

requirements of sections 401(k)(2)(B)(i),

403(b)(7)(A)(ii), 403(b)(11), and 457(d)(1)(A).''.

## (b) Effective Date.--The amendments made by this section shall

apply to distributions made after December 31, 2019.

# SEC. 114. INCREASE IN AGE FOR REQUIRED BEGINNING DATE FOR MANDATORY DISTRIBUTIONS.

## (a) In General.--Section 401(a)(9)(C)(i)(I) of the Internal Revenue

Code of 1986 is amended by striking ``age 70\1/2\'' and inserting ``age

72''.

## (b) Spouse Beneficiaries; Special Rule for Owners.--Subparagraphs

(B)(iv)(I) and (C)(ii)(I) of section 401(a)(9) of such Code are each

amended by striking ``age 70\1/2\'' and inserting ``age 72''.

## (c) Conforming Amendments.--The last sentence of section 408(b) of

such Code is amended by striking ``age 70\1/2\'' and inserting ``age

72''.

## (d) Effective Date.--The amendments made by this section shall

apply to distributions required to be made after December 31, 2019,

with respect to individuals who attain age 70\1/2\ after such date.

# SEC. 115. SPECIAL RULES FOR MINIMUM FUNDING STANDARDS FOR COMMUNITY NEWSPAPER PLANS.

## (a) Amendment to Internal Revenue Code of 1986.--Section 430 of the

Internal Revenue Code of 1986 is amended by adding at the end the

following new subsection:

## ``(m) Special Rules for Community Newspaper Plans.--

``(1) In general.--The plan sponsor of a community newspaper

plan under which no participant has had the participant's accrued

benefit increased (whether because of service or compensation)

after December 31, 2017, may elect to have the alternative

standards described in paragraph (3) apply to such plan, and any

plan sponsored by any member of the same controlled group.

``(2) Election.--An election under paragraph (1) shall be made

at such time and in such manner as prescribed by the Secretary.

Such election, once made with respect to a plan year, shall apply

to all subsequent plan years unless revoked with the consent of the

Secretary.

``(3) Alternative minimum funding standards.--The alternative

standards described in this paragraph are the following:

``(A) Interest rates.--

``(i) In general.--Notwithstanding subsection (h)(2)(C)

and except as provided in clause (ii), the first, second,

and third segment rates in effect for any month for

purposes of this section shall be 8 percent.

``(ii) New benefit accruals.--Notwithstanding

subsection (h)(2), for purposes of determining the funding

target and normal cost of a plan for any plan year, the

present value of any benefits accrued or earned under the

plan for a plan year with respect to which an election

under paragraph (1) is in effect shall be determined on the

basis of the United States Treasury obligation yield curve

for the day that is the valuation date of such plan for

such plan year.

``(iii) United states treasury obligation yield

curve.--For purposes of this subsection, the term `United

States Treasury obligation yield curve' means, with respect

to any day, a yield curve which shall be prescribed by the

Secretary for such day on interest-bearing obligations of

the United States.

``(B) Shortfall amortization base.--

``(i) Previous shortfall amortization bases.--The

shortfall amortization bases determined under subsection

(c)(3) for all plan years preceding the first plan year to

which the election under paragraph (1) applies (and all

shortfall amortization installments determined with respect

to such bases) shall be reduced to zero under rules similar

to the rules of subsection (c)(6).

``(ii) New shortfall amortization base.--

Notwithstanding subsection (c)(3), the shortfall

amortization base for the first plan year to which the

election under paragraph (1) applies shall be the funding

shortfall of such plan for such plan year (determined using

the interest rates as modified under subparagraph (A)).

``(C) Determination of shortfall amortization

installments.--

``(i) 30-year period.--Subparagraphs (A) and (B) of

subsection (c)(2) shall be applied by substituting `30-

plan-year' for `7-plan-year' each place it appears.

``(ii) No special election.--The election under

subparagraph (D) of subsection (c)(2) shall not apply to

any plan year to which the election under paragraph (1)

applies.

``(D) Exemption from at-risk treatment.--Subsection (i)

shall not apply.

``(4) Community newspaper plan.--For purposes of this

subsection--

``(A) In general.--The term `community newspaper plan'

means a plan to which this section applies maintained by an

employer which, as of December 31, 2017--

``(i) publishes and distributes daily, either

electronically or in printed form, 1 or more community

newspapers in a single State,

``(ii) is not a company the stock of which is publicly

traded (on a stock exchange or in an over-the-counter

market), and is not controlled, directly or indirectly, by

such a company,

``(iii) is controlled, directly or indirectly--

``(I) by 1 or more persons residing primarily in

the State in which the community newspaper is

published,

``(II) for not less than 30 years by individuals

who are members of the same family,

``(III) by a trust created or organized in the

State in which the community newspaper is published,

the sole trustees of which are persons described in

subclause (I) or (II),

``(IV) by an entity which is described in section

501(c)(3) and exempt from taxation under section

501(a), which is organized and operated in the State in

which the community newspaper is published, and the

primary purpose of which is to benefit communities in

such State, or

``(V) by a combination of persons described in

subclause (I), (III), or (IV), and

``(iv) does not control, directly or indirectly, any

newspaper in any other State.

``(B) Community newspaper.--The term `community newspaper'

means a newspaper which primarily serves a metropolitan

statistical area, as determined by the Office of Management and

Budget, with a population of not less than 100,000.

``(C) Control.--A person shall be treated as controlled by

another person if such other person possesses, directly or

indirectly, the power to direct or cause the direction and

management of such person (including the power to elect a

majority of the members of the board of directors of such

person) through the ownership of voting securities.

``(5) Controlled group.--For purposes of this subsection, the

term `controlled group' means all persons treated as a single

employer under subsection (b), (c), (m), or (o) of section 414 as

of the date of the enactment of this subsection.''.

## (b) Amendment to Employee Retirement Income Security Act of 1974.--

Section 303 of the Employee Retirement Income Security Act of 1974 (29

U.S.C. 1083) is amended by adding at the end the following new

subsection:

## ``(m) Special Rules for Community Newspaper Plans.--

``(1) In general.--The plan sponsor of a community newspaper

plan under which no participant has had the participant's accrued

benefit increased (whether because of service or compensation)

after December 31, 2017, may elect to have the alternative

standards described in paragraph (3) apply to such plan, and any

plan sponsored by any member of the same controlled group.

``(2) Election.--An election under paragraph (1) shall be made

at such time and in such manner as prescribed by the Secretary of

the Treasury. Such election, once made with respect to a plan year,

shall apply to all subsequent plan years unless revoked with the

consent of the Secretary of the Treasury.

``(3) Alternative minimum funding standards.--The alternative

standards described in this paragraph are the following:

``(A) Interest rates.--

``(i) In general.--Notwithstanding subsection (h)(2)(C)

and except as provided in clause (ii), the first, second,

and third segment rates in effect for any month for

purposes of this section shall be 8 percent.

``(ii) New benefit accruals.--Notwithstanding

subsection (h)(2), for purposes of determining the funding

target and normal cost of a plan for any plan year, the

present value of any benefits accrued or earned under the

plan for a plan year with respect to which an election

under paragraph (1) is in effect shall be determined on the

basis of the United States Treasury obligation yield curve

for the day that is the valuation date of such plan for

such plan year.

``(iii) United states treasury obligation yield

curve.--For purposes of this subsection, the term `United

States Treasury obligation yield curve' means, with respect

to any day, a yield curve which shall be prescribed by the

Secretary of the Treasury for such day on interest-bearing

obligations of the United States.

