

2006—Subsec. (c)(6). Pub. L. 109-280 added par. (6).
 1996—Subsec. (c)(3). Pub. L. 104-188 substituted “severance” for “severence” in heading.

1988—Subsec. (a). Pub. L. 100-647, §1018(u)(12), made technical amendment to directory language of Pub. L. 99-514, §1851(a)(6)(B). See 1986 Amendment note below.

Subsec. (f)(5). Pub. L. 100-647, §1018(t)(2)(A), repealed Pub. L. 99-514, §1851(a)(4). See 1986 Amendment note below.

Pub. L. 100-647, §1018(t)(1)(C), substituted “account” for “accounts”.

1986—Subsec. (a). Pub. L. 99-514, §1851(a)(6)(B), as amended by Pub. L. 100-647, §1018(u)(12), inserted “and section 512” after “this subpart”.

Subsec. (c)(5)(A). Pub. L. 99-514, §1851(a)(5), substituted “under this subsection” for “under paragraph (1)”.

Subsec. (d)(1). Pub. L. 99-514, §1851(a)(2)(B), inserted “The requirements of this paragraph shall apply to the first taxable year for which a reserve is taken into account under subsection (c)(2) and to all subsequent taxable years.”

Subsec. (d)(2). Pub. L. 99-514, §1851(a)(2)(A), inserted “Subparagraph (B) of section 415(c)(1) shall not apply to any amount treated as an annual addition under the preceding sentence.”

Subsec. (e). Pub. L. 99-514, §1851(a)(3)(A), amended subsec. (e) generally. Prior to amendment, par. (1), benefits must be nondiscriminatory, read as follows: “No reserve may be taken into account under subsection (c)(2) for post-retirement medical benefits or life insurance benefits to be provided to covered employees unless the plan meets the requirements of section 505(b)(1) with respect to such benefits.”, and par. (2), taxable life insurance benefits not taken into account, read as follows: “No life insurance benefit may be taken into account under subsection (c)(2) to the extent—

“(A) such benefit is includible in gross income under section 79, or

“(B) such benefit would be includible in gross income under section 101(b) (determined by substituting ‘\$50,000’ for ‘\$5,000’).”

Subsec. (f)(5). Pub. L. 99-514, §1851(a)(13), amended par. (5) generally. Prior to amendment, par. (5) read as follows: “HIGHER LIMIT IN CASE OF COLLECTIVELY BARGAINED PLANS.—Not later than July 1, 1985, the Secretary shall by regulations provide for special account limits in the case of any qualified asset account under a welfare benefit fund established under a collective bargaining agreement.”

Pub. L. 99-514, §1851(a)(4), which directed amendment of par. (5) by substituting “welfare benefit fund maintained pursuant to” for “welfare benefit fund established under”, was repealed by Pub. L. 100-647, §1018(t)(2)(A).

Subsec. (f)(7)(C), (D). Pub. L. 99-514, §1851(a)(7), added subpars. (C) and (D) and struck out former subpar. (C) which read as follows: “For purposes of this paragraph, the term ‘existing excess reserve’ means the excess (if any) of—

“(i) the amount of assets set aside for purposes described in subsection (a) as of the close of the first taxable year ending after the date of the enactment of the Tax Reform Act of 1984, over

“(ii) the account limit which would have applied under this section to such taxable year if this section had applied to such taxable year.”

Subsec. (g)(3). Pub. L. 99-514, §1851(a)(9), added par. (3).

Subsec. (h)(1). Pub. L. 99-514, §1851(a)(6)(A), amended par. (1) generally. Prior to amendment, par. (1) read as follows: “At the election of the employer, 2 or more welfare benefit funds of such employer may be treated as 1 fund.”

Statutory Notes and Related Subsidiaries

EFFECTIVE DATE OF 2006 AMENDMENT

Pub. L. 109-280, title VIII, §843(b), Aug. 17, 2006, 120 Stat. 1010, provided that: “The amendment made by

this section [amending this section] shall apply to taxable years beginning after December 31, 2006.”

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 1986 AMENDMENT

Amendment by Pub. L. 99-514 effective, except as otherwise provided, as if included in the provisions of the Tax Reform Act of 1984, Pub. L. 98-369, div. A, to which such amendment relates, see section 1881 of Pub. L. 99-514, set out as a note under section 48 of this title.

SAVINGS PROVISION

For provisions that nothing in amendment by section 401(b)(21)(B), (C) of Pub. L. 115-141 be construed to affect treatment of certain transactions occurring, property acquired, or items of income, loss, deduction, or credit taken into account prior to Mar. 23, 2018, for purposes of determining liability for tax for periods ending after Mar. 23, 2018, see section 401(e) of Pub. L. 115-141, set out as a note under section 23 of this title.

PLAN AMENDMENTS NOT REQUIRED UNTIL JANUARY 1, 1989

For provisions directing that if any amendments made by subtitle A or subtitle C of title XI [§§1101-1147 and 1171-1177] or title XVIII [§§1800-1899A] of Pub. L. 99-514 require an amendment to any plan, such plan amendment shall not be required to be made before the first plan year beginning on or after Jan. 1, 1989, see section 1140 of Pub. L. 99-514, as amended, set out as a note under section 401 of this title.

APPLICATION OF SECTION 419A(e) TO GROUP-TERM LIFE INSURANCE

Pub. L. 99-514, title XVIII, §1851(a)(3)(B), Oct. 22, 1986, 100 Stat. 2859, as amended by Pub. L. 100-647, title I, §1018(t)(2)(D), Nov. 10, 1988, 102 Stat. 3587, provided that: “Subsection (e) of section 419A, section 505, and section 4976(b)(1)(B) of the Internal Revenue Code of 1954 [now 1986] (as amended by subparagraph (A)) shall not apply to any group-term life insurance to the extent that the amendments made by section 223(a) of the Tax Reform Act of 1984 [section 223(a) of Pub. L. 98-369, amending section 79 of this title] do not apply to such insurance by reason of paragraph (2) of section 223(d) of such Act [set out as a note under section 79 of this title].”

SUBPART E—TREATMENT OF TRANSFERS TO RETIREE HEALTH ACCOUNTS

Sec.
420.

Transfers of excess pension assets to retiree health accounts.

§ 420. Transfers of excess pension assets to retiree health accounts

(a) General rule

If there is a qualified transfer of any excess pension assets of a defined benefit plan to a health benefits account, or an applicable life insurance account, which is part of such plan—

(1) a trust which is part of such plan shall not be treated as failing to meet the requirements of subsection (a) or (h) of section 401 solely by reason of such transfer (or any other action authorized under this section),

(2) no amount shall be includible in the gross income of the employer maintaining the plan solely by reason of such transfer,

(3) such transfer shall not be treated—