

PROVIDING FOR THE CONSIDERATION OF H.R. 1102, THE
COMPREHENSIVE RETIREMENT SECURITY AND PENSION
REFORM ACT OF 2000

JULY 18, 2000.—Referred to the House Calendar and ordered to be printed

Mr. REYNOLDS, from the Committee on Rules,
submitted the following

REPORT

[To accompany H. Res. 557]

The Committee on Rules, having had under consideration House Resolution 557, by a nonrecord vote, report the same to the House with the recommendation that the resolution be adopted.

SUMMARY OF PROVISIONS OF THE RESOLUTION

The resolution provides for the consideration of H.R. 1102, the Comprehensive Retirement Security and Pension Reform Act of 2000, under a modified closed rule. The rule provides that, in lieu of the amendment recommended by the Committee on Education and the Workforce now printed in the bill, the text of H.R. 4843 as reported by the Committee on Ways and Means shall be considered as adopted. The rule waives all points of order against consideration of the bill. The rule provides one hour of debate equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means.

The rule provides for consideration of the amendment printed in this report, if offered by Representative Rangel or his designee, which shall be considered as read and shall be separately debatable for one hour equally divided and controlled by the proponent and an opponent. The rule waives all points of order against the amendment printed in this report. Finally, the rule provides one motion to recommit with or without instructions.

SUMMARY OF AMENDMENT MADE IN ORDER UNDER THE RULE

Rangel—Amendment in the nature of a substitute. Incorporates the text of H.R. 4843, as reported, with the following additional provisions: (1) Provides a refundable credit for low- and middle-income workers who save for their retirement; (2) makes small busi-

ness employees eligible to claim a credit or certain expenses incurred as a result of establishing a qualified pension plan and makes small business employees eligible to claim an additional credit equal to 50% of certain employer contributions made to the employer's pension plan; (3) provides relief from certain section 415 rules and benefit limits; and (4) expresses a Sense of Congress that issues concerning cash balance plans should be resolved.

TEXT OF AMENDMENT MADE IN ORDER UNDER THE RULE

AN AMENDMENT TO BE OFFERED BY REPRESENTATIVE RANGEL OF NEW YORK, OR A DESIGNEE, DEBATABLE FOR 60 MINUTES

Strike all after the enacting clause and insert the text of H.R. 4843, as reported, and add at the end the following new title:

TITLE VIII—ADDITIONAL PROVISIONS

SEC. 801. REFUNDABLE CREDIT TO CERTAIN INDIVIDUALS FOR ELECTIVE DEFERRALS AND IRA CONTRIBUTIONS.

(a) IN GENERAL.—Subpart C of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 (relating to refundable credits) is amended by redesignating section 35 as section 36 and by inserting after section 34 the following new section:

“SEC. 35. ELECTIVE DEFERRALS AND IRA CONTRIBUTIONS BY CERTAIN INDIVIDUALS.

“(a) ALLOWANCE OF CREDIT.—In the case of an eligible individual, there shall be allowed as a credit against the tax imposed by this subtitle for the taxable year an amount equal to the applicable percentage of so much of the qualified retirement savings contributions of the eligible individual for the taxable year as do not exceed \$2,000.

“(b) APPLICABLE PERCENTAGE.—For purposes of this section, the applicable percentage is the percentage determined in accordance with the following table:

Adjusted Gross Income						Applicable percentage
Joint return		Head of a household		All other cases		
Over	Not over	Over	Not over	Over	Not over	
\$0	\$25,000	\$0	\$18,750	\$0	\$12,500	50
25,000	35,000	18,750	26,250	12,500	17,500	45
35,000	45,000	26,250	33,750	17,500	22,500	35
45,000	55,000	33,750	41,250	22,500	27,500	25
55,000	75,000	41,250	56,250	27,500	37,500	15
75,000		56,250		37,500		0

“(c) ELIGIBLE INDIVIDUAL.—For purposes of this section—

“(1) IN GENERAL.—The term ‘eligible individual’ means any individual if—

“(A) such individual has attained the age of 18, but has not attained the age of 61, as of the close of the taxable year, and

“(B) the compensation (as defined in section 219(f)(1)) includible in the gross income of the individual (or, in the case of a joint return, of the taxpayer) for such taxable year is at least \$5,000.

