

106TH CONGRESS  
1ST SESSION

# S. 132

To amend the Internal Revenue Code of 1986 to provide comprehensive pension protection for women.

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IN THE SENATE OF THE UNITED STATES

JANUARY 19, 1999

Ms. SNOWE introduced the following bill; which was read twice and referred to the Committee on Finance

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## A BILL

To amend the Internal Revenue Code of 1986 to provide comprehensive pension protection for women.

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

3 **SECTION 1. SHORT TITLE.**

4       (a) **SHORT TITLE.**—This Act may be cited as the  
5 “Women’s Pension Protection Act of 1999”.

6       (b) **TABLE OF CONTENTS.**—

Sec. 1. Short title.

### TITLE I—PENSION REFORM

Sec. 101. Pension integration rules.

Sec. 102. Application of minimum coverage requirements with respect to separate lines of business.

Sec. 103. Division of pension benefits upon divorce.

Sec. 104. Clarification of continued availability of remedies relating to matters treated in domestic relations orders entered before 1985.

Sec. 105. Entitlement of divorced spouses to railroad retirement annuities independent of actual entitlement of employee.

Sec. 106. Effective dates.

**TITLE II—PROTECTION OF RIGHTS OF FORMER SPOUSES TO PENSION BENEFITS UNDER CERTAIN GOVERNMENT AND GOVERNMENT-SPONSORED RETIREMENT PROGRAMS**

Sec. 201. Extension of tier II railroad retirement benefits to surviving former spouses pursuant to divorce agreements.

Sec. 202. Survivor annuities for widows, widowers, and former spouses of Federal employees who die before attaining age for deferred annuity under civil service retirement system.

Sec. 203. Court orders relating to Federal retirement benefits for former spouses of Federal employees.

**TITLE III—REFORMS RELATED TO 401(k) PLANS**

Sec. 301. Requirement of annual, detailed investment reports applied to certain 401(k) plans.

**TITLE IV—MODIFICATIONS OF JOINT AND SURVIVOR ANNUITY REQUIREMENTS**

Sec. 401. Modifications of joint and survivor annuity requirements.

**TITLE V—SPOUSAL CONSENT REQUIRED FOR DISTRIBUTIONS FROM SECTION 401(k) PLANS**

Sec. 501. Spousal consent required for distributions from section 401(k) plans.

**TITLE VI—WOMEN'S PENSION TOLL-FREE PHONE NUMBER**

Sec. 601. Women's pension toll-free phone number.

**TITLE VII—PERIODIC PENSION BENEFITS STATEMENTS**

Sec. 701. Periodic pension benefits statements.

**1 TITLE I—PENSION REFORM**

**2 SEC. 101. PENSION INTEGRATION RULES.**

**3 (a) APPLICABILITY OF NEW INTEGRATION RULES**

**4 EXTENDED TO ALL EXISTING ACCRUED BENEFITS.—**

**5 Notwithstanding subsection (c)(1) of section 1111 of the**

**6 Tax Reform Act of 1986 (relating to effective date of ap-**

**7 plication of nondiscrimination rules to integrated plans)**

**8 (100 Stat. 2440), effective for plan years beginning after**

**9 the date of the enactment of this Act, the amendments**

1 made by subsection (a) of such section 1111 shall also  
2 apply to benefits attributable to plan years beginning on  
3 or before December 31, 1988.

4 (b) INTEGRATION DISALLOWED FOR SIMPLIFIED  
5 EMPLOYEE PENSIONS.—

6 (1) IN GENERAL.—Subparagraph (D) of section  
7 408(k)(3) of the Internal Revenue Code of 1986 (re-  
8 lating to permitted disparity under rules limiting  
9 discrimination under simplified employee pensions)  
10 is repealed.

11 (2) CONFORMING AMENDMENT.—Subparagraph  
12 (C) of such section 408(k)(3) is amended by striking  
13 “and except as provided in subparagraph (D),”.

14 (3) EFFECTIVE DATE.—The amendments made  
15 by this subsection shall apply with respect to taxable  
16 years beginning on or after January 1, 2000.

17 (c) EVENTUAL REPEAL OF INTEGRATION RULES.—  
18 Effective for plan years beginning on or after January 1,  
19 2006—

20 (1) subparagraphs (C) and (D) of section  
21 401(a)(5) of the Internal Revenue Code of 1986 (re-  
22 lating to pension integration exceptions under non-  
23 discrimination requirements for qualification) are re-  
24 pealed, and subparagraph (E) of such section  
25 401(a)(5) is redesignated as subparagraph (C); and

1           (2) subsection (l) of section 401 of such Code  
2           (relating to nondiscriminatory coordination of de-  
3           fined contribution plans with OASDI) is repealed.