``(B) Shortfall amortization base.--

``(i) Previous shortfall amortization bases.--The

shortfall amortization bases determined under subsection

(c)(3) for all plan years preceding the first plan year to

which the election under paragraph (1) applies (and all

shortfall amortization installments determined with respect

to such bases) shall be reduced to zero under rules similar

to the rules of subsection (c)(6).

``(ii) New shortfall amortization base.--

Notwithstanding subsection (c)(3), the shortfall

amortization base for the first plan year to which the

election under paragraph (1) applies shall be the funding

shortfall of such plan for such plan year (determined using

the interest rates as modified under subparagraph (A)).

``(C) Determination of shortfall amortization

installments.--

``(i) 30-year period.--Subparagraphs (A) and (B) of

subsection (c)(2) shall be applied by substituting `30-

plan-year' for `7-plan-year' each place it appears.

``(ii) No special election.--The election under

subparagraph (D) of subsection (c)(2) shall not apply to

any plan year to which the election under paragraph (1)

applies.

``(D) Exemption from at-risk treatment.--Subsection (i)

shall not apply.

``(4) Community newspaper plan.--For purposes of this

subsection--

``(A) In general.--The term `community newspaper plan'

means a plan to which this section applies maintained by an

employer which, as of December 31, 2017--

``(i) publishes and distributes daily, either

electronically or in printed form--

``(I) a community newspaper, or

``(II) 1 or more community newspapers in the same

State,

``(ii) is not a company the stock of which is publicly

traded (on a stock exchange or in an over-the-counter

market), and is not controlled, directly or indirectly, by

such a company,

``(iii) is controlled, directly or indirectly--

``(I) by 1 or more persons residing primarily in

the State in which the community newspaper is

published,

``(II) for not less than 30 years by individuals

who are members of the same family,

``(III) by a trust created or organized in the

State in which the community newspaper is published,

the sole trustees of which are persons described in

subclause (I) or (II),

``(IV) by an entity which is described in section

501(c)(3) of the Internal Revenue Code of 1986 and

exempt from taxation under section 501(a) of such Code,

which is organized and operated in the State in which

the community newspaper is published, and the primary

purpose of which is to benefit communities in such

State, or

``(V) by a combination of persons described in

subclause (I), (III), or (IV), and

``(iv) does not control, directly or indirectly, any

newspaper in any other State.

``(B) Community newspaper.--The term `community newspaper'

means a newspaper which primarily serves a metropolitan

statistical area, as determined by the Office of Management and

Budget, with a population of not less than 100,000.

``(C) Control.--A person shall be treated as controlled by

another person if such other person possesses, directly or

indirectly, the power to direct or cause the direction and

management of such person (including the power to elect a

majority of the members of the board of directors of such

person) through the ownership of voting securities.

``(5) Controlled group.--For purposes of this subsection, the

term `controlled group' means all persons treated as a single

employer under subsection (b), (c), (m), or (o) of section 414 of

the Internal Revenue Code of 1986 as of the date of the enactment

of this subsection.

``(6) Effect on premium rate calculation.--Notwithstanding any

other provision of law or any regulation issued by the Pension

Benefit Guaranty Corporation, in the case of a plan for which an

election is made to apply the alternative standards described in

paragraph (3), the additional premium under section 4006(a)(3)(E)

shall be determined as if such election had not been made.''.

## (c) Effective Date.--The amendments made by this section shall

apply to plan years ending after December 31, 2017.

# SEC. 116. TREATING EXCLUDED DIFFICULTY OF CARE PAYMENTS AS COMPENSATION FOR DETERMINING RETIREMENT CONTRIBUTION LIMITATIONS.

## (a) Individual Retirement Accounts.--

## (1) In general.--Section 408(o) of the Internal Revenue Code of

1986 is amended by adding at the end the following new paragraph:

## ``(5) Special rule for difficulty of care payments excluded

from gross income.--In the case of an individual who for a taxable

year excludes from gross income under section 131 a qualified

foster care payment which is a difficulty of care payment, if--

``(A) the deductible amount in effect for the taxable year

under subsection (b), exceeds

``(B) the amount of compensation includible in the

individual's gross income for the taxable year,

the individual may elect to increase the nondeductible limit under

paragraph (2) for the taxable year by an amount equal to the lesser

of such excess or the amount so excluded.''.

## (2) Effective date.--The amendments made by this subsection

shall apply to contributions after the date of the enactment of

this Act.

## (b) Defined Contribution Plans.--

### (1) In general.--Section 415(c) of such Code is amended by

adding at the end the following new paragraph:

### ``(8) Special rule for difficulty of care payments excluded

from gross income.--

#### ``(A) In general.--For purposes of paragraph (1)(B), in the

case of an individual who for a taxable year excludes from

gross income under section 131 a qualified foster care payment

which is a difficulty of care payment, the participant's

compensation, or earned income, as the case may be, shall be

increased by the amount so excluded.

#### ``(B) Contributions allocable to difficulty of care

payments treated as after-tax.--Any contribution by the

participant which is allowable due to such increase--

``(i) shall be treated for purposes of this title as

investment in the contract, and

``(ii) shall not cause a plan (and any arrangement

which is part of such plan) to be treated as failing to

meet any requirements of this chapter solely by reason of

allowing any such contributions.''.

### (2) Effective date.--The amendment made by this subsection

shall apply to plan years beginning after December 31, 2015.

TITLE II--ADMINISTRATIVE IMPROVEMENTS

# SEC. 201. PLAN ADOPTED BY FILING DUE DATE FOR YEAR MAY BE TREATED AS IN EFFECT AS OF CLOSE OF YEAR.

## (a) In General.--Subsection (b) of section 401 of the Internal

Revenue Code of 1986 is amended--

### (1) by striking ``Retroactive Changes in Plan.--A stock bonus''

and inserting ``Plan Amendments.--

``(1) Certain retroactive changes in plan.--A stock bonus'';

and

### (2) by adding at the end the following new paragraph:

### ``(2) Adoption of plan.--If an employer adopts a stock bonus,

pension, profit-sharing, or annuity plan after the close of a

taxable year but before the time prescribed by law for filing the

return of the employer for the taxable year (including extensions

thereof), the employer may elect to treat the plan as having been

adopted as of the last day of the taxable year.''.

## (b) Effective Date.--The amendments made by this section shall

apply to plans adopted for taxable years beginning after December 31,

2019.

# SEC. 202. COMBINED ANNUAL REPORT FOR GROUP OF PLANS.

## (a) In General.--The Secretary of the Treasury and the Secretary of

Labor shall, in cooperation, modify the returns required under section

6058 of the Internal Revenue Code of 1986 and the reports required by

section 104 of the Employee Retirement Income Security Act of 1974 (29

U.S.C. 1024) so that all members of a group of plans described in

subsection (c) may file a single aggregated annual return or report

satisfying the requirements of both such sections.

## (b) Administrative Requirements.--In developing the consolidated

return or report under subsection (a), the Secretary of the Treasury

and the Secretary of Labor may require such return or report to include

any information regarding each plan in the group as such Secretaries

determine is necessary or appropriate for the enforcement and

administration of the Internal Revenue Code of 1986 and the Employee

Retirement Income Security Act of 1974 and shall require such

information as will enable a participant in a plan to identify any

aggregated return or report filed with respect to the plan.

## (c) Plans Described.--A group of plans is described in this

subsection if all plans in the group--

(1) are individual account plans or defined contribution plans

(as defined in section 3(34) of the Employee Retirement Income

Security Act of 1974 (29 U.S.C. 1002(34)) or in section 414(i) of

the Internal Revenue Code of 1986);

(2) have--

(A) the same trustee (as described in section 403(a) of

such Act (29 U.S.C. 1103(a)));

(B) the same one or more named fiduciaries (as described in

section 402(a) of such Act (29 U.S.C. 1102(a)));

(C) the same administrator (as defined in section 3(16)(A)

of such Act (29 U.S.C. 1002(16)(A))) and plan administrator (as

defined in section 414(g) of the Internal Revenue Code of

1986); and

(D) plan years beginning on the same date; and

(3) provide the same investments or investment options to

participants and beneficiaries.

