

Subsec. (c)(3). Pub. L. 97-448, §102(j)(6)(A), added par. (3).

Subsec. (j). Pub. L. 97-448, §102(j)(5), inserted reference to an incentive stock option.

1981—Subsec. (d). Pub. L. 97-34, §251(b)(2), inserted reference to section 422A(b)(6).

Subsec. (g). Pub. L. 97-34, §251(b)(3), inserted reference to section 422A(a)(2).

Subsec. (h)(3)(B). Pub. L. 97-34, §251(b)(4), inserted reference to section 422A(b)(5).

#### EFFECTIVE DATE OF 1996 AMENDMENT

Amendment by Pub. L. 104-188 effective, except as otherwise expressly provided, as if included in the provision of the Revenue Reconciliation Act of 1990, Pub. L. 101-508, title XI, to which such amendment relates, see section 1702(i) of Pub. L. 104-188, set out as a note under section 38 of this title.

#### EFFECTIVE DATE OF 1989 AMENDMENT

Amendment by Pub. L. 101-239 effective, except as otherwise provided, as if included in the provision of the Technical and Miscellaneous Revenue Act of 1988, Pub. L. 100-647, to which such amendment relates, see section 7817 of Pub. L. 101-239, set out as a note under section 1 of this title.

#### EFFECTIVE DATE OF 1988 AMENDMENT

Amendment by Pub. L. 100-647 effective, except as otherwise provided, as if included in the provision of the Tax Reform Act of 1986, Pub. L. 99-514, to which such amendment relates, see section 1019(a) of Pub. L. 100-647, set out as a note under section 1 of this title.

#### EFFECTIVE DATE OF 1984 AMENDMENT

Pub. L. 98-369, div. A, title V, §555(c)(3), July 18, 1984, 98 Stat. 898, as amended by Pub. L. 99-514, title XVIII, §1855(a)(4), Oct. 22, 1986, 100 Stat. 2882, provided that: "The amendment made by subsection (b) [amending this section] shall apply with respect to modifications of options after March 20, 1984."

#### EFFECTIVE DATE OF 1983 AMENDMENT

Pub. L. 97-448, title I, §102(j)(6), Jan. 12, 1983, 96 Stat. 2373, provided that the amendment made by that section is effective only with respect to transfers after March 15, 1982.

Amendment by section 102(j)(5) of title I of Pub. L. 97-448 effective, except as otherwise provided, as if it had been included in the provision of the Economic Recovery Tax Act of 1981, Pub. L. 97-34, to which such amendment relates, see section 109 of Pub. L. 97-448, set out as a note under section 1 of this title.

#### EFFECTIVE DATE OF 1981 AMENDMENT

Amendment by Pub. L. 97-34 applicable with respect to options granted on or after Jan. 1, 1976, and exercised on or after Jan. 1, 1981, or outstanding on Jan. 1, 1981, or granted on or after Jan. 1, 1976, and outstanding Aug. 13, 1981, see section 251(c) of Pub. L. 97-34, set out as an Effective Date note under section 422 of this title.

#### EFFECTIVE DATE

Section applicable to taxable years ending after Dec. 31, 1963, except in cases of options granted after Dec. 31, 1963, and before Jan. 1, 1965, in which case par. (1) of subsec. (h) shall not apply to any change in the terms of such option made before Jan. 1, 1965, to permit such option to qualify under pars. (3), (4), and (5) of section 422(b), see section 221(e) of Pub. L. 88-272, set out as an Effective Date of 1964 Amendment note under section 421 of this title.

#### SAVINGS PROVISION

For provisions that nothing in amendment by Pub. L. 101-508 be construed to affect treatment of certain transactions occurring, property acquired, or items of income, loss, deduction, or credit taken into account

prior to Nov. 5, 1990, for purposes of determining liability for tax for periods ending after Nov. 5, 1990, see section 11821(b) of Pub. L. 101-508, set out as a note under section 45K of this title.

#### [§ 425. Renumbered § 424]

### PART III—RULES RELATING TO MINIMUM FUNDING STANDARDS AND BENEFIT LIMITATIONS

#### Subpart

- A. Minimum funding standards for pension plans.
- B. Benefit limitations under single-employer plans.

#### AMENDMENTS

2006—Pub. L. 109-280, title I, §113(a)(1)(A), Aug. 17, 2006, 120 Stat. 846, substituted "RULES RELATING TO MINIMUM FUNDING STANDARDS AND BENEFIT LIMITATIONS" for "MINIMUM FUNDING STANDARDS FOR SINGLE-EMPLOYER DEFINED BENEFIT PENSION PLANS" in part heading and added subpart analysis.

#### SUBPART A—MINIMUM FUNDING STANDARDS FOR PENSION PLANS

#### Sec.

- 430. Minimum funding standards for single-employer defined benefit pension plans.
- 431. Minimum funding standards for multiemployer plans.<sup>1</sup>
- 432. Additional funding rules for multiemployer plans in endangered status or critical status.
- 433. Minimum funding standards.<sup>2</sup>

#### AMENDMENTS

2006—Pub. L. 109-280, title II, §212(d), Aug. 17, 2006, 120 Stat. 917, added item 432.

### § 430. Minimum funding standards for single-employer defined benefit pension plans

#### (a) Minimum required contribution

For purposes of this section and section 412(a)(2)(A), except as provided in subsection (f), the term "minimum required contribution" means, with respect to any plan year of a defined benefit plan which is not a multiemployer plan—

(1) in any case in which the value of plan assets of the plan (as reduced under subsection (f)(4)(B)) is less than the funding target of the plan for the plan year, the sum of—

(A) the target normal cost of the plan for the plan year,

(B) the shortfall amortization charge (if any) for the plan for the plan year determined under subsection (c), and

(C) the waiver amortization charge (if any) for the plan for the plan year as determined under subsection (e);

(2) in any case in which the value of plan assets of the plan (as reduced under subsection (f)(4)(B)) equals or exceeds the funding target of the plan for the plan year, the target normal cost of the plan for the plan year reduced (but not below zero) by such excess.

<sup>1</sup>Editorially supplied. Section 431 added by Pub. L. 109-280 without corresponding amendment of subpart analysis.

<sup>2</sup>Editorially supplied. Section 433 added by Pub. L. 113-97 without corresponding amendment of subpart analysis.