“(2) DEPENDENTS AND FULL-TIME STUDENTS NOT ELIGIBLE.—The term ‘eligible individual’ shall not include—

“(A) any individual with respect to whom a deduction under section 151 is allowable to another taxpayer for a taxable year beginning in the calendar year in which such individual’s taxable year begins, and

“(B) any individual who is a student (as defined in section 151(c)(4)).

“(3) INDIVIDUALS RECEIVING CERTAIN RETIREMENT DISTRIBUTIONS NOT ELIGIBLE.—

“(A) IN GENERAL.—The term ‘eligible individual’ shall not include, with respect to a taxable year, any individual who received during the testing period—

“(i) any distribution from a qualified retirement plan (as defined in section 4974(c)), or from an eligible deferred compensation plan (as defined in section 457(b)), which is includible in gross income, or

“(ii) any distribution from a Roth IRA which is not a qualified rollover contribution (as defined in section 408A(e)) to a Roth IRA.

“(B) TESTING PERIOD.—For purposes of subparagraph (A), the testing period, with respect to a taxable year, is the period which includes—

“(i) such taxable year,

“(ii) the 2 preceding taxable years, and

“(iii) the period after such taxable year and before the due date (without extensions) for filing the return of tax for such taxable year.

“(C) EXCEPTED DISTRIBUTIONS.—There shall not be taken into account under subparagraph (A)—

“(i) any distribution referred to in section 72(p), 401(k)(8), 401(m)(6), 402(g)(2), 404(k), or 408(d)(4),

“(ii) any distribution to which section 408A(d)(3) applies, and

“(iii) any distribution before January 1, 2002.

“(D) TREATMENT OF DISTRIBUTIONS RECEIVED BY SPOUSE OF INDIVIDUAL.—For purposes of determining whether an individual is an eligible individual for any taxable year, any distribution received by the spouse of such individual shall be treated as received by such individual if such individual and spouse file a joint return for such taxable year and for the taxable year during which the spouse receives the distribution.

“(d) QUALIFIED RETIREMENT SAVINGS CONTRIBUTIONS.—For purposes of this section, the term ‘qualified retirement savings contributions’ means the sum of—

“(1) the amount of the qualified retirement contributions (as defined in section 219(e)) for the benefit of the eligible individual,

“(2) the amount of the elective deferrals (as defined in section 414(u)(2)(C)) of such individual, and

“(3) the amount of voluntary employee contributions by such individual to any qualified retirement plan (as defined in section 4974(c)).

“(e) **ADJUSTED GROSS INCOME.**—For purposes of this section, adjusted gross income shall be determined without regard to sections 911, 931, and 933.

“(f) **INVESTMENT IN THE CONTRACT.**—Notwithstanding any other provision of law, a qualified retirement savings contribution shall not fail to be included in determining the investment in the contract for purposes of section 72 by reason of the credit under this section.

“(g) **TRANSITIONAL RULES.**—In the case of taxable years beginning before January 1, 2008—

“(1) **CONTRIBUTION LIMIT.**—Subsection (a) shall be applied by substituting for ‘\$2,000’—

“(A) \$600 in the case of taxable years beginning in 2002, 2003, or 2004, and

“(B) \$1,000 in the case of taxable years beginning in 2005, 2006, or 2007.

“(2) **APPLICABLE PERCENTAGE.**—The applicable percentage shall be determined under the following table (in lieu of the table in subsection (b)):

Adjusted Gross Income						Applicable percentage
Joint return		Head of a household		All other cases		
Over	Not over	Over	Not over	Over	Not over	
\$0	\$20,000	\$0	\$15,000	\$0	\$10,000	50
20,000	25,000	15,000	18,750	10,000	12,500	45
25,000	30,000	18,750	22,500	12,500	15,000	35
30,000	35,000	22,500	26,250	15,000	17,500	25
35,000	40,000	26,250	30,000	17,500	20,000	15
40,000		30,000		20,000		0.”

(b) **CONFORMING AMENDMENTS.**—

(1) Paragraph (2) of section 1324(b) of title 31, United States Code, is amended by inserting before the period “, or from section 35 of such Code”.

(2) The table of sections for subpart C of part IV of subchapter A of chapter 1 of such Code is amended by striking the last item and inserting the following new items:

“Sec. 35. Elective deferrals and IRA contributions by certain individuals.

