

1 (b) EFFECTIVE DATE.—The amendments made by
2 this section shall apply to hard cider removed during cal-
3 endar years beginning after December 31, 2016.

4 **SEC. 336. CHURCH PLAN CLARIFICATION.**

5 (a) APPLICATION OF CONTROLLED GROUP RULES TO
6 CHURCH PLANS.—

7 (1) IN GENERAL.—Section 414(c) is amended—

8 (A) by striking “For purposes” and insert-
9 ing the following:

10 “(1) IN GENERAL.—Except as provided in para-
11 graph (2), for purposes”, and

12 (B) by adding at the end the following new
13 paragraph:

14 “(2) SPECIAL RULES RELATING TO CHURCH
15 PLANS.—

16 “(A) GENERAL RULE.—Except as provided
17 in subparagraphs (B) and (C), for purposes of
18 this subsection and subsection (m), an organi-
19 zation that is otherwise eligible to participate in
20 a church plan shall not be aggregated with an-
21 other such organization and treated as a single
22 employer with such other organization for a
23 plan year beginning in a taxable year unless—

24 “(i) one such organization provides
25 (directly or indirectly) at least 80 percent

1 of the operating funds for the other orga-
2 nization during the preceding taxable year
3 of the recipient organization, and

4 “(ii) there is a degree of common
5 management or supervision between the or-
6 ganizations such that the organization pro-
7 viding the operating funds is directly in-
8 volved in the day-to-day operations of the
9 other organization.

10 “(B) NONQUALIFIED CHURCH-CON-
11 TROLLED ORGANIZATIONS.—Notwithstanding
12 subparagraph (A), for purposes of this sub-
13 section and subsection (m), an organization
14 that is a nonqualified church-controlled organi-
15 zation shall be aggregated with 1 or more other
16 nonqualified church-controlled organizations, or
17 with an organization that is not exempt from
18 tax under section 501, and treated as a single
19 employer with such other organization, if at
20 least 80 percent of the directors or trustees of
21 such other organization are either representa-
22 tives of, or directly or indirectly controlled by,
23 such nonqualified church-controlled organiza-
24 tion. For purposes of this subparagraph, the
25 term ‘nonqualified church-controlled organiza-

tion' means a church-controlled tax-exempt organization described in section 501(c)(3) that is not a qualified church-controlled organization (as defined in section 3121(w)(3)(B)).

“(C) PERMISSIVE AGGREGATION AMONG CHURCH-RELATED ORGANIZATIONS.—The church or convention or association of churches with which an organization described in subparagraph (A) is associated (within the meaning of subsection (e)(3)(D)), or an organization designated by such church or convention or association of churches, may elect to treat such organizations as a single employer for a plan year. Such election, once made, shall apply to all succeeding plan years unless revoked with notice provided to the Secretary in such manner as the Secretary shall prescribe.

“(D) PERMISSIVE DISAGGREGATION OF CHURCH-RELATED ORGANIZATIONS.—For purposes of subparagraph (A), in the case of a church plan, an employer may elect to treat churches (as defined in section 403(b)(12)(B)) separately from entities that are not churches (as so defined), without regard to whether such entities maintain separate church plans. Such

1 election, once made, shall apply to all suc-
2 ceeding plan years unless revoked with notice
3 provided to the Secretary in such manner as the
4 Secretary shall prescribe.”.

5 (2) CLARIFICATION RELATING TO APPLICATION
6 OF ANTI-ABUSE RULE.—The rule of 26 CFR
7 1.414(c)–5(f) shall continue to apply to each para-
8 graph of section 414(c) of the Internal Revenue
9 Code of 1986, as amended by paragraph (1).

10 (3) EFFECTIVE DATE.—The amendments made
11 by paragraph (1) shall apply to years beginning be-
12 fore, on, or after the date of the enactment of this
13 Act.

14 (b) APPLICATION OF CONTRIBUTION AND FUNDING
15 LIMITATIONS TO 403(b) GRANDFATHERED DEFINED
16 BENEFIT PLANS.—

17 (1) IN GENERAL.—Section 251(e)(5) of the Tax
18 Equity and Fiscal Responsibility Act of 1982 (Public
19 Law 97–248), is amended—

20 (A) by striking “403(b)(2)” and inserting
21 “403(b)”, and

22 (B) by inserting before the period at the
23 end the following: “, and shall be subject to the
24 applicable limitations of section 415(b) of such
25 Code as if it were a defined benefit plan under

1 section 401(a) of such Code (and not to the
2 limitations of section 415(c) of such Code).”.