A plan not subject to title I of the Employee Retirement Income

Security Act of 1974 shall be treated as meeting the requirements of

paragraph (2) as part of a group of plans if the same person that

performs each of the functions described in such paragraph, as

applicable, for all other plans in such group performs each of such

functions for such plan.

## (d) Clarification Relating to Electronic Filing of Returns for

Deferred Compensation Plans.--

### (1) In general.--Section 6011(e) of the Internal Revenue Code

of 1986 is amended by adding at the end the following new

paragraph:

### ``(6) Application of numerical limitation to returns relating

to deferred compensation plans.--For purposes of applying the

numerical limitation under paragraph (2)(A) to any return required

under section 6058, information regarding each plan for which

information is provided on such return shall be treated as a

separate return.''.

### (2) Effective date.--The amendment made by paragraph (1) shall

apply to returns required to be filed with respect to plan years

beginning after December 31, 2019.

## (e) Effective Date.--The modification required by subsection (a)

shall be implemented not later than January 1, 2022, and shall apply to

returns and reports for plan years beginning after December 31, 2021.

# SEC. 203. DISCLOSURE REGARDING LIFETIME INCOME.

## (a) In General.--Subparagraph (B) of section 105(a)(2) of the

Employee Retirement Income Security Act of 1974 (29 U.S.C. 1025(a)(2))

is amended--

(1) in clause (i), by striking ``and'' at the end;

(2) in clause (ii), by striking ``diversification.'' and

inserting ``diversification, and''; and

(3) by inserting at the end the following:

``(iii) the lifetime income disclosure described in

subparagraph (D)(i).

In the case of pension benefit statements described in clause

(i) of paragraph (1)(A), a lifetime income disclosure under

clause (iii) of this subparagraph shall be required to be

included in only one pension benefit statement during any one

12-month period.''.

## (b) Lifetime Income.--Paragraph (2) of section 105(a) of the

Employee Retirement Income Security Act of 1974 (29 U.S.C. 1025(a)) is

amended by adding at the end the following new subparagraph:

## ``(D) Lifetime income disclosure.--

### ``(i) In general.--

#### ``(I) Disclosure.--A lifetime income disclosure

shall set forth the lifetime income stream equivalent

of the total benefits accrued with respect to the

participant or beneficiary.

#### ``(II) Lifetime income stream equivalent of the

total benefits accrued.--For purposes of this

subparagraph, the term `lifetime income stream

equivalent of the total benefits accrued' means the

amount of monthly payments the participant or

beneficiary would receive if the total accrued benefits

of such participant or beneficiary were used to provide

lifetime income streams described in subclause (III),

based on assumptions specified in rules prescribed by

the Secretary.

#### ``(III) Lifetime income streams.--The lifetime

income streams described in this subclause are a

qualified joint and survivor annuity (as defined in

section 205(d)), based on assumptions specified in

rules prescribed by the Secretary, including the

assumption that the participant or beneficiary has a

spouse of equal age, and a single life annuity. Such

lifetime income streams may have a term certain or

other features to the extent permitted under rules

prescribed by the Secretary.

### ``(ii) Model disclosure.--Not later than 1 year after

the date of the enactment of the Setting Every Community Up

for Retirement Enhancement Act of 2019, the Secretary shall

issue a model lifetime income disclosure, written in a

manner so as to be understood by the average plan

participant, which--

``(I) explains that the lifetime income stream

equivalent is only provided as an illustration;

``(II) explains that the actual payments under the

lifetime income stream described in clause (i)(III)

which may be purchased with the total benefits accrued

will depend on numerous factors and may vary

substantially from the lifetime income stream

equivalent in the disclosures;

``(III) explains the assumptions upon which the

lifetime income stream equivalent was determined; and

``(IV) provides such other similar explanations as

the Secretary considers appropriate.

### ``(iii) Assumptions and rules.--Not later than 1 year

after the date of the enactment of the Setting Every

Community Up for Retirement Enhancement Act of 2019, the

Secretary shall--

``(I) prescribe assumptions which administrators of

individual account plans may use in converting total

accrued benefits into lifetime income stream

equivalents for purposes of this subparagraph; and

``(II) issue interim final rules under clause (i).

In prescribing assumptions under subclause (I), the

Secretary may prescribe a single set of specific

assumptions (in which case the Secretary may issue tables

or factors which facilitate such conversions), or ranges of

permissible assumptions. To the extent that an accrued

benefit is or may be invested in a lifetime income stream

described in clause (i)(III), the assumptions prescribed

under subclause (I) shall, to the extent appropriate,

permit administrators of individual account plans to use

the amounts payable under such lifetime income stream as a

lifetime income stream equivalent.

### ``(iv) Limitation on liability.--No plan fiduciary,

plan sponsor, or other person shall have any liability

under this title solely by reason of the provision of

lifetime income stream equivalents which are derived in

accordance with the assumptions and rules described in

clause (iii) and which include the explanations contained

in the model lifetime income disclosure described in clause

(ii). This clause shall apply without regard to whether the

provision of such lifetime income stream equivalent is

required by subparagraph (B)(iii).

### ``(v) Effective date.--The requirement in subparagraph

(B)(iii) shall apply to pension benefit statements

furnished more than 12 months after the latest of the

issuance by the Secretary of--

``(I) interim final rules under clause (i);

``(II) the model disclosure under clause (ii); or

``(III) the assumptions under clause (iii).''.

# SEC. 204. FIDUCIARY SAFE HARBOR FOR SELECTION OF LIFETIME INCOME PROVIDER.

Section 404 of the Employee Retirement Income Security Act of 1974

(29 U.S.C. 1104) is amended by adding at the end the following:

## ``(e) Safe Harbor for Annuity Selection.--

### ``(1) In general.--With respect to the selection of an insurer

for a guaranteed retirement income contract, the requirements of

subsection (a)(1)(B) will be deemed to be satisfied if a

fiduciary--

#### ``(A) engages in an objective, thorough, and analytical

search for the purpose of identifying insurers from which to

purchase such contracts;

#### ``(B) with respect to each insurer identified under

subparagraph (A)--

##### ``(i) considers the financial capability of such

insurer to satisfy its obligations under the guaranteed

retirement income contract; and

##### ``(ii) considers the cost (including fees and

commissions) of the guaranteed retirement income contract

offered by the insurer in relation to the benefits and

product features of the contract and administrative

services to be provided under such contract; and

#### ``(C) on the basis of such consideration, concludes that--

##### ``(i) at the time of the selection, the insurer is

financially capable of satisfying its obligations under the

guaranteed retirement income contract; and

##### ``(ii) the relative cost of the selected guaranteed

retirement income contract as described in subparagraph

(B)(ii) is reasonable.