“Sec. 36. Overpayments of tax.”

(c) **EFFECTIVE DATE.**—The amendments made by this section shall apply to taxable years beginning after December 31, 2001.

SEC. 802. CREDIT FOR PENSION PLAN STARTUP COSTS OF SMALL EMPLOYERS.

(a) **IN GENERAL.**—Subpart D of part IV of subchapter A of chapter 1 (relating to business related credits) is amended by adding at the end the following new section:

“SEC. 45D. SMALL EMPLOYER PENSION PLAN STARTUP COSTS.

“(a) **GENERAL RULE.**—For purposes of section 38, in the case of an eligible employer, the small employer pension plan startup cost credit determined under this section for any taxable year is an amount equal to 50 percent of the qualified startup costs paid or incurred by the taxpayer during the taxable year.

“(b) **DOLLAR LIMITATION.**—The amount of the credit determined under this section for any taxable year shall not exceed—

“(1) \$1,000 for the first credit year,

“(2) \$500 for each of the 2 taxable years immediately following the first credit year, and

“(3) zero for any other taxable year.

“(c) ELIGIBLE EMPLOYER.—For purposes of this section—

“(1) IN GENERAL.—The term ‘eligible employer’ has the meaning given such term by section 408(p)(2)(C)(i).

“(2) EMPLOYERS MAINTAINING QUALIFIED PLANS DURING 1998 NOT ELIGIBLE.—Such term shall not include an employer if such employer (or any predecessor employer) maintained a qualified plan (as defined in section 408(p)(2)(D)(ii)) with respect to which contributions were made, or benefits were accrued, for service in 1998. If only individuals other than employees described in subparagraph (A) or (B) of section 410(b)(3) are eligible to participate in the qualified employer plan referred to in subsection (d)(1), then the preceding sentence shall be applied without regard to any qualified plan in which only employees so described are eligible to participate.

“(d) OTHER DEFINITIONS.—For purposes of this section—

“(1) QUALIFIED STARTUP COSTS.—

“(A) IN GENERAL.—The term ‘qualified startup costs’ means any ordinary and necessary expenses of an eligible employer which are paid or incurred in connection with—

“(i) the establishment or administration of an eligible employer plan, or

“(ii) the retirement-related education of employees with respect to such plan.

“(B) PLAN MUST HAVE AT LEAST 2 PARTICIPANTS.—Such term shall not include any expense in connection with a plan that does not have at least 2 individuals who are eligible to participate.

“(C) PLAN MUST BE ESTABLISHED BEFORE JANUARY 1, 2010.—Such term shall not include any expense in connection with a plan established after December 31, 2009.

“(2) ELIGIBLE EMPLOYER PLAN.—The term ‘eligible employer plan’ means a qualified employer plan within the meaning of section 4972(d), or a qualified payroll deduction arrangement within the meaning of section 408(q)(1) (whether or not an election is made under section 408(q)(2)). A qualified payroll deduction arrangement shall be treated as an eligible employer plan only if all employees of the employer who—

“(A) have been employed for 90 days, and

“(B) are not described in subparagraph (A) or (C) of section 410(b)(3),
are eligible to make the election under section 408(q)(1)(A).

“(3) FIRST CREDIT YEAR.—The term ‘first credit year’ means—

“(A) the taxable year which includes the date that the eligible employer plan to which such costs relate becomes effective, or

“(B) at the election of the eligible employer, the taxable year preceding the taxable year referred to in subparagraph (A).

“(e) SPECIAL RULES.—For purposes of this section—

“(1) AGGREGATION RULES.—All persons treated as a single employer under subsection (a) or (b) of section 52, or subsection (n) or (o) of section 414, shall be treated as one person. All eli-

gible employer plans shall be treated as 1 eligible employer plan.

“(2) DISALLOWANCE OF DEDUCTION.—No deduction shall be allowed for that portion of the qualified startup costs paid or incurred for the taxable year which is equal to the credit determined under subsection (a).

“(3) ELECTION NOT TO CLAIM CREDIT.—This section shall not apply to a taxpayer for any taxable year if such taxpayer elects to have this section not apply for such taxable year.”

