

1 satisfying the requirements of the amendments made by  
2 this section.

3 (d) EFFECTIVE DATES.—

4 (1) IN GENERAL.—The amendments made by  
5 this section shall apply to plan years beginning after  
6 December 31, 2006.

7 (2) TRANSITION RULE.—If notice under section  
8 101(m) of the Employee Retirement Income Secu-  
9 rity Act of 1974 (as added by this section) would  
10 otherwise be required to be provided before the 90th  
11 day after the date of the enactment of this Act, such  
12 notice shall not be required to be provided until such  
13 90th day.

14 **SEC. 508. PERIODIC PENSION BENEFIT STATEMENTS.**

15 (a) AMENDMENTS OF ERISA.—

16 (1) IN GENERAL.—Section 105(a) of the Em-  
17 ployee Retirement Income Security Act of 1974 (29  
18 U.S.C. 1025(a)) is amended to read as follows:

19 “(a) REQUIREMENTS TO PROVIDE PENSION BEN-  
20 EFIT STATEMENTS.—

21 “(1) REQUIREMENTS.—

22 “(A) INDIVIDUAL ACCOUNT PLAN.—The  
23 administrator of an individual account plan  
24 (other than a one-participant retirement plan

1 described in section 101(i)(8)(B)) shall furnish  
2 a pension benefit statement—

3 “(i) at least once each calendar quar-  
4 ter to a participant or beneficiary who has  
5 the right to direct the investment of assets  
6 in his or her account under the plan,

7 “(ii) at least once each calendar year  
8 to a participant or beneficiary who has his  
9 or her own account under the plan but  
10 does not have the right to direct the invest-  
11 ment of assets in that account, and

12 “(iii) upon written request to a plan  
13 beneficiary not described in clause (i) or  
14 (ii).

15 “(B) DEFINED BENEFIT PLAN.—The ad-  
16 ministrator of a defined benefit plan (other  
17 than a one-participant retirement plan de-  
18 scribed in section 101(i)(8)(B)) shall furnish a  
19 pension benefit statement—

20 “(i) at least once every 3 years to  
21 each participant with a nonforfeitable ac-  
22 crued benefit and who is employed by the  
23 employer maintaining the plan at the time  
24 the statement is to be furnished, and

1                   “(ii) to a participant or beneficiary of  
2                   the plan upon written request.

3                   Information furnished under clause (i) to a par-  
4                   ticipant may be based on reasonable estimates  
5                   determined under regulations prescribed by the  
6                   Secretary, in consultation with the Pension  
7                   Benefit Guaranty Corporation.

8                   “(2) STATEMENTS.—

9                   “(A) IN GENERAL.—A pension benefit  
10                  statement under paragraph (1)—

11                  “(i) shall indicate, on the basis of the  
12                  latest available information—

13                          “(I) the total benefits accrued,  
14                          and

15                          “(II) the nonforfeitable pension  
16                          benefits, if any, which have accrued,  
17                          or the earliest date on which benefits  
18                          will become nonforfeitable,

19                  “(ii) shall include an explanation of  
20                  any permitted disparity under section  
21                  401(l) of the Internal Revenue Code of  
22                  1986 or any floor-offset arrangement that  
23                  may be applied in determining any accrued  
24                  benefits described in clause (i),

1           “(iii) shall be written in a manner cal-  
2           culated to be understood by the average  
3           plan participant, and

4           “(iv) may be delivered in written, elec-  
5           tronic, or other appropriate form to the ex-  
6           tent such form is reasonably accessible to  
7           the participant or beneficiary.

8           “(B) ADDITIONAL INFORMATION.—In the  
9           case of an individual account plan, any pension  
10          benefit statement under clause (i) or (ii) of  
11          paragraph (1)(A) shall include—

12           “(i) the value of each investment to  
13           which assets in the individual account have  
14           been allocated, determined as of the most  
15           recent valuation date under the plan, in-  
16           cluding the value of any assets held in the  
17           form of employer securities, without regard  
18           to whether such securities were contributed  
19           by the plan sponsor or acquired at the di-  
20           rection of the plan or of the participant or  
21           beneficiary, and

22           “(ii) in the case of a pension benefit  
23           statement under paragraph (1)(A)(i)—

24           “(I) an explanation of any limita-  
25           tions or restrictions on any right of

1 the participant or beneficiary under  
2 the plan to direct an investment,

3 “(II) an explanation, written in a  
4 manner calculated to be understood  
5 by the average plan participant, of the  
6 importance, for the long-term retire-  
7 ment security of participants and  
8 beneficiaries, of a well-balanced and  
9 diversified investment portfolio, in-  
10 cluding a statement of the risk that  
11 holding more than 20 percent of a  
12 portfolio in the security of one entity  
13 (such as employer securities) may not  
14 be adequately diversified, and

15 “(III) a notice directing the par-  
16 ticipant or beneficiary to the Internet  
17 website of the Department of Labor  
18 for sources of information on indi-  
19 vidual investing and diversification.

