

MEMO# 2090

August 3, 1990

S. 2902, CHURCH BENEFITS SIMPLIFICATION ACT OF 1990

August 3, 1990 TO: PENSION COMMITTEE NO. 20-90 RE: S. 2902, CHURCH BENEFITS
SIMPLIFICATION ACT OF 1990

Attached is a copy of S. 2902, the Church Benefits Simplification Act which was introduced by Senator Pryor in conjunction with the Employee Benefits Simplification Act. (See Institute Memorandum to Pension Committee No. 18-90, dated July 31, 1990.) Also attached is Senator Pryor's Record statement regarding the legislation. The bill is designed to codify the rules applicable to church retirement plans and to ensure that church plans under Code sections 401(a) and 403(b) are subject to the same rules. The bill restores qualified voluntary employee contributions to church plans, solves miscellaneous "aggregation" problems, enacts ERISA vesting schedules, eliminates the "catch-up" contribution rules applicable to church plans under Code section 403(b) and addresses several other technical matters. The bill also addresses church welfare benefit plan coverage and related rules. We will keep you informed of further developments. W. Richard Mason Assistant General Counsel Attachments

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