

ESTIMATED REVENUE EFFECTS OF THE CHAIRMAN'S MODIFICATION TO  
THE "NATIONAL EMPLOYEE SAVINGS AND TRUST EQUITY GUARANTEE ACT,"  
SCHEDULED FOR MARKUP BY THE COMMITTEE ON FINANCE ON SEPTEMBER 17, 2003

Fiscal Years 2004 - 2013

[Millions of Dollars]

Provision	Effective	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2004-08	2004-13
<b>Diversification of Pension Plan Assets</b>	<b>generally pyba 12/31/03</b>												
<b>Assets</b> .....	<b>&amp; DOE</b>	----- <i>Negligible Revenue Effect</i> -----											
<b>Information to Assist Pension Plan</b>	<b>generally pyba 12/31/04 &amp;</b>												
<b>Participants</b> .....	<b>generally pyba 12/31/03</b>	----- <i>Negligible Revenue Effect</i> -----											
<b>Protection of Pension Plan Participants</b> .....	<b>various</b>	----- <i>Negligible Revenue Effect</i> -----											
<b>Other Provisions Relating to Pensions</b>													
1. Improvement of employee plans compliance resolution system .....	DOE	----- <i>Negligible Revenue Effect</i> -----											
2. Extension to all governmental plans of moratorium on application of certain nondiscrimination rules applicable to State and local government plans .....	pyba 12/31/03	----- <i>Negligible Revenue Effect</i> -----											
3. Notice and consent period regarding distributions .....	yba 12/31/03	----- <i>Negligible Revenue Effect</i> -----											
4. Missing participants [1] .....	dma fripp	[2]	[2]	[2]	[2]	[2]	[2]	[2]	[2]	[2]	[2]	[2]	[2]
5. Reduced PBGC premiums for small and new plans [3] .....	pfea 12/31/03 & pyba 12/31/03	[2]	-3	-5	-6	-7	-7	-7	-8	-8	-8	-21	-59
6. Authorization for PBGC to pay interest on premium overpayment refunds [1] .....	iafpbnet DOE	-3	-3	-3	-3	-3	-3	-3	-3	-3	-3	-15	-30
7. Rules for substantial owner benefits in terminated plans [1] .....	[4]	[2]	[2]	[2]	[2]	[2]	[2]	[2]	[2]	[2]	[2]	[2]	[2]
8. Voluntary early retirement incentive and employment retention plans maintained by local educational agencies and other entities .....	generally DOE	-2	-5	-8	-10	-11	-11	-11	-11	-11	-11	-36	-91
9. 2-year extension of transition rule to pension funding requirements .....	pyba 12/31/03	2	6	2	-3	-3	-2	-2	-1	-1	[2]	5	-1
10. Acceleration of PBGC computation of benefits attributable to recoveries from employers [1] .....	noitto/a 30da DOE	----- <i>Negligible Revenue Effect</i> -----											
11. Multiemployer plan explanation notice .....	pyba 12/31/04	----- <i>No Revenue Effect</i> -----											
12. No reduction in unemployment compensation as a result of pension rollovers [1] .....	wbo/a DOE	----- <i>Estimate to be Provided by the Congressional Budget Office</i> -----											
13. Withholding on certain distributions from governmental eligible deferred compensation plans .....	[5]	-3	1	1	[6]	[6]	[6]	[6]	[6]	[6]	[6]	-1	[2]
14. Minimum cost requirement .....	tyea DOE	----- <i>Negligible Revenue Effect</i> -----											
15. Social Security coverage under divided retirement system for public employees in Kentucky [7] .....	1/1/03	1	1	2	2	3	3	3	4	4	4	8	27