### ``(2) Financial capability of the insurer.--A fiduciary will be

deemed to satisfy the requirements of paragraphs (1)(B)(i) and

(1)(C)(i) if--

#### ``(A) the fiduciary obtains written representations from

the insurer that--

``(i) the insurer is licensed to offer guaranteed

retirement income contracts;

``(ii) the insurer, at the time of selection and for

each of the immediately preceding 7 plan years--

``(I) operates under a certificate of authority

from the insurance commissioner of its domiciliary

State which has not been revoked or suspended;

``(II) has filed audited financial statements in

accordance with the laws of its domiciliary State under

applicable statutory accounting principles;

``(III) maintains (and has maintained) reserves

which satisfies all the statutory requirements of all

States where the insurer does business; and

``(IV) is not operating under an order of

supervision, rehabilitation, or liquidation;

``(iii) the insurer undergoes, at least every 5 years,

a financial examination (within the meaning of the law of

its domiciliary State) by the insurance commissioner of the

domiciliary State (or representative, designee, or other

party approved by such commissioner); and

``(iv) the insurer will notify the fiduciary of any

change in circumstances occurring after the provision of

the representations in clauses (i), (ii), and (iii) which

would preclude the insurer from making such representations

at the time of issuance of the guaranteed retirement income

contract; and

#### ``(B) after receiving such representations and as of the

time of selection, the fiduciary has not received any notice

described in subparagraph (A)(iv) and is in possession of no

other information which would cause the fiduciary to question

the representations provided.

### ``(3) No requirement to select lowest cost.--Nothing in this

subsection shall be construed to require a fiduciary to select the

lowest cost contract. A fiduciary may consider the value of a

contract, including features and benefits of the contract and

attributes of the insurer (including, without limitation, the

insurer's financial strength) in conjunction with the cost of the

contract.

### ``(4) Time of selection.--

#### ``(A) In general.--For purposes of this subsection, the

time of selection is--

``(i) the time that the insurer and the contract are

selected for distribution of benefits to a specific

participant or beneficiary; or

``(ii) if the fiduciary periodically reviews the

continuing appropriateness of the conclusion described in

paragraph (1)(C) with respect to a selected insurer, taking

into account the considerations described in such

paragraph, the time that the insurer and the contract are

selected to provide benefits at future dates to

participants or beneficiaries under the plan.

Nothing in the preceding sentence shall be construed to require

the fiduciary to review the appropriateness of a selection

after the purchase of a contract for a participant or

beneficiary.

#### ``(B) Periodic review.--A fiduciary will be deemed to have

conducted the periodic review described in subparagraph (A)(ii)

if the fiduciary obtains the written representations described

in clauses (i), (ii), and (iii) of paragraph (2)(A) from the

insurer on an annual basis, unless the fiduciary receives any

notice described in paragraph (2)(A)(iv) or otherwise becomes

aware of facts that would cause the fiduciary to question such

representations.

### ``(5) Limited liability.--A fiduciary which satisfies the

requirements of this subsection shall not be liable following the

distribution of any benefit, or the investment by or on behalf of a

participant or beneficiary pursuant to the selected guaranteed

retirement income contract, for any losses that may result to the

participant or beneficiary due to an insurer's inability to satisfy

its financial obligations under the terms of such contract.

### ``(6) Definitions.--For purposes of this subsection--

#### ``(A) Insurer.--The term `insurer' means an insurance

company, insurance service, or insurance organization,

including affiliates of such companies.

#### ``(B) Guaranteed retirement income contract.--The term

`guaranteed retirement income contract' means an annuity

contract for a fixed term or a contract (or provision or

feature thereof) which provides guaranteed benefits annually

(or more frequently) for at least the remainder of the life of

the participant or the joint lives of the participant and the

participant's designated beneficiary as part of an individual

account plan.''.

# SEC. 205. MODIFICATION OF NONDISCRIMINATION RULES TO PROTECT OLDER, LONGER SERVICE PARTICIPANTS.

## (a) In General.--Section 401 of the Internal Revenue Code of 1986

is amended--

(1) by redesignating subsection (o) as subsection (p); and

(2) by inserting after subsection (n) the following new

subsection:

## ``(o) Special Rules for Applying Nondiscrimination Rules to Protect Older, Longer Service and Grandfathered Participants.--

### ``(1) Testing of defined benefit plans with closed classes of

participants.--

#### ``(A) Benefits, rights, or features provided to closed

classes.--A defined benefit plan which provides benefits,

rights, or features to a closed class of participants shall not

fail to satisfy the requirements of subsection (a)(4) by reason

of the composition of such closed class or the benefits,

rights, or features provided to such closed class, if--

``(i) for the plan year as of which the class closes

and the 2 succeeding plan years, such benefits, rights, and

features satisfy the requirements of subsection (a)(4)

(without regard to this subparagraph but taking into

account the rules of subparagraph (I)),

``(ii) after the date as of which the class was closed,

any plan amendment which modifies the closed class or the

benefits, rights, and features provided to such closed

class does not discriminate significantly in favor of

highly compensated employees, and

``(iii) the class was closed before April 5, 2017, or

the plan is described in subparagraph (C).

#### ``(B) Aggregate testing with defined contribution plans

permitted on a benefits basis.--

##### ``(i) In general.--For purposes of determining

compliance with subsection (a)(4) and section 410(b), a

defined benefit plan described in clause (iii) may be

aggregated and tested on a benefits basis with 1 or more

defined contribution plans, including with the portion of 1

or more defined contribution plans which--

``(I) provides matching contributions (as defined

in subsection (m)(4)(A)),

``(II) provides annuity contracts described in

section 403(b) which are purchased with matching

contributions or nonelective contributions, or

``(III) consists of an employee stock ownership

plan (within the meaning of section 4975(e)(7)) or a

tax credit employee stock ownership plan (within the

meaning of section 409(a)).

##### ``(ii) Special rules for matching contributions.--For

purposes of clause (i), if a defined benefit plan is

aggregated with a portion of a defined contribution plan

providing matching contributions--

``(I) such defined benefit plan must also be

aggregated with any portion of such defined

contribution plan which provides elective deferrals

described in subparagraph (A) or (C) of section

402(g)(3), and

``(II) such matching contributions shall be treated

in the same manner as nonelective contributions,

including for purposes of applying the rules of

subsection (l).

##### ``(iii) Plans described.--A defined benefit plan is

described in this clause if--

``(I) the plan provides benefits to a closed class

of participants,

``(II) for the plan year as of which the class

closes and the 2 succeeding plan years, the plan

satisfies the requirements of section 410(b) and

subsection (a)(4) (without regard to this subparagraph

but taking into account the rules of subparagraph (I)),

``(III) after the date as of which the class was

closed, any plan amendment which modifies the closed

class or the benefits provided to such closed class

does not discriminate significantly in favor of highly

compensated employees, and

``(IV) the class was closed before April 5, 2017,

or the plan is described in subparagraph (C).

#### ``(C) Plans described.--A plan is described in this

subparagraph if, taking into account any predecessor plan--

``(i) such plan has been in effect for at least 5 years

as of the date the class is closed, and

``(ii) during the 5-year period preceding the date the

class is closed, there has not been a substantial increase

in the coverage or value of the benefits, rights, or

features described in subparagraph (A) or in the coverage

or benefits under the plan described in subparagraph

(B)(iii) (whichever is applicable).

#### ``(D) Determination of substantial increase for benefits,

rights, and features.--In applying subparagraph (C)(ii) for

purposes of subparagraph (A)(iii), a plan shall be treated as

having had a substantial increase in coverage or value of the

benefits, rights, or features described in subparagraph (A)

during the applicable 5-year period only if, during such

period--

``(i) the number of participants covered by such

benefits, rights, or features on the date such period ends

is more than 50 percent greater than the number of such

participants on the first day of the plan year in which

such period began, or

``(ii) such benefits, rights, and features have been

modified by 1 or more plan amendments in such a way that,

as of the date the class is closed, the value of such

benefits, rights, and features to the closed class as a

whole is substantially greater than the value as of the

first day of such 5-year period, solely as a result of such

amendments.