3 (2) EFFECTIVE DATE.—The amendments made
4 by this subsection shall apply to years beginning be-
5 fore, on, or after the date of the enactment of this
6 Act.

7 (c) AUTOMATIC ENROLLMENT BY CHURCH PLANS.—

8 (1) IN GENERAL.—This subsection shall super-
9 sede any law of a State that relates to wage, salary,
10 or payroll payment, collection, deduction, garnish-
11 ment, assignment, or withholding which would di-
12 rectly or indirectly prohibit or restrict the inclusion
13 in any church plan (as defined in section 414(e) of
14 the Internal Revenue Code of 1986) of an automatic
15 contribution arrangement.

16 (2) DEFINITION OF AUTOMATIC CONTRIBUTION
17 ARRANGEMENT.—For purposes of this subsection,
18 the term “automatic contribution arrangement”
19 means an arrangement—

20 (A) under which a participant may elect to
21 have the plan sponsor or the employer make
22 payments as contributions under the plan on
23 behalf of the participant, or to the participant
24 directly in cash,

1 (B) under which a participant is treated as
2 having elected to have the plan sponsor or the
3 employer make such contributions in an amount
4 equal to a uniform percentage of compensation
5 provided under the plan until the participant
6 specifically elects not to have such contributions
7 made (or specifically elects to have such con-
8 tributions made at a different percentage), and

9 (C) under which the notice and election re-
10 quirements of paragraph (3), and the invest-
11 ment requirements of paragraph (4), are satis-
12 fied.

13 (3) NOTICE REQUIREMENTS.—

14 (A) IN GENERAL.—The plan sponsor of, or
15 plan administrator or employer maintaining, an
16 automatic contribution arrangement shall, with-
17 in a reasonable period before the first day of
18 each plan year, provide to each participant to
19 whom the arrangement applies for such plan
20 year notice of the participant's rights and obli-
21 gations under the arrangement which—

22 (i) is sufficiently accurate and com-
23 prehensive to apprise the participant of
24 such rights and obligations, and

1 (ii) is written in a manner calculated
2 to be understood by the average partici-
3 pant to whom the arrangement applies.

4 (B) ELECTION REQUIREMENTS.—A notice
5 shall not be treated as meeting the require-
6 ments of subparagraph (A) with respect to a
7 participant unless—

8 (i) the notice includes an explanation
9 of the participant's right under the ar-
10 rangement not to have elective contribu-
11 tions made on the participant's behalf (or
12 to elect to have such contributions made at
13 a different percentage),

14 (ii) the participant has a reasonable
15 period of time, after receipt of the expla-
16 nation described in clause (i) and before
17 the first elective contribution is made, to
18 make such election, and

19 (iii) the notice explains how contribu-
20 tions made under the arrangement will be
21 invested in the absence of any investment
22 election by the participant.

23 (4) DEFAULT INVESTMENT.—If no affirmative
24 investment election has been made with respect to
25 any automatic contribution arrangement, contribu-

1 tions to such arrangement shall be invested in a de-
2 fault investment selected with the care, skill, pru-
3 dence, and diligence that a prudent person selecting
4 an investment option would use.

5 (5) EFFECTIVE DATE.—This subsection shall
6 take effect on the date of the enactment of this Act.

7 (d) ALLOW CERTAIN PLAN TRANSFERS AND MERG-
8 ERS.—

9 (1) IN GENERAL.—Section 414 is amended by
10 adding at the end the following new subsection:

11 “(z) CERTAIN PLAN TRANSFERS AND MERGERS.—

12 “(1) IN GENERAL.—Under rules prescribed by
13 the Secretary, except as provided in paragraph (2),
14 no amount shall be includible in gross income by
15 reason of—

16 “(A) a transfer of all or a portion of the
17 accrued benefit of a participant or beneficiary,
18 whether or not vested, from a church plan that
19 is a plan described in section 401(a) or an an-
20 nuity contract described in section 403(b) to an
21 annuity contract described in section 403(b), if
22 such plan and annuity contract are both main-
23 tained by the same church or convention or as-
24 sociation of churches,

1 “(B) a transfer of all or a portion of the
2 accrued benefit of a participant or beneficiary,
3 whether or not vested, from an annuity contract
4 described in section 403(b) to a church plan
5 that is a plan described in section 401(a), if
6 such plan and annuity contract are both main-
7 tained by the same church or convention or as-
8 sociation of churches, or

9 “(C) a merger of a church plan that is a
10 plan described in section 401(a), or an annuity
11 contract described in section 403(b), with an
12 annuity contract described in section 403(b), if
13 such plan and annuity contract are both main-
14 tained by the same church or convention or as-
15 sociation of churches.