(b) CREDIT ALLOWED AS PART OF GENERAL BUSINESS CREDIT.—Section 38(b) (defining current year business credit) is amended by striking “plus” at the end of paragraph (11), by striking the period at the end of paragraph (12) and inserting “, plus”, and by adding at the end the following new paragraph:

“(13) in the case of an eligible employer (as defined in section 45D(c)), the small employer pension plan startup cost credit determined under section 45D(a).”

(c) CONFORMING AMENDMENTS.—

(1) Section 39(d) is amended by adding at the end the following new paragraph:

“(8) NO CARRYBACK OF SMALL EMPLOYER PENSION PLAN STARTUP COST CREDIT BEFORE EFFECTIVE DATE.—No portion of the unused business credit for any taxable year which is attributable to the small employer pension plan startup cost credit determined under section 45D may be carried back to a taxable year ending on or before the date of the enactment of section 45D.”

(2) Subsection (c) of section 196 is amended by striking “and” at the end of paragraph (7), by striking the period at the end of paragraph (8) and inserting “, and”, and by adding at the end the following new paragraph:

“(9) the small employer pension plan startup cost credit determined under section 45D(a).”

(3) The table of sections for subpart D of part IV of subchapter A of chapter 1 is amended by adding at the end the following new item:

“Sec. 45D. Small employer pension plan startup costs.”

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to costs paid or incurred in taxable years ending after the date of the enactment of this Act.

SEC. 803. CREDIT FOR QUALIFIED PENSION PLAN CONTRIBUTIONS OF SMALL EMPLOYERS.

(a) IN GENERAL.—Subpart D of part IV of subchapter A of chapter 1 (relating to business related credits) is amended by adding at the end the following new section:

“SEC. 45E. SMALL EMPLOYER PENSION PLAN CONTRIBUTIONS.

“(a) GENERAL RULE.—For purposes of section 38, in the case of an eligible employer, the small employer pension plan contribution credit determined under this section for any taxable year is an amount equal to 50 percent of the amount which would (but for subsection (f)(1)) be allowed as a deduction under section 404 for such taxable year for qualified employer contributions made to any qualified retirement plan on behalf of any nonhighly compensated employee.

“(b) CREDIT LIMITED TO 3 YEARS.—The credit allowable by this section shall be allowed only with respect to the period of 3 taxable years beginning with the taxable year in which the qualified retirement plan becomes effective.

“(c) QUALIFIED EMPLOYER CONTRIBUTION.—For purposes of this section—

“(1) DEFINED CONTRIBUTION PLANS.—In the case of a defined contribution plan, the term ‘qualified employer contribution’ means the amount of nonelective and matching contributions to the plan made by the employer on behalf of any nonhighly compensated employee to the extent such amount does not exceed 3 percent of such employee’s compensation from the employer for the year.

“(2) DEFINED BENEFIT PLANS.—In the case of a defined benefit plan, the term ‘qualified employer contribution’ means the amount of employer contributions to the plan made on behalf of any nonhighly compensated employee to the extent that the accrued benefit of such employee derived from such contributions for the year do not exceed the equivalent (as determined under regulations prescribed by the Secretary and without regard to contributions and benefits under the Social Security Act) of 3 percent of such employee’s compensation from the employer for the year.

“(d) QUALIFIED RETIREMENT PLAN.—

“(1) IN GENERAL.—The term ‘qualified retirement plan’ means any plan described in section 401(a) which includes a trust exempt from tax under section 501(a) if the plan meets—

- “(A) the contribution requirements of paragraph (2),
- “(B) the vesting requirements of paragraph (3), and
- “(C) the distributions requirements of paragraph (4).

“(2) CONTRIBUTION REQUIREMENTS.—

“(A) IN GENERAL.—The requirements of this paragraph are met if, under the plan—

“(i) the employer is required to make nonelective contributions of at least 1 percent of compensation (or the equivalent thereof in the case of a defined benefit plan) for each nonhighly compensated employee who is eligible to participate in the plan, and

“(ii) allocations of nonelective employer contributions are either in equal dollar amounts for all employees covered by the plan or bear a uniform relationship to the total compensation, or the basic or regular rate of compensation, of the employees covered by the plan.

“(B) COMPENSATION LIMITATION.—The compensation taken into account under subparagraph (A) for any year shall not exceed the limitation in effect for such year under section 401(a)(17).

