AMENDMENT TO THE AMENDMENT IN THE
NATURE OF A SUBSTITUTE TO H.R.3185
OFFERED BY MR. ANDREWS OF NEW JERSEY

Page 26, strike line 8 and all that follows through
line 24 and insert the following:

1 SEC. 3. MINIMUM INVESTMENT OPTION REQUIREMENT
2 FOR INDIVIDUAL ACCOUNT PLANS.
3 (a) IN GENERAL.—Section 404(c) of the Employee
5 1104(c)) is amended by adding at the end the following
6 new paragraph:
7 “(6) MINIMUM INVESTMENT OPTION REQUIRE-
8 MENT FOR INDIVIDUAL ACCOUNT PLANS.—Para-
9 graph (1)(A)(ii) shall not apply in connection with
10 any individual account plan which permits a partici-
11 pant or beneficiary to exercise control over the as-
12 sets in the account of the participant or beneficiary
13 unless the plan includes at least one investment op-
14 tion—
15 “(A) which consists of an appropriate
16 broad-based securities market index fund (or a
17 combination of 2 or more such funds), and
which (in the aggregate) is diversified so as to
minimize the risk of large losses,

"(B) which offers a combination of historical
returns, risk, and charges (within the
meaning of section 111(e)(1)) that is likely to
meet retirement income needs at adequate lev-
els of contribution, and

"(C) which is described in the terms of the
plan as offered without any endorsement of the
Government or the plan sponsor.");

(b) CONFORMING AMENDMENT.—Section
404(c)(1)(A)(ii) of such Act (29 U.S.C. 1104(c)(1)(A)(ii))
is amended by inserting "except as provided in section
404(c)(6) and" after "exercise of control,".

(c) EFFECTIVE DATE.—The amendments made by
this section shall apply with respect to plan years begin-
ing after one year after the date of the enactment of this
Act.