4 **SEC. 102. APPLICATION OF MINIMUM COVERAGE REQUIRE-**  
5 **MENTS WITH RESPECT TO SEPARATE LINES**  
6 **OF BUSINESS.**

7           (a) IN GENERAL.—Subsection (b) of section 410 of  
8 the Internal Revenue Code of 1986 (relating to minimum  
9 coverage requirements) is amended—

10           (1) in paragraph (1), by striking “A trust” and  
11           inserting “In any case in which the employer with  
12           respect to a plan is treated, under section 414(r), as  
13           operating separate lines of business for a plan year,  
14           a trust”, and by inserting “for such plan year” after  
15           “requirements”; and

16           (2) by redesignating paragraphs (3) through  
17           (6) as paragraphs (4) through (7), respectively and  
18           by inserting after paragraph (2) the following new  
19           paragraph:

20           “(3) SPECIAL RULE WHERE EMPLOYER OPER-  
21           ATES SINGLE LINE OF BUSINESS.—In any case in  
22           which the employer with respect to a plan is not  
23           treated, under section 414(r), as operating separate  
24           lines of business for a plan year, a trust shall not  
25           constitute a qualified trust under section 401(a) un-

1 less such trust is designated by the employer as part  
 2 of a plan which benefits all employees of the em-  
 3 ployer.”.

4 (b) LIMITATION ON LINE OF BUSINESS EXCEP-  
 5 TION.—Paragraph (6) of section 410(b) of such Code (as  
 6 redesignated by subsection (a)(2) of this section) is  
 7 amended by inserting “other than paragraph (1)(A)” after  
 8 “this subsection”.

9 **SEC. 103. DIVISION OF PENSION BENEFITS UPON DIVORCE.**

10 (a) AMENDMENTS TO THE INTERNAL REVENUE  
 11 CODE OF 1986.—

12 (1) IN GENERAL.—Paragraph (1) of section  
 13 414(p) of the Internal Revenue Code of 1986 (relat-  
 14 ing to qualified domestic relations order defined) is  
 15 amended by adding at the end the following new  
 16 subparagraph:

17 “(C) DEEMED DOMESTIC RELATIONS  
 18 ORDER UPON DIVORCE.—

19 “(i) IN GENERAL.—Except as pro-  
 20 vided in clause (iv), a domestic relations  
 21 order with respect to a marriage of at least  
 22 5 years duration between the participant  
 23 and the former spouse (including an annul-  
 24 ment or other order of marital dissolution)  
 25 shall, if the former spouse, within 60 days

1 after the receipt of notice under paragraph  
2 (6)(B)(i)(II), so elects, be deemed by the  
3 plan to be a domestic relations order that  
4 specifies that 50 percent of the marital  
5 share of the participant's accrued benefit  
6 is to be provided to such former spouse.

7 “(ii) MARITAL SHARE.—The marital  
8 share shall be the accrued benefit of the  
9 participant under the plan as of the date  
10 of the first payment under the plan (to the  
11 extent such accrued benefit is vested at the  
12 date of the divorce or any later date) mul-  
13 tiplied by a fraction, the numerator of  
14 which is the period of participation by the  
15 participant under the plan starting with  
16 the date of marriage and ending with the  
17 date of divorce, and the denominator of  
18 which is the total period of participation by  
19 the participant under the plan.

20 “(iii) INTERPRETATION AS QUALIFIED  
21 DOMESTIC RELATIONS ORDER.—Each plan  
22 shall establish reasonable rules for deter-  
23 mining how any such deemed domestic re-  
24 lations order is to be interpreted under the  
25 plan so as to constitute a qualified domes-

1           tie relations order that satisfies paragraphs  
2           (2) through (4) (and a copy of such rules  
3           shall be provided to such former spouse  
4           promptly after delivery of the divorce de-  
5           cree). Such rules—

6                   “(I) may delay the effect of such  
7                   an order until the earlier of the date  
8                   the participant is fully vested or has  
9                   terminated employment,

10                   “(II) may allow the former  
11                   spouse to be paid out immediately,

12                   “(III) shall permit the former  
13                   spouse to be paid not later than the  
14                   earliest retirement age under the plan  
15                   or the participant’s death,

16                   “(IV) may require the submitter  
17                   of the divorce decree to present a  
18                   marriage certificate or other evidence  
19                   of the marriage date to assist in bene-  
20                   fit calculations, and

21                   “(V) may conform to the rules  
22                   applicable to qualified domestic rela-  
23                   tions orders regarding form or type of  
24                   benefit.

1                   “(iv) APPLICATION.—This subpara-  
2                   graph shall not apply—

3                   “(I) if the domestic relations  
4                   order states that pension benefits  
5                   were considered by the parties and no  
6                   division is intended, or

7                   “(II) to the extent that a quali-  
8                   fied domestic relations order issued in  
9                   connection with such divorce provides  
10                  otherwise.”.

11                  (2) NOTIFICATION PROCEDURES.—Section  
12                  414(p)(6) of such Code (relating to plan procedures  
13                  with respect to orders) is amended by striking sub-  
14                  paragraph (A), by redesignating subparagraph (B)  
15                  as subparagraph (C), and by inserting before sub-  
16                  paragraph (C) (as so redesignated) the following  
17                  new subparagraphs:

18                  “(A) NOTICE AND DETERMINATION BY AD-  
19                  MINISTRATOR.—In the case of any domestic re-  
20                  lations order received by a plan, including such  
21                  an order received under subparagraph (B) or  
22                  section 4980B(f)(6)(C)—

23                  “(i) within 14 days after receipt of  
24                  such order, the plan administrator shall—

1                   “(I) notify the participant and  
2                   each alternate payee of the receipt of  
3                   such order and the plan’s procedures  
4                   for determining the qualified status of  
5                   domestic relation orders, and

6                   “(II) notify the former spouse of  
7                   such former spouse’s rights under  
8                   paragraph (1)(C), and

9                   “(ii) within a reasonable period after  
10                  receipt of such order, the plan adminis-  
11                  trator shall determine whether such order  
12                  is a qualified domestic relations order and  
13                  notify the participant and each alternate  
14                  payee of such determination.