#### ``(E) Determination of substantial increase for aggregate

testing on benefits basis.--In applying subparagraph (C)(ii)

for purposes of subparagraph (B)(iii)(IV), a plan shall be

treated as having had a substantial increase in coverage or

benefits during the applicable 5-year period only if, during

such period--

``(i) the number of participants benefitting under the

plan on the date such period ends is more than 50 percent

greater than the number of such participants on the first

day of the plan year in which such period began, or

``(ii) the average benefit provided to such

participants on the date such period ends is more than 50

percent greater than the average benefit provided on the

first day of the plan year in which such period began.

#### ``(F) Certain employees disregarded.--For purposes of

subparagraphs (D) and (E), any increase in coverage or value or

in coverage or benefits, whichever is applicable, which is

attributable to such coverage and value or coverage and

benefits provided to employees--

``(i) who became participants as a result of a merger,

acquisition, or similar event which occurred during the 7-

year period preceding the date the class is closed, or

``(ii) who became participants by reason of a merger of

the plan with another plan which had been in effect for at

least 5 years as of the date of the merger,

shall be disregarded, except that clause (ii) shall apply for

purposes of subparagraph (D) only if, under the merger, the

benefits, rights, or features under 1 plan are conformed to the

benefits, rights, or features of the other plan prospectively.

#### ``(G) Rules relating to average benefit.--For purposes of

subparagraph (E)--

``(i) the average benefit provided to participants

under the plan will be treated as having remained the same

between the 2 dates described in subparagraph (E)(ii) if

the benefit formula applicable to such participants has not

changed between such dates, and

``(ii) if the benefit formula applicable to 1 or more

participants under the plan has changed between such 2

dates, then the average benefit under the plan shall be

considered to have increased by more than 50 percent only

if--

``(I) the total amount determined under section

430(b)(1)(A)(i) for all participants benefitting under

the plan for the plan year in which the 5-year period

described in subparagraph (E) ends, exceeds

``(II) the total amount determined under section

430(b)(1)(A)(i) for all such participants for such plan

year, by using the benefit formula in effect for each

such participant for the first plan year in such 5-year

period,

by more than 50 percent. In the case of a CSEC plan (as

defined in section 414(y)), the normal cost of the plan (as

determined under section 433(j)(1)(B)) shall be used in

lieu of the amount determined under section

430(b)(1)(A)(i).

#### ``(H) Treatment as single plan.--For purposes of

subparagraphs (E) and (G), a plan described in section 413(c)

shall be treated as a single plan rather than as separate plans

maintained by each employer in the plan.

#### ``(I) Special rules.--For purposes of subparagraphs (A)(i)

and (B)(iii)(II), the following rules shall apply:

``(i) In applying section 410(b)(6)(C), the closing of

the class of participants shall not be treated as a

significant change in coverage under section

410(b)(6)(C)(i)(II).

``(ii) 2 or more plans shall not fail to be eligible to

be aggregated and treated as a single plan solely by reason

of having different plan years.

``(iii) Changes in the employee population shall be

disregarded to the extent attributable to individuals who

become employees or cease to be employees, after the date

the class is closed, by reason of a merger, acquisition,

divestiture, or similar event.

``(iv) Aggregation and all other testing methodologies

otherwise applicable under subsection (a)(4) and section

410(b) may be taken into account.

The rule of clause (ii) shall also apply for purposes of

determining whether plans to which subparagraph (B)(i) applies

may be aggregated and treated as 1 plan for purposes of

determining whether such plans meet the requirements of

subsection (a)(4) and section 410(b).

#### ``(J) Spun-off plans.--For purposes of this paragraph, if a

portion of a defined benefit plan described in subparagraph (A)

or (B)(iii) is spun off to another employer and the spun-off

plan continues to satisfy the requirements of--

``(i) subparagraph (A)(i) or (B)(iii)(II), whichever is

applicable, if the original plan was still within the 3-

year period described in such subparagraph at the time of

the spin off, and

``(ii) subparagraph (A)(ii) or (B)(iii)(III), whichever

is applicable,

the treatment under subparagraph (A) or (B) of the spun-off

plan shall continue with respect to such other employer.

### ``(2) Testing of defined contribution plans.--

#### ``(A) Testing on a benefits basis.--A defined contribution

plan shall be permitted to be tested on a benefits basis if--

``(i) such defined contribution plan provides make-

whole contributions to a closed class of participants whose

accruals under a defined benefit plan have been reduced or

eliminated,

``(ii) for the plan year of the defined contribution

plan as of which the class eligible to receive such make-

whole contributions closes and the 2 succeeding plan years,

such closed class of participants satisfies the

requirements of section 410(b)(2)(A)(i) (determined by

applying the rules of paragraph (1)(I)),

``(iii) after the date as of which the class was

closed, any plan amendment to the defined contribution plan

which modifies the closed class or the allocations,

benefits, rights, and features provided to such closed

class does not discriminate significantly in favor of

highly compensated employees, and

``(iv) the class was closed before April 5, 2017, or

the defined benefit plan under clause (i) is described in

paragraph (1)(C) (as applied for purposes of paragraph

(1)(B)(iii)(IV)).

#### ``(B) Aggregation with plans including matching

contributions.--

``(i) In general.--With respect to 1 or more defined

contribution plans described in subparagraph (A), for

purposes of determining compliance with subsection (a)(4)

and section 410(b), the portion of such plans which

provides make-whole contributions or other nonelective

contributions may be aggregated and tested on a benefits

basis with the portion of 1 or more other defined

contribution plans which--

``(I) provides matching contributions (as defined

in subsection (m)(4)(A)),

``(II) provides annuity contracts described in

section 403(b) which are purchased with matching

contributions or nonelective contributions, or

``(III) consists of an employee stock ownership

plan (within the meaning of section 4975(e)(7)) or a

tax credit employee stock ownership plan (within the

meaning of section 409(a)).

``(ii) Special rules for matching contributions.--Rules

similar to the rules of paragraph (1)(B)(ii) shall apply

for purposes of clause (i).

#### ``(C) Special rules for testing defined contribution plan

features providing matching contributions to certain older,

longer service participants.--In the case of a defined

contribution plan which provides benefits, rights, or features

to a closed class of participants whose accruals under a

defined benefit plan have been reduced or eliminated, the plan

shall not fail to satisfy the requirements of subsection (a)(4)

solely by reason of the composition of the closed class or the

benefits, rights, or features provided to such closed class if

the defined contribution plan and defined benefit plan

otherwise meet the requirements of subparagraph (A) but for the

fact that the make-whole contributions under the defined

contribution plan are made in whole or in part through matching

contributions.

#### ``(D) Spun-off plans.--For purposes of this paragraph, if a

portion of a defined contribution plan described in

subparagraph (A) or (C) is spun off to another employer, the

treatment under subparagraph (A) or (C) of the spun-off plan

shall continue with respect to the other employer if such plan

continues to comply with the requirements of clauses (ii) (if

the original plan was still within the 3-year period described

in such clause at the time of the spin off) and (iii) of

subparagraph (A), as determined for purposes of subparagraph

(A) or (C), whichever is applicable.

### ``(3) Definitions and special rule.--For purposes of this

subsection--

#### ``(A) Make-whole contributions.--Except as otherwise

provided in paragraph (2)(C), the term `make-whole

contributions' means nonelective allocations for each employee

in the class which are reasonably calculated, in a consistent

manner, to replace some or all of the retirement benefits which

the employee would have received under the defined benefit plan

and any other plan or qualified cash or deferred arrangement

under subsection (k)(2) if no change had been made to such

defined benefit plan and such other plan or arrangement. For

purposes of the preceding sentence, consistency shall not be

required with respect to employees who were subject to

different benefit formulas under the defined benefit plan.

