

MEMO# 1434

October 3, 1989

H.R. 3306, THE PENSION REFORM ACT OF 1989

October 3, 1989 TO: PENSION COMMITTEE NO. 8-89 RE: H.R. 3306, THE PENSION REFORM ACT OF 1989 _____ Attached for your information are copies of H.R. 3306, The Pension Reform Act of 1989, introduced by Representative Kennelly, and the floor statement accompanying its introduction. The proposed legislation would repeal section 408(k)(3) of the Code, which allows integration of simplified employee pensions (SEPs), impose the integration rules of the 1986 Tax Reform Act upon benefits accrued before January 1, 1989, and repeal integration completely effective January 1, 2000. The bill would also amend the minimum coverage requirements of section 410(b), eliminate the special vesting rule for multiemployer plans, and allow spouses divorced prior to the passage of the Retirement Equity Act to obtain new orders that could be treated as qualified domestic relations orders. In addition, the bill would direct the General Accounting Office to study alternative methods of requiring retirement plans to provide cost-of-living adjustments and pension portability. We will keep you informed of further developments. Kathy D. Ireland Assistant General Counsel Attachment

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