certain plans in accordance with sections 104 through 106 of the Pension Protection Act of 2006 (PPA '06), Public Law 109-280 (120 Stat. 780).

(ii) Applicability of special adjustments to target normal cost. The special adjustments of paragraph (d)(2)(i)(B) of this section (relating to adjustments to the target normal cost for plan-related expenses and mandatory employee contributions) apply to plan years beginning after December 31, 2008. In addition, a plan sponsor may elect to make the special adjustments of paragraph (d)(2)(i)(B) of this section for plan years beginning in 2008. This election is made in the same manner and is subject to the same rules as an election to add an amount to the plan’s prefunding balance pursuant to §1.430(f)-1(f). Thus, the election can be made no later than the last day for making the minimum required contribution for the plan year to which the election relates.

(2) Effective date/applicability date of regulations. This section applies to plan years beginning on or after January 1, 2010. For plan years beginning before January 1, 2010, plans are permitted to rely on the provisions set forth in this section for purposes of satisfying the requirements of section 430.

(3) First effective plan year. For purposes of this section, the first effective plan year for a plan is the first plan year to which section 430 applies for purposes of determining the minimum required contribution.

(4) Transition rule for determining at-risk status. In the case of plan years beginning in 2008, 2009, and 2010, paragraph (b)(1)(i) of this section is applied by substituting the following percentages for "80 percent":

(i) 65 percent in the case of 2008;
(ii) 70 percent in the case of 2009; and
(iii) 75 percent in the case of 2010.

(T.D. 9467, 74 FR 53058, Oct. 15, 2009)

§ 1.431(c)(6)–1 Mortality tables used to determine current liability.

(a) Mortality tables used to determine current liability. The mortality assumptions that apply to a defined benefit plan for the plan year pursuant to section 430(h)(3)(A) and §1.430(h)(3)-1(a)(2) are used to determine a multiemployer plan’s current liability for purposes of applying the rules of section §31(c)(6).

A multiemployer plan is permitted to apply either the static mortality tables used pursuant to §1.430(h)(3)-1(a)(3) or generational mortality tables used pursuant to §1.430(h)(3)-1(a)(4) for this purpose. However, for this purpose, a multiemployer plan is not permitted to use substitute mortality tables under §1.430(h)(3)-2.

(b) Effective/applicability date. This section applies for plan years beginning on or after January 1, 2008.

(T.D. 9419, 73 FR 44648, July 31, 2008)

§§ 1.432–1.435 [Reserved]

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This section contains a listing of the major headings of §1.436–1.

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§ 1.436–1 Limits on benefits and benefit accruals under single employer defined benefit plans.

(a) General rules—(1) Qualification requirement. Section 401(a)(29) provides that a defined benefit pension plan that is subject to section 412 and that is not a multiemployer plan (within the meaning of section 414(f)) is a qualified plan only if it satisfies the requirements of section 436. This section provides rules relating to funding-based limitations on certain benefits under section 436, and the requirements of section 436 are satisfied only if the plan meets the requirements of this section beginning with the plan’s first effective plan year. This section applies to single employer defined benefit plans (including multiple employer plans), but does not apply to multiemployer plans.

(2) Organization of the regulation. Paragraph (b) of this section describes limitations on shutdown benefits and other unpredictable contingent event benefits. Paragraph (c) of this section describes limitations on plan amendments increasing liabilities. Paragraph (d) of this section describes limitations on prohibited payments. Paragraph (e) of this section describes limitations on benefit accruals. Paragraph (f) of this section describes rules relating to methods to avoid or terminate benefit limitations. Paragraph (g) of this section provides rules for the operation of the plan in relation to benefit limitations under section 436. Paragraph (h) of this section describes related presumptions regarding funding that apply for purposes of the benefit limitations under section 436 and requirements relating to certifications. Paragraph (i) of this section contains definitions. Paragraph (j) of this section contains effective/applicability date provisions.

(3) Special rules for certain plans—(1) New plans. The limitations described in paragraphs (b), (c), and (e) of this section do not apply to a plan for the first 5 plan years of the plan. Except as otherwise provided by the Commissioner in guidance of general applicability, plan years of the plan include the following (in addition to plan years during which the plan was maintained by the employer or plan sponsor):

(7) Exception for distributions permitted without consent of the participant under section 411(a)(11).

(e) Limitation on benefit accruals for plans with severe funding shortfalls.

(1) In general.

(2) Exemption if section 436 contribution is made.

(3) Special rule under section 203 of the Worker, Retiree, and Employer Recovery Act of 2008. [Reserved]

(f) Methods to avoid or terminate benefit limitations.

(1) In general.

(2) Current year contributions to avoid or terminate benefit limitations.

(3) Security to increase adjusted funding target attainment percentage.

(4) Examples.

(g) Rules of operation for periods prior to and after certification.

(1) In general.

(2) Periods prior to certification during which a presumption applies.

(3) Periods prior to certification during which no presumption applies.

(4) Modification of the presumed AFTAP.

(5) Periods after certification of AFTAP.

(6) Examples.

(h) Presumed underfunding for purposes of benefit limitations.

(1) Presumption of continued underfunding.

(2) Presumption of underfunding beginning on first day of 4th month for certain underfunded plans.

(3) Presumption of underfunding beginning on first day of 16th month.

(4) Certification of AFTAP.

(5) Examples of rules of paragraphs (h)(1), (h)(2), and (h)(3) of this section.

(6) Examples of application of paragraph (h)(4) of this section.

(1) [Reserved]

(j) Definitions.

(1) Adjusted funding target attainment percentage.

(2) Annuity starting date.

(3) First effective plan year.

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(5) Prior year adjusted funding target attainment percentage.

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(8) Section 436 measurement date.

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(k) Effective/applicability dates.

(1) Statutory effective date.

(2) Collectively bargained plan exception.

(3) Effective date/applicability date of regulations.

[T.D. 9467, 74 FR 53060, Oct. 15, 2009]