20 “(C) ALTERNATIVE NOTICE.—The require-  
21 ments of subparagraph (A)(i)(II) are met if, at  
22 least annually and in accordance with require-  
23 ments of the Secretary, the plan—

1           “(i) updates the information described  
2           in such paragraph which is provided in the  
3           pension benefit statement, or

4           “(ii) provides in a separate statement  
5           such information as is necessary to enable  
6           a participant or beneficiary to determine  
7           their nonforfeitable vested benefits.

8           “(3) DEFINED BENEFIT PLANS.—

9           “(A) ALTERNATIVE NOTICE.—In the case  
10          of a defined benefit plan, the requirements of  
11          paragraph (1)(B)(i) shall be treated as met  
12          with respect to a participant if at least once  
13          each year the administrator provides to the par-  
14          ticipant notice of the availability of the pension  
15          benefit statement and the ways in which the  
16          participant may obtain such statement. Such  
17          notice may be delivered in written, electronic, or  
18          other appropriate form to the extent such form  
19          is reasonably accessible to the participant.

20          “(B) YEARS IN WHICH NO BENEFITS AC-  
21          CRUE.—The Secretary may provide that years  
22          in which no employee or former employee bene-  
23          fits (within the meaning of section 410(b) of  
24          the Internal Revenue Code of 1986) under the  
25          plan need not be taken into account in deter-

1 mining the 3-year period under paragraph  
2 (1)(B)(i).”

3 (2) CONFORMING AMENDMENTS.—

4 (A) Section 105 of the Employee Retirement  
5 Income Security Act of 1974 (29 U.S.C.  
6 1025) is amended by striking subsection (d).

7 (B) Section 105(b) of such Act (29 U.S.C.  
8 1025(b)) is amended to read as follows:

9 “(b) LIMITATION ON NUMBER OF STATEMENTS.—In  
10 no case shall a participant or beneficiary of a plan be enti-  
11 tled to more than 1 statement described in subparagraph  
12 (A)(iii) or (B)(ii) of subsection (a)(1), whichever is appli-  
13 cable, in any 12-month period.”

14 (C) Section 502(c)(1) of such Act (29  
15 U.S.C. 1132(c)(1)) is amended by striking “or  
16 section 101(f)” and inserting “section 101(f),  
17 or section 105(a)”.

18 (b) MODEL STATEMENTS.—

19 (1) IN GENERAL.—The Secretary of Labor  
20 shall, within 1 year after the date of the enactment  
21 of this section, develop 1 or more model benefit  
22 statements that are written in a manner calculated  
23 to be understood by the average plan participant and  
24 that may be used by plan administrators in com-

1 plying with the requirements of section 105 of the  
2 Employee Retirement Income Security Act of 1974.

3 (2) INTERIM FINAL RULES.—The Secretary of  
4 Labor may promulgate any interim final rules as the  
5 Secretary determines appropriate to carry out the  
6 provisions of this subsection.

7 (c) EFFECTIVE DATE.—

8 (1) IN GENERAL.—The amendments made by  
9 this section shall apply to plan years beginning after  
10 December 31, 2006.

11 (2) SPECIAL RULE FOR COLLECTIVELY BAR-  
12 GAINED AGREEMENTS.—In the case of a plan main-  
13 tained pursuant to 1 or more collective bargaining  
14 agreements between employee representatives and 1  
15 or more employers ratified on or before the date of  
16 the enactment of this Act, paragraph (1) shall be  
17 applied to benefits pursuant to, and individuals cov-  
18 ered by, any such agreement by substituting for  
19 “December 31, 2006” the earlier of—

20 (A) the later of—

21 (i) December 31, 2007, or

22 (ii) the date on which the last of such  
23 collective bargaining agreements termi-  
24 nates (determined without regard to any



1 extension thereof after such date of enact-  
2 ment), or

3 (B) December 31, 2008.

4 **SEC. 509. NOTICE TO PARTICIPANTS OR BENEFICIARIES OF**  
5 **BLACKOUT PERIODS.**

6 (a) IN GENERAL.—Section 101(i)(8)(B) of the Em-  
7 ployee Retirement Income Security Act of 1974 (29  
8 U.S.C. 1021(i)(8)(B)) is amended by striking clauses (i)  
9 through (iv), by redesignating clause (v) as clause (ii), and  
10 by inserting before clause (ii), as so redesignated, the fol-  
11 lowing new clause:

12 “(i) on the first day of the plan  
13 year—

14 “(I) covered only one individual  
15 (or the individual and the individual’s  
16 spouse) and the individual (or the in-  
17 dividual and the individual’s spouse)  
18 owned 100 percent of the plan spon-  
19 sor (whether or not incorporated), or

20 “(II) covered only one or more  
21 partners (or partners and their  
22 spouses) in the plan sponsor, and”.

23 (b) EFFECTIVE DATE.—The amendments made by  
24 this subsection shall take effect as if included in the provi-