15                  “(B) NOTIFICATION OF PLAN ADMINIS-  
16                  TRATOR.—In the case of a domestic relations  
17                  order which is not a qualified domestic relations  
18                  order, each plan—

19                         “(i) shall require that each participant  
20                         is responsible for notifying the plan admin-  
21                         istrator of the occurrence of a divorce of  
22                         the participant from the former spouse and  
23                         for delivery to the plan administrator of  
24                         the domestic relations order along with the  
25                         information required by paragraph (2)(A)

1           within 60 days after the date of the di-  
2           vorce, and

3           “‘(ii) shall allow a former spouse to so  
4           notify the plan administrator and deliver to  
5           the plan administrator the domestic rela-  
6           tions order within 60 days after the date  
7           of the divorce.’”.

8           (b) AMENDMENTS TO THE EMPLOYEE RETIREMENT  
9 INCOME SECURITY ACT OF 1974.—

10           (1) IN GENERAL.—Subsection (d)(3)(B) of sec-  
11           tion 206 of the Employee Retirement Income Secu-  
12           rity Act of 1974 (29 U.S.C. 1056) is amended—

13           (A) by striking “‘this paragraph—” and in-  
14           serting “‘this paragraph:”’,

15           (B) in clause (i)—

16           (i) by striking “‘the term” and insert-  
17           ing “‘The term”, and

18           (ii) by striking “‘met, and” and insert-  
19           ing “‘met.”’,

20           (C) in clause (ii), by striking “‘the term”  
21           and inserting “‘The term”, and

22           (D) by adding at the end the following new  
23           clause:

24           “‘(iii)(I) Except as provided on subclause (IV),  
25           a domestic relations order with respect to a marriage

1 of at least 5 years duration between the participant  
2 and the former spouse (including an annulment or  
3 other order of marital dissolution) shall, if the  
4 former spouse, within 60 days after the receipt of  
5 notice under subparagraph (G)(ii)(I)(bb), so elects,  
6 be deemed by the plan to be a domestic relations  
7 order that specifies that 50 percent of the marital  
8 share of the participant's accrued benefit is to be  
9 provided to such former spouse.

10 “(II) The marital share shall be the accrued  
11 benefit of the participant under the plan as of the  
12 date of the first payment under the plan (to the ex-  
13 tent such accrued benefit is vested at the date of the  
14 divorce or any later date) multiplied by a fraction,  
15 the numerator of which is the period of participation  
16 by the participant under the plan starting with the  
17 date of marriage and ending with the date of di-  
18 vorce, and the denominator of which is the total pe-  
19 riod of participation by the participant under the  
20 plan.

21 “(III) Each plan shall establish reasonable rules  
22 for determining how any such deemed domestic rela-  
23 tions order is to be interpreted under the plan so as  
24 to constitute a qualified domestic relations order  
25 that satisfies subparagraphs (C) through (E) (and a

1 copy of such rules shall be provided to such former  
2 spouse promptly after delivery of the divorce decree).

3 Such rules—

4 “(aa) may delay the effect of such an order  
5 until the earlier of the date the participant is  
6 fully vested or has terminated employment,

7 “(bb) may allow the former spouse to be  
8 paid out immediately,

9 “(cc) shall permit the spouse to be paid  
10 not later than the earliest retirement age under  
11 the plan or the participant’s death,

12 “(dd) may require the submitter of the di-  
13 vorce decree to present a marriage certificate or  
14 other evidence of the marriage date to assist in  
15 benefit calculations, and

16 “(ee) may conform to the rules applicable  
17 to qualified domestic relations orders regarding  
18 form or type of benefit.

19 “(IV) This clause shall not apply—

20 “(aa) if the domestic relations order states  
21 that pension benefits were considered by the  
22 parties and no division is intended, or

23 “(bb) to the extent that a qualified domes-  
24 tic relations order issued in connection with  
25 such divorce provides otherwise.”.

1           (2) NOTIFICATION PROCEDURES.—Section  
2           206(d)(3)(G) of such Act (29 U.S.C. 1056(d)(3)(G))  
3           is amended by striking all matter before clause (ii),  
4           by redesignating clause (ii) as clause (iii), and by in-  
5           serting before clause (iii) (as so redesignated) the  
6           following:

7           “(G)(i) In the case of any domestic relations order  
8           received by a plan, including such an order received under  
9           clause (ii) or section 606(a)(3)—

10           “(I) within 14 days after receipt of such order,  
11           the plan administrator shall—

12           “(aa) notify the participant and each alter-  
13           nate payee of the receipt of such order and the  
14           plan’s procedures for determining the qualified  
15           status of domestic relation orders, and

16           “(bb) notify the former spouse of such  
17           former spouse’s rights under subparagraph  
18           (B)(iii), and

19           “(II) within a reasonable period after receipt of  
20           such order, the plan administrator shall determine  
21           whether such order is a qualified domestic relations  
22           order and notify the participant and each alternate  
23           payee of such determination.