#### ``(B) References to closed class of participants.--

References to a closed class of participants and similar

references to a closed class shall include arrangements under

which 1 or more classes of participants are closed, except that

1 or more classes of participants closed on different dates

shall not be aggregated for purposes of determining the date

any such class was closed.

#### ``(C) Highly compensated employee.--The term `highly

compensated employee' has the meaning given such term in

section 414(q).''.

## (b) Participation Requirements.--Paragraph (26) of section 401(a)

of the Internal Revenue Code of 1986 is amended by adding at the end

the following new subparagraph:

## ``(I) Protected participants.--

### ``(i) In general.--A plan shall be deemed to satisfy

the requirements of subparagraph (A) if--

``(I) the plan is amended--

``(aa) to cease all benefit accruals, or

``(bb) to provide future benefit accruals only

to a closed class of participants,

``(II) the plan satisfies subparagraph (A) (without

regard to this subparagraph) as of the effective date

of the amendment, and

``(III) the amendment was adopted before April 5,

2017, or the plan is described in clause (ii).

### ``(ii) Plans described.--A plan is described in this

clause if the plan would be described in subsection

(o)(1)(C), as applied for purposes of subsection

(o)(1)(B)(iii)(IV) and by treating the effective date of

the amendment as the date the class was closed for purposes

of subsection (o)(1)(C).

### ``(iii) Special rules.--For purposes of clause (i)(II),

in applying section 410(b)(6)(C), the amendments described

in clause (i) shall not be treated as a significant change

in coverage under section 410(b)(6)(C)(i)(II).

### ``(iv) Spun-off plans.--For purposes of this

subparagraph, if a portion of a plan described in clause

(i) is spun off to another employer, the treatment under

clause (i) of the spun-off plan shall continue with respect

to the other employer.''.

## (c) Effective Date.--

### (1) In general.--Except as provided in paragraph (2), the

amendments made by this section shall take effect on the date of

the enactment of this Act, without regard to whether any plan

modifications referred to in such amendments are adopted or

effective before, on, or after such date of enactment.

### (2) Special rules.--

#### (A) Election of earlier application.--At the election of

the plan sponsor, the amendments made by this section shall

apply to plan years beginning after December 31, 2013.

#### (B) Closed classes of participants.--For purposes of

paragraphs (1)(A)(iii), (1)(B)(iii)(IV), and (2)(A)(iv) of

section 401(o) of the Internal Revenue Code of 1986 (as added

by this section), a closed class of participants shall be

treated as being closed before April 5, 2017, if the plan

sponsor's intention to create such closed class is reflected in

formal written documents and communicated to participants

before such date.

#### (C) Certain post-enactment plan amendments.--A plan shall

not be treated as failing to be eligible for the application of

section 401(o)(1)(A), 401(o)(1)(B)(iii), or 401(a)(26) of such

Code (as added by this section) to such plan solely because in

the case of--

(i) such section 401(o)(1)(A), the plan was amended

before the date of the enactment of this Act to eliminate 1

or more benefits, rights, or features, and is further

amended after such date of enactment to provide such

previously eliminated benefits, rights, or features to a

closed class of participants, or

(ii) such section 401(o)(1)(B)(iii) or section

401(a)(26), the plan was amended before the date of the

enactment of this Act to cease all benefit accruals, and is

further amended after such date of enactment to provide

benefit accruals to a closed class of participants.

Any such section shall only apply if the plan otherwise meets

the requirements of such section and in applying such section,

the date the class of participants is closed shall be the

effective date of the later amendment.

# SEC. 206. MODIFICATION OF PBGC PREMIUMS FOR CSEC PLANS.

## (a) Flat Rate Premium.--Subparagraph (A) of section 4006(a)(3) of

the Employee Retirement Income Security Act of 1974 (29 U.S.C.

1306(a)(3)) is amended--

(1) in clause (i), by striking ``plan,'' and inserting ``plan

other than a CSEC plan (as defined in section 210(f)(1))'';

(2) in clause (v), by striking ``or'' at the end;

(3) in clause (vi), by striking the period at the end and

inserting ``, or''; and

(4) by adding at the end the following new clause:

``(vii) in the case of a CSEC plan (as defined in

section 210(f)(1)), for plan years beginning after December

31, 2018, for each individual who is a participant in such

plan during the plan year an amount equal to the sum of--

``(I) the additional premium (if any) determined

under subparagraph (E), and

``(II) $19.''.

## (b) Variable Rate Premium.--

(1) Unfunded vested benefits.--

(A) In general.--Subparagraph (E) of section 4006(a)(3) of

the Employee Retirement Income Security Act of 1974 (29 U.S.C.

1306(a)(3)) is amended by adding at the end the following new

clause:

``(v) For purposes of clause (ii), in the case of a CSEC

plan (as defined in section 210(f)(1)), the term `unfunded

vested benefits' means, for plan years beginning after December

31, 2018, the excess (if any) of--

``(I) the funding liability of the plan as determined

under section 306(j)(5)(C) for the plan year by only taking

into account vested benefits, over

``(II) the fair market value of plan assets for the

plan year which are held by the plan on the valuation

date.''.

(B) Conforming amendment.--Clause (iii) of section

4006(a)(3)(E) of such Act (29 U.S.C. 1306(a)(3)(E)) is amended

by striking ``For purposes'' and inserting ``Except as provided

in clause (v), for purposes''.

(2) Applicable dollar amount.--

(A) In general.--Paragraph (8) of section 4006(a) of such

Act (29 U.S.C. 1306(a)) is amended by adding at the end the

following new subparagraph:

``(E) CSEC plans.--In the case of a CSEC plan (as defined

in section 210(f)(1)), the applicable dollar amount shall be

$9.''.

(B) Conforming amendment.--Subparagraph (A) of section

4006(a)(8) of such Act (29 U.S.C. 1306(a)(8)) is amended by

striking ``(B) and (C)'' and inserting ``(B), (C), and (E)''.

TITLE III--OTHER BENEFITS

# SEC. 301. BENEFITS PROVIDED TO VOLUNTEER FIREFIGHTERS AND EMERGENCY MEDICAL RESPONDERS.

## (a) Increase in Dollar Limitation on Qualified Payments.--

Subparagraph (B) of section 139B(c)(2) of the Internal Revenue Code of

1986 is amended by striking ``$30'' and inserting ``$50''.

## (b) Extension.--Section 139B(d) of the Internal Revenue Code of

1986 is amended by striking ``beginning after December 31, 2010.'' and

inserting ``beginning--

``(1) after December 31, 2010, and before January 1, 2020, or

``(2) after December 31, 2020.''.

## (c) Technical Correction.--Section 3121(a)(23) of such Code is

amended by striking ``139B(b)'' and inserting ``section 139B(a)''.

## (d) Effective Date.--The amendments made by this section shall

apply to taxable years beginning after December 31, 2019.

# SEC. 302. EXPANSION OF SECTION 529 PLANS.

## (a) Distributions for Certain Expenses Associated With Registered

Apprenticeship Programs.--Section 529(c) of the Internal Revenue Code

of 1986 is amended by adding at the end the following new paragraph:

## ``(8) Treatment of certain expenses associated with registered

apprenticeship programs.--Any reference in this subsection to the

term `qualified higher education expense' shall include a reference

to expenses for fees, books, supplies, and equipment required for

the participation of a designated beneficiary in an apprenticeship

program registered and certified with the Secretary of Labor under

section 1 of the National Apprenticeship Act (29 U.S.C. 50).''.

## (b) Distributions for Qualified Education Loan Repayments.--

### (1) In general.--Section 529(c) of such Code, as amended by

subsection (a), is amended by adding at the end the following new

paragraph:

### ``(9) Treatment of qualified education loan repayments.--

#### ``(A) In general.--Any reference in this subsection to the

term `qualified higher education expense' shall include a

reference to amounts paid as principal or interest on any

qualified education loan (as defined in section 221(d)) of the

designated beneficiary or a sibling of the designated

beneficiary.