“(3) VESTING REQUIREMENTS.—The requirements of this paragraph are met if the plan satisfies the requirements of subparagraph (A) or (B).

“(A) 3-YEAR VESTING.—A plan satisfies the requirements of this subparagraph if an employee who has completed at least 3 years of service has a nonforfeitable right to 100 percent of the employee’s accrued benefit derived from employer contributions.

“(B) 5-YEAR GRADED VESTING.—A plan satisfies the requirements of this subparagraph if an employee has a nonforfeitable right to a percentage of the employee’s accrued benefit derived from employer contributions determined under the following table:

“Years of service:	The nonforfeitable percentage is:
1	20
2	40
3	60
4	80
5	100.

“(4) DISTRIBUTION REQUIREMENTS.—

“(A) IN GENERAL.—Except as provided in subparagraph (B), the requirements of this paragraph are met if, under the plan—

“(i) in the case of a profit-sharing or stock bonus plan, amounts are distributable only as provided in section 401(k)(2)(B), and

“(ii) in the case of a pension plan, amounts are distributable subject to the limitations applicable to other distributions from the plan.

“(B) DISTRIBUTIONS WITHIN 5 YEARS AFTER SEPARATION, ETC.—In no event shall a plan meet the requirements of this paragraph unless, under the plan, amounts distributed—

“(i) after separation from service or severance from employment, and

“(ii) within 5 years after the date of the earliest employer contribution to the plan, may be distributed only in a direct trustee-to-trustee transfer to a plan having the same distribution restrictions as the distributing plan.

“(e) OTHER DEFINITIONS.—For purposes of this section—

“(1) ELIGIBLE EMPLOYER.—The term ‘eligible employer’ has the meaning given such term by section 408(p)(2)(C)(i).

“(2) NONHIGHLY COMPENSATED EMPLOYEES.—The term ‘highly compensated employee’ has the meaning given such term by section 414(q) (determined without regard to section 414(q)(1)(B)(ii)).

“(f) SPECIAL RULES.—

“(1) DISALLOWANCE OF DEDUCTION.—No deduction shall be allowed for that portion of the qualified employer contributions paid or incurred for the taxable year which is equal to the credit determined under subsection (a).

“(2) ELECTION NOT TO CLAIM CREDIT.—This section shall not apply to a taxpayer for any taxable year if such taxpayer elects to have this section not apply for such taxable year.

“(g) RECAPTURE OF CREDIT ON FORFEITED CONTRIBUTIONS.—If any accrued benefit which is forfeitable by reason of subsection (d)(3) is forfeited, the employer’s tax imposed by this chapter for the taxable year in which the forfeiture occurs shall be increased by 35 percent of the employer contributions from which such benefit is derived to the extent such contributions were taken into account in determining the credit under this section.

“(h) REGULATIONS.—The Secretary shall prescribe such regulations as may be appropriate to carry out the purposes of this section, including regulations to prevent the abuse of the purposes of this section through the use of multiple plans.

“(i) TERMINATION.—This section shall not apply to any plan established after December 31, 2009.”

(b) CREDIT ALLOWED AS PART OF GENERAL BUSINESS CREDIT.—Section 38(b) (defining current year business credit) is amended by striking “plus” at the end of paragraph (12), by striking the period at the end of paragraph (13) and inserting “, plus”, and by adding at the end the following new paragraph:

“(14) in the case of an eligible employer (as defined in section 45E(e)), the small employer pension plan contribution credit determined under section 45E(a).”

(c) CONFORMING AMENDMENTS.—

(1) Section 39(d) is amended by adding at the end the following new paragraph:

“(9) NO CARRYBACK OF SMALL EMPLOYER PENSION PLAN CONTRIBUTION CREDIT BEFORE JANUARY 1, 2002.—No portion of the unused business credit for any taxable year which is attributable to the small employer pension plan contribution credit determined under section 45E may be carried back to a taxable year beginning before January 1, 2002.”

(2) Subsection (c) of section 196 is amended by striking “and” at the end of paragraph (8), by striking the period at the end of paragraph (9) and inserting “, and”, and by adding at the end the following new paragraph:

“(10) the small employer pension plan contribution credit determined under section 45E(a).”