24           “(ii) In the case of a domestic relations order which  
25           is not a qualified domestic relations order, each plan—

1           “(I) shall require that each participant is re-  
 2           sponsible for notifying the plan administrator of the  
 3           occurrence of a divorce of the participant from the  
 4           former spouse and for delivery to the plan adminis-  
 5           trator of the domestic relations order along with the  
 6           information required by subparagraph (C)(i) within  
 7           60 days after the date of the divorce, and

8           “(II) shall allow a former spouse to so notify  
 9           the plan administrator and deliver to the plan ad-  
 10          ministrators the domestic relations order within 60  
 11          days after the date of the divorce.”.

12 **SEC. 104. CLARIFICATION OF CONTINUED AVAILABILITY OF**  
 13                           **REMEDIES RELATING TO MATTERS TREATED**  
 14                           **IN DOMESTIC RELATIONS ORDERS ENTERED**  
 15                           **BEFORE 1985.**

16 (a) IN GENERAL.—In any case in which—

17           (1) under a prior domestic relations order en-  
 18           tered before January 1, 1985, in an action for  
 19           divorce—

20                   (A) the right of a spouse under a pension  
 21                   plan to an accrued benefit under such plan was  
 22                   not divided between spouses,

23                   (B) any right of a spouse with respect to  
 24                   such an accrued benefit was waived without the  
 25                   informed consent of such spouse, or -

1 (C) the right of a spouse as a participant  
2 under a pension plan to an accrued benefit  
3 under such plan was divided so that the other  
4 spouse received less than such other spouse's  
5 pro rata share of the accrued benefit under the  
6 plan, or

7 (2) a court of competent jurisdiction determines  
8 that any further action is appropriate with respect  
9 to any matter to which a prior domestic relations  
10 order entered before such date applies,

11 nothing in the provisions of section 104, 204, or 303 of  
12 the Retirement Equity Act of 1984 (Public Law 98-397)  
13 or the amendments made thereby shall be construed to  
14 require or permit the treatment, for purposes of such pro-  
15 visions, of a domestic relations order, which is entered on  
16 or after the date of the enactment of this Act and which  
17 supersedes, amends the terms of, or otherwise affects such  
18 prior domestic relations order, as other than a qualified  
19 domestic relations order solely because such prior domestic  
20 relations order was entered before January 1, 1985.

21 (b) DEFINITIONS.—For purposes of this section—

22 (1) IN GENERAL.—Terms used in this section  
23 which are defined in section 3 of the Employee Re-  
24 tirement Income Security Act of 1974 (29 U.S.C.

1 1002) shall have the meanings provided such terms  
2 by such section.

3 (2) PRO RATA SHARE.—The term “pro rata  
4 share” of a spouse means, in connection with an ac-  
5 crued benefit under a pension plan, 50 percent of  
6 the product derived by multiplying—

7 (A) the actuarial present value of the ac-  
8 crued benefit, by

9 (B) a fraction—

10 (i) the numerator of which is the pe-  
11 riod of time, during the marriage between  
12 the spouse and the participant in the plan,  
13 which constitutes creditable service by the  
14 participant under the plan, and

15 (ii) the denominator of which is the  
16 total period of time which constitutes cred-  
17 itable service by the participant under the  
18 plan.

19 (3) PLAN.—All pension plans in which a person  
20 has been a participant shall be treated as one plan  
21 with respect to such person.

1 **SEC. 105. ENTITLEMENT OF DIVORCED SPOUSES TO RAIL-**  
2 **ROAD RETIREMENT ANNUITIES INDEPEND-**  
3 **ENT OF ACTUAL ENTITLEMENT OF EM-**  
4 **PLOYEE.**

5 Section 2 of the Railroad Retirement Act of 1974 (45  
6 U.S.C. 231a) is amended—

7 (1) in subsection (c)(4)(i), by striking “(A) is  
8 entitled to an annuity under subsection (a)(1) and  
9 (B)”;

10 (2) in subsection (e)(5), by striking “or di-  
11 vorced wife” the second place it appears.

12 **SEC. 106. EFFECTIVE DATES.**

13 (a) IN GENERAL.—Except as provided in subsection  
14 (b), the amendments made by this title, other than section  
15 101, shall apply with respect to plan years beginning on  
16 or after January 1, 2000, and the amendments made by  
17 section 103 shall apply only with respect to divorces be-  
18 coming final in such plan years.