#### ``(B) Limitation.--The amount of distributions treated as a

qualified higher education expense under this paragraph with

respect to the loans of any individual shall not exceed $10,000

(reduced by the amount of distributions so treated for all

prior taxable years).

#### ``(C) Special rules for siblings of the designated

beneficiary.--

##### ``(i) Separate accounting.--For purposes of

subparagraph (B) and subsection (d), amounts treated as a

qualified higher education expense with respect to the

loans of a sibling of the designated beneficiary shall be

taken into account with respect to such sibling and not

with respect to such designated beneficiary.

##### ``(ii) Sibling defined.--For purposes of this

paragraph, the term `sibling' means an individual who bears

a relationship to the designated beneficiary which is

described in section 152(d)(2)(B).''.

### (2) Coordination with deduction for student loan interest.--

Section 221(e)(1) of such Code is amended by adding at the end the

following: ``The deduction otherwise allowable under subsection (a)

(prior to the application of subsection (b)) to the taxpayer for

any taxable year shall be reduced (but not below zero) by so much

of the distributions treated as a qualified higher education

expense under section 529(c)(9) with respect to loans of the

taxpayer as would be includible in gross income under section

529(c)(3)(A) for such taxable year but for such treatment.''.

## (c) Effective Date.--The amendments made by this section shall

apply to distributions made after December 31, 2018.

TITLE IV--REVENUE PROVISIONS

# SEC. 401. MODIFICATION OF REQUIRED DISTRIBUTION RULES FOR DESIGNATED BENEFICIARIES.

## (a) Modification of Rules Where Employee Dies Before Entire Distribution.--

### (1) In general.--Section 401(a)(9) of the Internal Revenue Code

of 1986 is amended by adding at the end the following new

subparagraph:

### ``(H) Special rules for certain defined contribution

plans.--In the case of a defined contribution plan, if an

employee dies before the distribution of the employee's entire

interest--

### ``(i) In general.--Except in the case of a beneficiary

who is not a designated beneficiary, subparagraph (B)(ii)--

``(I) shall be applied by substituting `10 years'

for `5 years', and

``(II) shall apply whether or not distributions of

the employee's interests have begun in accordance with

subparagraph (A).

### ``(ii) Exception for eligible designated

beneficiaries.--Subparagraph (B)(iii) shall apply only in

the case of an eligible designated beneficiary.

### ``(iii) Rules upon death of eligible designated

beneficiary.--If an eligible designated beneficiary dies

before the portion of the employee's interest to which this

subparagraph applies is entirely distributed, the exception

under clause (ii) shall not apply to any beneficiary of

such eligible designated beneficiary and the remainder of

such portion shall be distributed within 10 years after the

death of such eligible designated beneficiary.

### ``(iv) Special rule in case of certain trusts for

disabled or chronically ill beneficiaries.--In the case of

an applicable multi-beneficiary trust, if under the terms

of the trust--

``(I) it is to be divided immediately upon the

death of the employee into separate trusts for each

beneficiary, or

``(II) no individual (other than a eligible

designated beneficiary described in subclause (III) or

(IV) of subparagraph (E)(ii)) has any right to the

employee's interest in the plan until the death of all

such eligible designated beneficiaries with respect to

the trust,

for purposes of a trust described in subclause (I), clause

(ii) shall be applied separately with respect to the

portion of the employee's interest that is payable to any

eligible designated beneficiary described in subclause

(III) or (IV) of subparagraph (E)(ii); and, for purposes of

a trust described in subclause (II), subparagraph (B)(iii)

shall apply to the distribution of the employee's interest

and any beneficiary who is not such an eligible designated

beneficiary shall be treated as a beneficiary of the

eligible designated beneficiary upon the death of such

eligible designated beneficiary.

### ``(v) Applicable multi-beneficiary trust.--For purposes

of this subparagraph, the term `applicable multi-

beneficiary trust' means a trust--

``(I) which has more than one beneficiary,

``(II) all of the beneficiaries of which are

treated as designated beneficiaries for purposes of

determining the distribution period pursuant to this

paragraph, and

``(III) at least one of the beneficiaries of which

is an eligible designated beneficiary described in

subclause (III) or (IV) of subparagraph (E)(ii).

### ``(vi) Application to certain eligible retirement

plans.--For purposes of applying the provisions of this

subparagraph in determining amounts required to be

distributed pursuant to this paragraph, all eligible

retirement plans (as defined in section 402(c)(8)(B), other

than a defined benefit plan described in clause (iv) or (v)

thereof or a qualified trust which is a part of a defined

benefit plan) shall be treated as a defined contribution

plan.''.

### (2) Definition of eligible designated beneficiary.--Section

401(a)(9)(E) of such Code is amended to read as follows:

### ``(E) Definitions and rules relating to designated

beneficiaries.--For purposes of this paragraph--

#### ``(i) Designated beneficiary.--The term `designated

beneficiary' means any individual designated as a

beneficiary by the employee.

#### ``(ii) Eligible designated beneficiary.--The term

`eligible designated beneficiary' means, with respect to

any employee, any designated beneficiary who is--

``(I) the surviving spouse of the employee,

``(II) subject to clause (iii), a child of the

employee who has not reached majority (within the

meaning of subparagraph (F)),

``(III) disabled (within the meaning of section

72(m)(7)),

``(IV) a chronically ill individual (within the

meaning of section 7702B(c)(2), except that the

requirements of subparagraph (A)(i) thereof shall only

be treated as met if there is a certification that, as

of such date, the period of inability described in such

subparagraph with respect to the individual is an

indefinite one which is reasonably expected to be

lengthy in nature), or

``(V) an individual not described in any of the

preceding subclauses who is not more than 10 years

younger than the employee.

The determination of whether a designated beneficiary is an

eligible designated beneficiary shall be made as of the

date of death of the employee.

#### ``(iii) Special rule for children.--Subject to

subparagraph (F), an individual described in clause

(ii)(II) shall cease to be an eligible designated

beneficiary as of the date the individual reaches majority

and any remainder of the portion of the individual's

interest to which subparagraph (H)(ii) applies shall be

distributed within 10 years after such date.''.

## (b) Effective Dates.--

### (1) In general.--Except as provided in this subsection, the

amendments made by this section shall apply to distributions with

respect to employees who die after December 31, 2019.

### (2) Collective bargaining exception.--In the case of a plan

maintained pursuant to 1 or more collective bargaining agreements

between employee representatives and 1 or more employers ratified

before the date of enactment of this Act, the amendments made by

this section shall apply to distributions with respect to employees

who die in calendar years beginning after the earlier of--

(A) the later of--

(i) the date on which the last of such collective

bargaining agreements terminates (determined without regard

to any extension thereof agreed to on or after the date of

the enactment of this Act), or

(ii) December 31, 2019, or

(B) December 31, 2021.

For purposes of subparagraph (A)(i), any plan amendment made

pursuant to a collective bargaining agreement relating to the plan

which amends the plan solely to conform to any requirement added by

this section shall not be treated as a termination of such

collective bargaining agreement.

### (3) Governmental plans.--In the case of a governmental plan (as

defined in section 414(d) of the Internal Revenue Code of 1986),

paragraph (1) shall be applied by substituting ``December 31,

2021'' for ``December 31, 2019''.

### (4) Exception for certain existing annuity contracts.--

#### (A) In general.--The amendments made by this section shall

not apply to a qualified annuity which is a binding annuity

contract in effect on the date of enactment of this Act and at

all times thereafter.