(3) The table of sections for subpart D of part IV of subchapter A of chapter 1 is amended by adding at the end the following new item:

“Sec. 45E. Small employer pension plan contributions.”

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to contributions paid or incurred in taxable years beginning after December 31, 2001.

SEC. 804. LIMITATION ON CATCH-UP CONTRIBUTIONS.

(a) IN GENERAL.—Section 414(v), as added by section 301, is amended by adding at the end the following new paragraph:

“(6) LIMITATION.—This subsection shall apply with respect to a participant for a year only if the participant is not a highly compensated employee and certifies to the plan administrator that the participant has been out of the workforce for at least 2 of the preceding 7 years. A plan shall not be treated as failing to meet the requirements of this subsection by reason of reliance on an incorrect certification under this paragraph unless the plan administrator knew, or reasonably should have known, that the certification was incorrect.”

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to contributions in taxable years beginning after December 31, 2000.

SEC. 805. TREATMENT OF MULTIEMPLOYER PLANS UNDER SECTION 415.

(a) **EARLY RETIREMENT LIMITS FOR CERTAIN PLANS.**—Subparagraph (F) of section 415(b)(2) is amended to read as follows:

“(F) **MULTIEMPLOYER PLANS AND PLANS MAINTAINED BY GOVERNMENTS AND TAX EXEMPT ORGANIZATIONS.**—In the case of a governmental plan (within the meaning of section 414(d)), a plan maintained by an organization (other than a governmental unit) exempt from tax under this subtitle, a multiemployer plan (as defined in section 414(f)), or a qualified merchant marine plan—

“(i) subparagraph (C) shall be applied—

“(I) by substituting ‘age 62’ for ‘social security retirement age’ each place it appears, and

“(II) as if the last sentence thereof read as follows: ‘The reduction under this subparagraph shall not reduce the limitation of paragraph (1)(A) below (i) 80 percent of such limitation as in effect for the year, or (ii) if the benefit begins before age 55, the equivalent of such 80 percent amount for age 55.’, and

“(ii) subparagraph (D) shall be applied by substituting ‘age 65’ for ‘social security retirement age’ each place it appears.

For purposes of this subparagraph, the term ‘qualified merchant marine plan’ means a plan in existence on January 1, 1986, the participants in which are merchant marine officers holding licenses issued by the Secretary of Transportation under title 46, United States Code.”.

(b) **EFFECTIVE DATE.**—The amendments made by this section shall apply to years beginning after December 31, 2000.

SEC. 806. SENSE OF THE HOUSE OF REPRESENTATIVES REGARDING CASH BALANCE PENSION PLAN CONVERSIONS.

(a) **FINDINGS.**—The House of Representatives finds the following:

(1) Defined benefit pension plans are guaranteed by the Pension Benefit Guaranty Corporation and provide a lifetime benefit for a beneficiary and spouse.

(2) Defined benefit pension plans provide meaningful retirement benefits to rank and file workers, since such plans are generally funded by employer contributions.

(3) Employers should be encouraged to establish and maintain defined benefit pension plans.

(4) An increasing number of major employers have been converting their traditional defined benefit plans to “cash balance” or other hybrid defined benefit plans.

(5) Under current law, employers are not required to provide plan participants with meaningful disclosure of the impact of converting a traditional defined benefit plan to a “cash balance” or other hybrid formula.

(6) For a number of years after a conversion, the cash balance or other hybrid benefit formula may result in a period of “wear away” during which older and longer service participants earn no additional benefits.

(7) Federal law prohibits pension plan participants from being discriminated against on the basis of age in the provision of pension benefits.

(b) SENSE OF THE HOUSE.—It is the sense of the House of Representatives that pension plan participants whose plans are changed to cause older or longer service workers to earn less retirement income, including conversions to “cash balance plans”, should receive additional protection under the Internal Revenue Code of 1986 than what is currently provided, and Congress should act this year to address this important issue. In particular, the tax laws, at a minimum, should provide that—

(1) all pension plan participants receive adequate, accurate, and timely notice of any change to a plan that will cause participants to earn less retirement income in the future; and

(2) pension plans that are changed to a cash balance or other hybrid formula not be permitted to “wear away” participants’ benefits in such a manner that older and longer service participants earn no additional pension benefits for a period of time after the change.