19 (b) SPECIAL RULE FOR COLLECTIVELY BARGAINED  
20 PLANS.—In the case of a plan maintained pursuant to 1  
21 or more collective bargaining agreements between em-  
22 ployee representatives and 1 or more employers ratified  
23 on or before the date of the enactment of this Act, sub-  
24 section (a) shall be applied to benefits pursuant to, and  
25 individuals covered by, any such agreement by substituting

1 for “January 1, 2000” the date of the commencement of  
2 the first plan year beginning on or after the earlier of—

3 (1) the later of—

4 (A) January 1, 2001, or

5 (B) the date on which the last of such col-  
6 lective bargaining agreements terminates (de-  
7 termined without regard to any extension there-  
8 of after the date of the enactment of this Act),  
9 or

10 (2) January 1, 2002.

11 (c) PLAN AMENDMENTS.—If any amendment made  
12 by this title requires an amendment to any plan, such plan  
13 amendment shall not be required to be made before the  
14 first plan year beginning on or after January 1, 2002, if—

15 (1) during the period after such amendment  
16 made by this title takes effect and before such first  
17 plan year, the plan is operated in accordance with  
18 the requirements of such amendment made by this  
19 title, and

20 (2) such plan amendment applies retroactively  
21 to the period after such amendment made by this  
22 title takes effect and such first plan year.

23 A plan shall not be treated as failing to provide definitely  
24 determinable benefits or contributions, or to be operated

1 in accordance with the provisions of the plan, merely be-  
 2 cause it operates in accordance with this subsection.

3 **TITLE II—PROTECTION OF**  
 4 **RIGHTS OF FORMER SPOUSES**  
 5 **TO PENSION BENEFITS**  
 6 **UNDER CERTAIN GOVERN-**  
 7 **MENT AND GOVERNMENT-**  
 8 **SPONSORED RETIREMENT**  
 9 **PROGRAMS**

10 **SEC. 201. EXTENSION OF TIER II RAILROAD RETIREMENT**  
 11 **BENEFITS TO SURVIVING FORMER SPOUSES**  
 12 **PURSUANT TO DIVORCE AGREEMENTS.**

13 (a) IN GENERAL.—Section 5 of the Railroad Retire-  
 14 ment Act of 1974 (45 U.S.C. 231d) is amended by adding  
 15 at the end the following new subsection:

16 “(d) Notwithstanding any other provision of law, the  
 17 payment of any portion of an annuity computed under sec-  
 18 tion 3(b) to a surviving former spouse in accordance with  
 19 a court decree of divorce, annulment, or legal separation  
 20 or the terms of any court-approved property settlement  
 21 incident to any such court decree shall not be terminated  
 22 upon the death of the individual who performed the service  
 23 with respect to which such annuity is so computed unless  
 24 such termination is otherwise required by the terms of  
 25 such court decree.”.

1 (b) EFFECTIVE DATE.—The amendment made by  
 2 this section shall take effect on the date of the enactment  
 3 of this Act.

4 **SEC. 202. SURVIVOR ANNUITIES FOR WIDOWS, WIDOWERS,**  
 5 **AND FORMER SPOUSES OF FEDERAL EM-**  
 6 **PLOYEES WHO DIE BEFORE ATTAINING AGE**  
 7 **FOR DEFERRED ANNUITY UNDER CIVIL**  
 8 **SERVICE RETIREMENT SYSTEM.**

9 (a) BENEFITS FOR WIDOW OR WIDOWER.—Section  
 10 8341(f) of title 5, United States Code, is amended—

11 (1) in the matter preceding paragraph (1) by—

12 (A) by inserting “a former employee sepa-  
 13 rated from the service with title to deferred an-  
 14 nuity from the Fund dies before having estab-  
 15 lished a valid claim for annuity and is survived  
 16 by a spouse, or if” before “a Member”; and

17 (B) by inserting “of such former employee  
 18 or Member” after “the surviving spouse”;

19 (2) in paragraph (1)—

20 (A) by inserting “former employee or” be-  
 21 fore “Member commencing”; and

22 (B) by inserting “former employee or” be-  
 23 fore “Member dies”; and

24 (3) in the undesignated sentence following para-  
 25 graph (2)—

1 (A) in the matter preceding subparagraph  
2 (A) by inserting “former employee or” before  
3 “Member”; and

4 (B) in subparagraph (B) by inserting  
5 “former employee or” before “Member”.

6 (b) BENEFITS FOR FORMER SPOUSE.—Section  
7 8341(h) of title 5, United States Code, is amended—

8 (1) in paragraph (1) by adding after the first  
9 sentence “Subject to paragraphs (2) through (5) of  
10 this subsection, a former spouse of a former em-  
11 ployee who dies after having separated from the  
12 service with title to a deferred annuity under section  
13 8338(a) but before having established a valid claim  
14 for annuity is entitled to a survivor annuity under  
15 this subsection, if and to the extent expressly pro-  
16 vided for in an election under section 8339(j)(3) of  
17 this title, or in the terms of any decree of divorce  
18 or annulment or any court order or court-approved  
19 property settlement agreement incident to such de-  
20 cree.”; and

21 (2) in paragraph (2)—

22 (A) in subparagraph (A)(ii) by striking “or  
23 annuitant,” and inserting “annuitant, or former  
24 employee”; and

1 (B) in subparagraph (B)(iii) by inserting  
 2 “former employee or” before “Member”.