#### (B) Qualified annuity.--For purposes of this paragraph, the

term ``qualified annuity'' means, with respect to an employee,

an annuity--

(i) which is a commercial annuity (as defined in

section 3405(e)(6) of the Internal Revenue Code of 1986);

(ii) under which the annuity payments are made over the

life of the employee or over the joint lives of such

employee and a designated beneficiary (or over a period not

extending beyond the life expectancy of such employee or

the joint life expectancy of such employee and a designated

beneficiary) in accordance with the regulations described

in section 401(a)(9)(A)(ii) of such Code (as in effect

before such amendments) and which meets the other

requirements of section 401(a)(9) of such Code (as so in

effect) with respect to such payments; and

(iii) with respect to which--

(I) annuity payments to the employee have begun

before the date of enactment of this Act, and the

employee has made an irrevocable election before such

date as to the method and amount of the annuity

payments to the employee or any designated

beneficiaries; or

(II) if subclause (I) does not apply, the employee

has made an irrevocable election before the date of

enactment of this Act as to the method and amount of

the annuity payments to the employee or any designated

beneficiaries.

### (5) Exception for certain beneficiaries.--

#### (A) In general.--If an employee dies before the effective

date, then, in applying the amendments made by this section to

such employee's designated beneficiary who dies after such

date--

(i) such amendments shall apply to any beneficiary of

such designated beneficiary; and

(ii) the designated beneficiary shall be treated as an

eligible designated beneficiary for purposes of applying

section 401(a)(9)(H)(ii) of the Internal Revenue Code of

1986 (as in effect after such amendments).

#### (B) Effective date.--For purposes of this paragraph, the

term ``effective date'' means the first day of the first

calendar year to which the amendments made by this section

apply to a plan with respect to employees dying on or after

such date.

# SEC. 402. INCREASE IN PENALTY FOR FAILURE TO FILE.

## (a) In General.--The second sentence of subsection (a) of section

6651 of the Internal Revenue Code of 1986 is amended by striking

``$330'' and inserting ``$435''.

## (b) Inflation Adjustment.--Section 6651(j)(1) of such Code is

amended by striking ``$330'' and inserting ``$435''.

## (c) Effective Date.--The amendments made by this section shall

apply to returns the due date for which (including extensions) is after

December 31, 2019.

# SEC. 403. INCREASED PENALTIES FOR FAILURE TO FILE RETIREMENT PLAN RETURNS.

## (a) In General.--Subsection (e) of section 6652 of the Internal

Revenue Code of 1986 is amended--

(1) by striking ``$25'' and inserting ``$250''; and

(2) by striking ``$15,000'' and inserting ``$150,000''.

## (b) Annual Registration Statement and Notification of Changes.--

Subsection (d) of section 6652 of the Internal Revenue Code of 1986 is

amended--

(1) by striking ``$1'' both places it appears in paragraphs (1)

and (2) and inserting ``$10'';

(2) by striking ``$5,000'' in paragraph (1) and inserting

``$50,000''; and

(3) by striking ``$1,000'' in paragraph (2) and inserting

``$10,000''.

## (c) Failure To Provide Notice.--Subsection (h) of section 6652 of

the Internal Revenue Code of 1986 is amended--

(1) by striking ``$10'' and inserting ``$100''; and

(2) by striking ``$5,000'' and inserting ``$50,000''.

## (d) Effective Date.--The amendments made by this section shall

apply to returns, statements, and notifications required to be filed,

and notices required to be provided, after December 31, 2019.

# SEC. 404. INCREASE INFORMATION SHARING TO ADMINISTER EXCISE TAXES.

## (a) In General.--Section 6103(o) of the Internal Revenue Code of

1986 is amended by adding at the end the following new paragraph:

## ``(3) Taxes imposed by section 4481.--Returns and return

information with respect to taxes imposed by section 4481 shall be

open to inspection by or disclosure to officers and employees of

United States Customs and Border Protection of the Department of

Homeland Security whose official duties require such inspection or

disclosure for purposes of administering such section.''.

## (b) Conforming Amendments.--Paragraph (4) of section 6103(p) of the

Internal Revenue Code of 1986 is amended by striking ``or (o)(1)(A)''

each place it appears and inserting ``, (o)(1)(A), or (o)(3)''.

TITLE V--TAX RELIEF FOR CERTAIN CHILDREN

# SEC. 501. MODIFICATION OF RULES RELATING TO THE TAXATION OF UNEARNED INCOME OF CERTAIN CHILDREN.

## (a) In General.--Section 1(j) of the Internal Revenue Code of 1986

is amended by striking paragraph (4).

## (b) Coordination With Alternative Minimum Tax.--Section 55(d)(4)(A)

of the Internal Revenue Code of 1986 is amended by striking ``and'' at

the end of clause (i)(II), by striking the period at the end of clause

(ii)(III) and inserting ``, and'', and by adding at the end the

following new clause:

``(iii) subsection (j) of section 59 shall not

apply.''.

## (c) Effective Date.--

### (1) In general.--Except as otherwise provided in this

subsection, the amendment made by subsection (a) shall apply to

taxable years beginning after December 31, 2019.

### (2) Coordination with alternative minimum tax.--The amendment

made by subsection (b) shall apply to taxable years beginning after

December 31, 2017.

### (3) Elective retroactive application.--A taxpayer may elect (at

such time and in such manner as the Secretary of the Treasury (or

the Secretary's designee) may provide) for the amendment made by

subsection (a) to also apply to taxable years of the taxpayer which

begin in 2018, 2019, or both (as specified by the taxpayer in such

election).

TITLE VI--ADMINISTRATIVE PROVISIONS

# SEC. 601. PROVISIONS RELATING TO PLAN AMENDMENTS.

## (a) In General.--If this section applies to any retirement plan or

contract amendment--

(1) such retirement plan or contract shall be treated as being

operated in accordance with the terms of the plan during the period

described in subsection (b)(2)(A); and

(2) except as provided by the Secretary of the Treasury (or the

Secretary's delegate), such retirement plan shall not fail to meet

the requirements of section 411(d)(6) of the Internal Revenue Code

of 1986 and section 204(g) of the Employee Retirement Income

Security Act of 1974 by reason of such amendment.

## (b) Amendments to Which Section Applies.--

### (1) In general.--This section shall apply to any amendment to

any retirement plan or annuity contract which is made--

(A) pursuant to any amendment made by this Act or pursuant

to any regulation issued by the Secretary of the Treasury or

the Secretary of Labor (or a delegate of either such Secretary)

under this Act; and

(B) on or before the last day of the first plan year

beginning on or after January 1, 2022, or such later date as

the Secretary of the Treasury may prescribe.

In the case of a governmental plan (as defined in section 414(d) of

the Internal Revenue Code of 1986), or an applicable collectively

bargained plan in the case of section 401 (and the amendments made

thereby), this paragraph shall be applied by substituting ``2024''

for ``2022''. For purposes of the preceding sentence, the term

``applicable collectively bargained plan'' means a plan maintained

pursuant to 1 or more collective bargaining agreements between

employee representatives and 1 or more employers ratified before

the date of enactment of this Act.

### (2) Conditions.--This section shall not apply to any amendment

unless--

(A) during the period--

(i) beginning on the date the legislative or regulatory

amendment described in paragraph (1)(A) takes effect (or in

the case of a plan or contract amendment not required by

such legislative or regulatory amendment, the effective

date specified by the plan); and

(ii) ending on the date described in paragraph (1)(B)

(as modified by the second sentence of paragraph (1)) (or,

if earlier, the date the plan or contract amendment is

adopted),

the plan or contract is operated as if such plan or contract

amendment were in effect; and

(B) such plan or contract amendment applies retroactively

for such period.