Provision	Effective	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2004-08	2004-13
16. Replacement of interest rate on 30-year Treasury securities used for certain pension plan purposes [8] .....	pyba 12/31/03	3,026	4,120	1,419	128	-616	-833	-1,875	-2,856	-2,350	-1,851	8,077	-1,688
17. Studies .....	DOE	----- No Revenue Effect -----											
18. Purchase of permissive service credit .....	[9]	----- Negligible Revenue Effect -----											
19. Rollover of after-tax amounts .....	tyba 12/31/03	----- Negligible Revenue Effect -----											
20. Additional IRA catch-up contributions for certain individuals (sunset for taxable years beginning after 12/31/07) .....	tyba 12/31/02	-4	-4	-5	-6	-6	-2	-2	-2	-2	-3	-25	-37
21. Distributions by an S corp to an employee stock ownership plan .....	1/1/98	[2]	[2]	[2]	[2]	[2]	[2]	[2]	[2]	-1	-1	-2	-5
22. Application of minimum distribution rules to governmental plans .....	DOE	----- No Revenue Effect -----											
23. Plan amendments .....	DOE	----- No Revenue Effect -----											
<b>Total of Other Provisions Relating to Pensions</b> .....		<b>3,017</b>	<b>4,113</b>	<b>1,403</b>	<b>102</b>	<b>-643</b>	<b>-855</b>	<b>-1,897</b>	<b>-2,877</b>	<b>-2,372</b>	<b>-1,873</b>	<b>7,990</b>	<b>-1,884</b>
<b>Provisions Relating to Executives and Stock Options</b>													
1. Repeal of limitation on issuance of Treasury guidance regarding nonqualified deferred compensation .....	tyba DOE	----- Negligible Revenue Effect -----											
2. Include in income certain nonqualified deferred compensation, including compensation funded with assets located outside the United States .....	adi tyba 12/31/03	195	212	115	39	19	17	16	119	154	137	580	1,023
3. Deferral of certain stock option and restricted stock option gains prohibited [10] .....	after 12/31/03	10	11	6	2	1	1	1	5	7	6	30	50
4. Increase in withholding from supplemental wage payments in excess of \$1 million .....	pma 12/31/03	29	99	46	20	6	5	6	6	7	8	201	232
5. Exclusion of incentive stock options and employee stock purchase plan stock options from wages .....	DOE	----- No Revenue Effect -----											
6. Capital gain treatment on sale of stock acquired from exercise of statutory stock options to comply with conflict-of-interest requirements .....	sa DOE	[6]	1	1	1	1	1	1	1	1	1	3	6
<b>Total of Provisions Relating to Executives and Stock Options</b> .....		<b>234</b>	<b>323</b>	<b>168</b>	<b>62</b>	<b>27</b>	<b>24</b>	<b>24</b>	<b>131</b>	<b>169</b>	<b>152</b>	<b>814</b>	<b>1,311</b>
<b>Women's Pension Protection Provisions</b>													
1. Joint study of application of spousal consent rules to defined contribution plans .....	DOE	----- No Revenue Effect -----											
2. Treatment of subsequent qualified domestic relations orders .....	DOE	----- Negligible Revenue Effect -----											
3. Protection of rights of former spouses under the Railroad Retirement system [1] .....	1ya DOE	[2]	[2]	[2]	-1	-1	-1	-1	-2	-2	-2	-2	-11
4. Modifications of joint and survivor annuity requirements .....	generally pyba 12/31/03	----- Negligible Revenue Effect -----											
<b>Total of Women's Pension Protection Provisions</b> .....		<b>[2]</b>	<b>[2]</b>	<b>[2]</b>	<b>-1</b>	<b>-1</b>	<b>-1</b>	<b>-1</b>	<b>-2</b>	<b>-2</b>	<b>-2</b>	<b>-2</b>	<b>-11</b>
<b>Tax Court Pension and Compensation Modernization Provisions [11] [12]</b>													
<b>Modernization Provisions [11] [12]</b> .....	generally DOE	-3	[2]	[2]	[2]	[2]	[2]	[2]	[2]	[2]	-1	-4	-6