3 (c) PROTECTION OF SURVIVOR BENEFIT RIGHTS.—  
 4 Section 8339(j)(3) of title 5, United States Code, is  
 5 amended by inserting at the end the following:

6 “The Office shall provide by regulation for the appli-  
 7 cation of this subsection to the widow, widower, or surviv-  
 8 ing former spouse of a former employee who dies after  
 9 having separated from the service with title to a deferred  
 10 annuity under section 8338(a) but before having estab-  
 11 lished a valid claim for annuity.”.

12 (d) EFFECTIVE DATE.—The amendments made by  
 13 this section shall take effect on the date of the enactment  
 14 of this Act and shall apply only in the case of a former  
 15 employee who dies on or after such date.

16 **SEC. 203. COURT ORDERS RELATING TO FEDERAL RETIRE-**  
 17 **MENT BENEFITS FOR FORMER SPOUSES OF**  
 18 **FEDERAL EMPLOYEES.**

19 (a) CIVIL SERVICE RETIREMENT SYSTEM.—

20 (1) IN GENERAL.—Section 8345(j) of title 5,  
 21 United States Code, is amended—

22 (A) by redesignating paragraph (3) as  
 23 paragraph (4); and

24 (B) by inserting after paragraph (2) the  
 25 following new paragraph:

1       “(3) Payment to a person under a court decree, court  
2 order, property settlement, or similar process referred to  
3 under paragraph (1) shall include payment to a former  
4 spouse of the employee, Member, or annuitant.”.

5           (2) LUMP-SUM BENEFITS.—Section 8342 of  
6 title 5, United States Code, is amended—

7           (A) in subsection (e) by striking “Lump-  
8 sum benefits” and inserting “Subject to sub-  
9 section (j), lump-sum benefits”; and

10          (B) in subsection (j)(1) by striking “the  
11 lump-sum credit under subsection (a) of this  
12 section” and inserting “any lump-sum credit or  
13 lump-sum benefit under this section”.

14          (b) FEDERAL EMPLOYEES RETIREMENT SYSTEM.—  
15 Section 8467 of title 5, United States Code, is amended—

16          (1) by redesignating subsection (c) as sub-  
17 section (d); and

18          (2) by inserting after subsection (b) the follow-  
19 ing new subsection:

20          “(c) Payment to a person under a court decree, court  
21 order, property settlement, or similar process referred to  
22 under subsection (a) shall include payment to a former  
23 spouse of the employee, Member, or annuitant.”.

1 (c) EFFECTIVE DATE.—The amendments made by  
2 this section shall take effect on the date of the enactment  
3 of this Act.

4 **TITLE III—REFORMS RELATED**  
5 **TO 401(k) PLANS**

6 **SEC. 301. REQUIREMENT OF ANNUAL, DETAILED INVEST-**  
7 **MENT REPORTS APPLIED TO CERTAIN 401(k)**  
8 **PLANS.**

9 (a) IN GENERAL.—Section 104(b)(3) of the Em-  
10 ployee Retirement Income Security Act of 1974 (29  
11 U.S.C. 1024(b)(3)) is amended—

12 (1) by inserting “(A)” after “(3)”; and

13 (2) by adding at the end the following new sub-  
14 paragraph:

15 “(B)(i) If a plan includes a qualified cash or  
16 deferred arrangement (as defined in section  
17 401(k)(2) of the Internal Revenue Code of 1986)  
18 and is maintained by an employer with less than 100  
19 participants, the administrators shall furnish to each  
20 participant and to each beneficiary receiving benefits  
21 under the plan an annual investment report detail-  
22 ing such information as the Secretary by regulation  
23 shall require.

24 “(ii) Clause (i) shall not apply with respect to  
25 any participant described in section 404(c).”.

1 (b) REGULATIONS.—

2 (1) IN GENERAL.—The Secretary of Labor, in  
3 prescribing regulations required under section  
4 104(b)(3)(B)(i) of the Employee Retirement Income  
5 Security Act of 1974 (29 U.S.C. 1023(b)(3)(B)(i)),  
6 as added by subsection (a), shall consider including  
7 in the information required in an annual investment  
8 report the following:

9 (A) Total plan assets and liabilities as of  
10 the beginning and ending of the plan year.

11 (B) Plan income and expenses and con-  
12 tributions made and benefits paid for the plan  
13 year.

14 (C) Any transaction between the plan and  
15 the employer, any fiduciary, or any 10-percent  
16 owner during the plan year, including the acqui-  
17 sition of any employer security or employer real  
18 property.

19 (D) Any noncash contributions made to or  
20 purchases of nonpublicly traded securities made  
21 by the plan during the plan year without an ap-  
22 praisal by an independent third party.

23 (2) ELECTRONIC TRANSFER.—The Secretary of  
24 Labor in prescribing such regulations shall also  
25 make provision for the electronic transfer of the re-

1        required annual investment report by a plan adminis-  
2        trator to plan participants and beneficiaries.

3        (c) EFFECTIVE DATE.—The amendment made by  
4        subsection (a) shall apply to plan years beginning after  
5        the date of the enactment of this Act.

