

## **Glossary – B**

**Benefits Test** – This test determines if any HCI is provided a benefit higher than that of a member of the non-prohibited class, within the same plan. Such benefit discrimination might be found in (a) benefit eligibility (waiting period, e.g.), (b) higher benefits or additional types of benefits, (c) discriminatory options, (d) benefits that increase by age, tenure, compensation, or (e) participant contributions.

**Brother-Sister Controlled Group** – This group is one in which five or fewer individuals, estates, or trusts own, directly or indirectly, stock that possesses: (1) 80% or more of the total combined voting power of all classes of stock entitled to vote (or 80% combined voting power of all classes of stock entitled to vote) or (more than 50% of the total value of all shares of all classes of stock) of each corporation, taking into account the stock ownership of each owner only to the extent that the level of ownership interest is identical with respect to each such corporation. The five or fewer persons with respect to whom stock ownership is considered for purposes of determining whether the 80% requirement is satisfied must be the same persons whose stock ownership is considered for purposes of the greater-than-50% requirement. Thus, the brother-sister controlled group should be of concern if five or fewer shareholders (1) own at least 80% of each corporation, and (2) own more than 50% of all corporations, taking into account identical ownership interests with respect to each corporation.

**Bundling and Combining** – These terms are identical and may occur between corporate entities or divisions by tying arrangements.