Provision	Effective	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2004-08	2004-13
<b>Other Provisions</b>													
1. Exclusion for education benefits provided by employers to children of employees .....	tyba 12/31/03	-91	-159	-43	---	---	---	---	---	---	---	-293	-293
2. Modifications to National Health Service Corps Loan Repayment Program .....	tyba 12/31/03	[13]	[13]	-1	-1	-2	-3	-3	-5	-6	-7	-4	-27
3. Pension plan reporting simplification .....	pybo/a 1/1/03	----- No Revenue Effect -----											
4. Inapplicability of 10% additional tax on early distributions of pension plans of public safety employees .....	da DOE	-1	-3	-3	-3	-3	-3	-3	-3	-4	-4	-11	-28
5. Update deduction rules for combination plans .....	cf tyba 12/31/03	-12	-24	-30	-30	-30	-30	-30	-30	-30	-30	-126	-276
6. Allow transfers of excess pension plan assets to multiemployer retiree health plan .....	ta 12/31/03	[6]	[6]	[6]	[6]	[6]	[6]	[6]	[6]	[6]	[6]	2	4
7. Retirement account portability improvement [14] .....	various	-8	-25	-33	-36	-33	-29	-26	-22	-18	-14	-135	-245
8. Fiduciary rules for plan sponsors designating independent investment advisors .....	iada DOE	----- No Revenue Effect -----											
9. Treatment of qualified retirement planning services (sunset 12/31/08).....	tyba 12/31/03	-10	-15	-19	-22	-24	-6	---	---	---	---	-91	-97
10. Temporary exclusion for group legal services benefits (sunset 12/31/04) .....	tyba 12/31/03	-80	-35	---	---	---	---	---	---	---	---	-115	-115
<b>Total of Other Provisions .....</b>		<b>-202</b>	<b>-261</b>	<b>-129</b>	<b>-92</b>	<b>-92</b>	<b>-71</b>	<b>-62</b>	<b>-60</b>	<b>-58</b>	<b>-55</b>	<b>-773</b>	<b>-1,077</b>
<b>Revenue Provisions</b>													
1. Extend provision under section 420 permitting qualified transfers of excess defined benefit pension plan assets to 401(h) accounts (through 12/31/13) .....	DOE	---	---	18	38	40	40	40	40	40	40	97	298
2. Reform of 501(c)(15) to apply to organizations with gross receipts of \$600,000 and premiums at least 50% of gross receipts .....	tyba 12/31/03	48	105	118	124	129	134	139	145	151	157	523	1,249
3. Limit basis step-up for imported pensions .....	doo/a DOE	6	12	13	14	15	15	16	16	17	17	60	141
<b>Total of Revenue Provisions .....</b>		<b>54</b>	<b>117</b>	<b>149</b>	<b>176</b>	<b>184</b>	<b>189</b>	<b>195</b>	<b>201</b>	<b>208</b>	<b>214</b>	<b>680</b>	<b>1,688</b>
<b>NET TOTAL .....</b>		<b>3,100</b>	<b>4,292</b>	<b>1,591</b>	<b>247</b>	<b>-525</b>	<b>-714</b>	<b>-1,741</b>	<b>-2,607</b>	<b>-2,055</b>	<b>-1,565</b>	<b>8,705</b>	<b>21</b>

Joint Committee on Taxation

NOTE: Details may not add to totals due to rounding.

Legend for "Effective" column:

adi = amounts deferred in  
 cf = contributions for  
 da = distributions after  
 DOE = date of enactment  
 doo/a = distributions occurring on or after  
 dma = distributions made after  
 fripp = final regulations implementing the provision are prescribed

iada = investment advisors designated after  
 iafpbnet = interest accruing for periods beginning not earlier than  
 noitto/a = notice of intent to terminate on or after  
 pfea = plans first effective after  
 pma = payments made after  
 pyba = plan years beginning after  
 pybo/a = plan years beginning on or after

sa = sales after  
 ta = transfers after  
 tyba = taxable years beginning after  
 yba = years beginning after  
 wbo/a = weeks beginning on or after  
 30da = 30 days after  
 1ya = 1 year after