6        **TITLE IV—MODIFICATIONS OF**  
7        **JOINT AND SURVIVOR ANNU-**  
8        **ITY REQUIREMENTS**

9        **SEC. 401. MODIFICATIONS OF JOINT AND SURVIVOR ANNU-**  
10        **ITY REQUIREMENTS.**

11        (a) AMENDMENTS TO ERISA.—

12                (1) AMOUNT OF ANNUITY.—

13                        (A) IN GENERAL.—Paragraph (1) of sec-  
14                        tion 205(a) of the Employee Retirement Income  
15                        Security Act of 1974 (29 U.S.C. 1055(a)) is  
16                        amended by inserting “or, at the election of the  
17                        participant, shall be provided in the form of a  
18                        qualified joint and  $\frac{2}{3}$  survivor annuity” after  
19                        “survivor annuity.”

20                        (B) DEFINITION.—Subsection (d) of sec-  
21                        tion 205 of such Act (29 U.S.C. 1055) is  
22                        amended—

23                                (i) by redesignating paragraphs (1)  
24                                and (2) as subparagraphs (A) and (B), re-  
25                                spectively,

1 (ii) by inserting “(1)” after “(d)”,

2 and

3 (iii) by adding at the end the follow-

4 ing new paragraph:

5 “(2) For purposes of this section, the term “qualified  
6 joint and  $\frac{2}{3}$  survivor annuity” means an annuity—

7 “(A) for the participant while both the partici-  
8 pant and the spouse are alive with a survivor annu-  
9 ity for the life of surviving individual (either the par-  
10 ticipant or the spouse) equal to 67 percent of the  
11 amount of the annuity which is payable to the par-  
12 ticipant while both the participant and the spouse  
13 are alive,

14 “(B) which is the actuarial equivalent of a sin-  
15 gles annuity for the life of the participant, and

16 “(C) which, for all other purposes of this Act,  
17 is treated as a qualified joint and survivor annuity.”.

18 (2) ILLUSTRATION REQUIREMENT.—Clause (i)  
19 of section 205(c)(3)(A) of such Act (29 U.S.C.  
20 1055(c)(3)(A)) is amended to read as follows:

21 “(i) the terms and conditions of each qualified  
22 joint and survivor annuity and qualified joint and  $\frac{2}{3}$   
23 survivor annuity offered, accompanied by an illustra-  
24 tion of the benefits under each such annuity for the  
25 particular participant and spouse and an acknowl-

1 edgement form to be signed by the participant and  
2 the spouse that they have read and considered the  
3 illustration before any form of retirement benefit is  
4 chosen,”.

5 (b) AMENDMENTS TO INTERNAL REVENUE CODE.—

6 (1) AMOUNT OF ANNUITY.—

7 (A) IN GENERAL.—Clause (i) of section  
8 401(a)(11)(A) of the Internal Revenue Code of  
9 1986 (relating to requirement of joint and sur-  
10 vivor annuity and preretirement survivor annu-  
11 ity) is amended by inserting “or, at the election  
12 of the participant, shall be provided in the form  
13 of a qualified joint and  $\frac{2}{3}$  survivor annuity”  
14 after “survivor annuity,”.

15 (B) DEFINITION.—Section 417 of such  
16 Code (relating to definitions and special rules  
17 for purposes of minimum survivor annuity re-  
18 quirements) is amended by redesignating sub-  
19 section (f) as subsection (g) and by inserting  
20 after subsection (e) the following new sub-  
21 section:

22 “(f) DEFINITION OF QUALIFIED JOINT AND  $\frac{2}{3}$  SUR-  
23 VIVOR ANNUITY.—For purposes of this section and section  
24 401(a)(11), the term “qualified joint and  $\frac{2}{3}$  survivor an-  
25 nuity” means an annuity—

1           “(1) for the participant while both the partici-  
2           pant and the spouse are alive with a survivor annu-  
3           ity for the life of surviving individual (either the par-  
4           ticipant or the spouse) equal to 67 percent of the  
5           amount of the annuity which is payable to the par-  
6           ticipant while both the participant and the spouse  
7           are alive,

8           “(2) which is the actuarial equivalent of a sin-  
9           gle annuity for the life of the participant, and

10           “(3) which, for all other purposes of this title,  
11           is treated as a qualified joint and survivor annuity.”.

12           (2) ILLUSTRATION REQUIREMENT.—Clause (i)  
13           of section 417(a)(3)(A) of such Code (relating to ex-  
14           planation of joint and survivor annuity) is amended  
15           to read as follows:

16                   “(i) the terms and conditions of each  
17                   qualified joint and survivor annuity and  
18                   qualified joint and  $\frac{2}{3}$  survivor annuity of-  
19                   fered, accompanied by an illustration of  
20                   the benefits under each such annuity for  
21                   the particular participant and spouse and  
22                   an acknowledgement form to be signed by  
23                   the participant and the spouse that they  
24                   have read and considered the illustration

1           before any form of retirement benefit is  
2           chosen.”.

3       (c) EFFECTIVE DATES.—

4           (1) IN GENERAL.—The amendments made by  
5       this section shall apply to plan years beginning on  
6       or after January 1, 2000.