16 “(2) LIMITATION.—Paragraph (1) shall not
17 apply to a transfer or merger unless the partici-
18 pant’s or beneficiary’s total accrued benefit imme-
19 diately after the transfer or merger is equal to or
20 greater than the participant’s or beneficiary’s total
21 accrued benefit immediately before the transfer or
22 merger, and such total accrued benefit is nonforfeit-
23 able after the transfer or merger.

24 “(3) QUALIFICATION.—A plan or annuity con-
25 tract shall not fail to be considered to be described

1 in section 401(a) or 403(b) merely because such
2 plan or annuity contract engages in a transfer or
3 merger described in this subsection.

4 “(4) DEFINITIONS.—For purposes of this sub-
5 section—

6 “(A) CHURCH OR CONVENTION OR ASSO-
7 CIATION OF CHURCHES.—The term ‘church or
8 convention or association of churches’ includes
9 an organization described in subparagraph (A)
10 or (B)(ii) of subsection (e)(3).

11 “(B) ANNUITY CONTRACT.—The term ‘an-
12 nuity contract’ includes a custodial account de-
13 scribed in section 403(b)(7) and a retirement
14 income account described in section 403(b)(9).

15 “(C) ACCRUED BENEFIT.—The term ‘ac-
16 crued benefit’ means—

17 “(i) in the case of a defined benefit
18 plan, the employee’s accrued benefit deter-
19 mined under the plan, and

20 “(ii) in the case of a plan other than
21 a defined benefit plan, the balance of the
22 employee’s account under the plan.”.

23 (2) EFFECTIVE DATE.—The amendment made
24 by this subsection shall apply to transfers or merg-

1 ers occurring after the date of the enactment of this
2 Act.

3 (e) INVESTMENTS BY CHURCH PLANS IN COLLEC-
4 TIVE TRUSTS.—

5 (1) IN GENERAL.—In the case of—

6 (A) a church plan (as defined in section
7 414(e) of the Internal Revenue Code of 1986),
8 including a plan described in section 401(a) of
9 such Code and a retirement income account de-
10 scribed in section 403(b)(9) of such Code, and

11 (B) an organization described in section
12 414(e)(3)(A) of such Code the principal pur-
13 pose or function of which is the administration
14 of such a plan or account,

15 the assets of such plan, account, or organization (in-
16 cluding any assets otherwise permitted to be com-
17 mingled for investment purposes with the assets of
18 such a plan, account, or organization) may be in-
19 vested in a group trust otherwise described in Inter-
20 nal Revenue Service Revenue Ruling 81-100 (as
21 modified by Internal Revenue Service Revenue Rul-
22 ings 2004-67, 2011-1, and 2014-24), or any subse-
23 quent revenue ruling that supersedes or modifies
24 such revenue ruling, without adversely affecting the
25 tax status of the group trust, such plan, account, or

1 organization, or any other plan or trust that invests
2 in the group trust.

3 (2) EFFECTIVE DATE.—This subsection shall
4 apply to investments made after the date of the en-
5 actment of this Act.

6 **Subtitle D—Revenue Provisions**

7 **SEC. 341. UPDATED ASHRAE STANDARDS FOR ENERGY EF-** 8 **FICIENT COMMERCIAL BUILDINGS DEDUC-** 9 **TION.**

10 (a) IN GENERAL.—Paragraph (1) of section 179D(c)
11 is amended by striking “Standard 90.1–2001” each place
12 it appears and inserting “Standard 90.1–2007”.

13 (b) CONFORMING AMENDMENTS.—

14 (1) Paragraph (2) of section 179D(c) is amend-
15 ed to read as follows:

16 “(2) STANDARD 90.1–2007.—The term ‘Stand-
17 ard 90.1–2007’ means Standard 90.1–2007 of the
18 American Society of Heating, Refrigerating, and Air
19 Conditioning Engineers and the Illuminating Engi-
20 neering Society of North America (as in effect on
21 the day before the date of the adoption of Standard
22 90.1–2010 of such Societies).”.

23 (2) Subsection (f) of section 179D is amended
24 by striking “Standard 90.1–2001” each place it ap-