7           (2) SPECIAL RULE FOR COLLECTIVELY BAR-  
8       GAINED PLANS.—In the case of a plan maintained  
9       pursuant to 1 or more collective bargaining agree-  
10      ments between employee representatives and 1 or  
11      more employers ratified on or before the date of en-  
12      actment of this Act, the amendments made by this  
13      section shall apply to the first plan year beginning  
14      on or after the earlier of—

15           (A) the later of—

16               (i) January 1, 2001, or

17               (ii) the date on which the last of such  
18      collective bargaining agreements termi-  
19      nates (determined without regard to any  
20      extension thereof after the date of enact-  
21      ment of this Act), or

22           (B) January 1, 2002.

23           (3) PLAN AMENDMENTS.—If any amendment  
24      made by this section requires an amendment to any  
25      plan, such plan amendment shall not be required to

1 be made before the first plan year beginning on or  
2 after January 1, 2002, if—

3 (A) during the period after such amend-  
4 ment made by this section takes effect and be-  
5 fore such first plan year, the plan is operated  
6 in accordance with the requirements of such  
7 amendment made by this section, and

8 (B) such plan amendment applies retro-  
9 actively to the period after such amendment  
10 made by this section takes effect and such first  
11 plan year.

12 A plan shall not be treated as failing to provide defi-  
13 nitely determinable benefits or contributions, or to  
14 be operated in accordance with the provisions of the  
15 plan, merely because it operates in accordance with  
16 this paragraph.

17 **TITLE V—SPOUSAL CONSENT**  
18 **REQUIRED FOR DISTRIBUTIONS FROM SECTION 401(k)**  
19 **PLANS**  
20

21 **SEC. 501. SPOUSAL CONSENT REQUIRED FOR DISTRIBUTIONS FROM SECTION 401(k) PLANS.**  
22

23 (a) IN GENERAL.—Paragraph (2) of section 401(k)  
24 of the Internal Revenue Code of 1986 (defining qualified  
25 cash or deferred arrangement) is amended by striking

1 “and” at the end of subparagraph (C), by striking the pe-  
 2 riod at the end of subparagraph (D) and inserting “, and”,  
 3 and by adding at the end the following new subparagraph:

4 “(E) which provides that no distribution  
 5 may be made unless—

6 “(i) the spouse of the employee (if  
 7 any) consents in writing (during the 90-  
 8 day period ending on the date of the dis-  
 9 tribution) to such distribution, and

10 “(ii) requirements comparable to the  
 11 requirements of section 417(a)(2) are met  
 12 with respect to such consent.”

13 (b) EFFECTIVE DATE.—The amendments made by  
 14 this section shall apply to distributions in plan years be-  
 15 ginning on or after January 1, 2002.

16 **TITLE VI—WOMEN’S PENSION**  
 17 **TOLL-FREE PHONE NUMBER**

18 **SEC. 601. WOMEN’S PENSION TOLL-FREE PHONE NUMBER.**

19 (a) IN GENERAL.—The Secretary of Labor shall con-  
 20 tract with an independent organization to create a wom-  
 21 en’s pension toll-free telephone number and contact to  
 22 serve as—

23 (1) a resource for women on pension questions  
 24 and issues;

1           (2) a source for referrals to appropriate agen-  
2           cies; and

3           (3) a source for printed information.

4           (b) AUTHORIZATION OF APPROPRIATIONS.—There  
5 are authorized to be appropriated \$500,000 for each of  
6 the fiscal years 2000, 2001, 2002, and 2003 to carry out  
7 subsection (a).

8           **TITLE VII—PERIODIC PENSION**  
9           **BENEFITS STATEMENTS**

10          **SEC. 701. PERIODIC PENSION BENEFITS STATEMENTS.**

11          (a) IN GENERAL.—Subsection (a) of section 105 of  
12 the Employee Retirement Income Security Act of 1974  
13 (29 U.S.C. 1025) is amended by striking “shall furnish  
14 to any plan participant or beneficiary who so requests in  
15 writing,” and inserting “shall furnish at least once every  
16 3 years, in the case of a defined benefit plan, and annu-  
17 ally, in the case of a defined contribution plan, to each  
18 plan participant, and shall furnish to any plan participant  
19 or beneficiary who so requests,”.

20          (b) RULE FOR MULTIEMPLOYER PLANS.—Subsection  
21 (d) of section 105 of the Employee Retirement Income Se-  
22 curity Act of 1974 (29 U.S.C. 1025) is amended to read  
23 as follows:

24          “(d) Each administrator of a plan to which more than  
25 1 unaffiliated employer is required to contribute shall fur-

1 nish to any plan participant or beneficiary who so requests  
2 in writing, a statement described in subsection (a).”.

3 (c) EFFECTIVE DATE.—The amendments made by  
4 this section shall apply to plan years beginning after the  
5 earlier of—

6 (1) the date of issuance by the Secretary of  
7 Labor of regulations providing guidance for simplify-  
8 ing defined benefit plan calculations with respect to  
9 the information required under section 105 of the  
10 Employee Retirement Income Security Act of 1974  
11 (29 U.S.C. 1025), or

12 (2) December 31, 1999.

○