

110TH CONGRESS
2D SESSION

H. R. 7277

To suspend the beginning date for required distributions from certain retirement plans, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

NOVEMBER 19, 2008

Mr. FRELINGHUYSEN (for himself and Mr. BACHUS) introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To suspend the beginning date for required distributions from certain retirement plans, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Temporary IRA Dis-
5 tribution Suspension Act of 2008”.

6 **SEC. 2. SUSPENSION OF REQUIRED BEGINNING DATE FOR**
7 **DISTRIBUTIONS FROM DEFINED CONTRIBU-**
8 **TION PLANS.**

9 (a) IN GENERAL.—In the case of a defined contribu-
10 tion plan—

1 (1) section 401(a)(9) of the Internal Revenue
2 Code of 1986 shall not apply during the suspension
3 period,

4 (2) in lieu of the calendar year specified in sub-
5 paragraph (C)(i) of section 401(a)(9) of such Code,
6 the calendar year specified in such subparagraph
7 shall be the later of—

8 (A) the calendar year described in such
9 subparagraph (C)(i), or

10 (B) calendar year 2010, and

11 (3) the suspension period shall not be taken
12 into account for purposes of applying any time limi-
13 tation in such section 401(a)(9).

14 (b) SUSPENSION PERIOD.—For purposes of this sec-
15 tion, the term “suspension period” means the period be-
16 ginning on January 1, 2008, and ending on December 31,
17 2009.

18 (c) APPLICATION TO CERTAIN OTHER PLANS.—The
19 following sections shall be applied for the suspension pe-
20 riod under rules similar to the rules of subsection (a) of
21 this section—

22 (1) in the case of a defined contribution plan,
23 subsections (a) and (b) of section 403, and sections
24 408 and 408A, of such Code, and

1 (2) in the case of an eligible deferred compensa-
2 tion plan described in section 457(b) of such Code
3 which is maintained by an eligible employer de-
4 scribed in section 457(e)(1)(A) of such Code, sec-
5 tion 457 of such Code.

6 (d) APPLICATION TO CERTAIN PERIODIC PAY-
7 MENTS.—For purposes of this section, in the case of a
8 defined contribution plan, the failure to make a payment
9 from a qualified retirement plan during the suspension pe-
10 riod in an amount less than would be required under the
11 applicable method shall not be treated as a modification
12 for purposes of section 72(t)(2)(A)(iv) of such Code.

13 (e) PROVISIONS RELATING TO PLAN AMEND-
14 MENTS.—

15 (1) IN GENERAL.—If this section applies to any
16 plan or annuity contract, such plan or contract shall
17 be treated as being operated in accordance with the
18 terms of the plan during the period described in
19 paragraph (2)(B)(i).

20 (2) AMENDMENTS TO WHICH SECTION AP-
21 PLIES.—

22 (A) IN GENERAL.—This section shall apply
23 to any amendment to any plan or annuity con-
24 tract which is made—

1 (i) pursuant to this section or pursu-
2 ant to any regulation issued by the Sec-
3 retary of the Treasury to carry out this
4 section, and

5 (ii) on or before the last day of the
6 first plan year beginning on or after Janu-
7 ary 1, 2009.

8 (B) CONDITIONS.—This section shall not
9 apply to any amendment unless—

10 (i) during the period—

11 (I) beginning on the first day of
12 the suspension period, and

13 (II) ending on the date described
14 in subparagraph (A)(ii) (or, if earlier,
15 the date the plan or contract amend-
16 ment is adopted), the plan or contract
17 is operated as if such plan or contract
18 amendment were in effect, and

19 (ii) such plan or contract amendment
20 applies retroactively for such period.

21 (f) EFFECTIVE DATE.—

22 (1) IN GENERAL.—This section shall take effect
23 on the date of the enactment of this Act.

24 (2) RECONTRIBUTION OF DISTRIBUTIONS BE-
25 FORE DATE OF ENACTMENT.—

1 (A) IN GENERAL.—Any individual who re-
2 ceives a payment or distribution during the pe-
3 riod beginning on January 1, 2008, and ending
4 on the date of the enactment of this Act from
5 a plan to which subsection (a) or (c) of this sec-
6 tion applies may, before the end of the suspen-
7 sion period, make one or more contributions in
8 an aggregate amount not to exceed the amount
9 of such payments or distributions to an eligible
10 retirement plan of which such individual is a
11 beneficiary and to which a rollover contribution
12 of such distribution could be made under sec-
13 tion 402(e), 403(a)(4), 403(b)(8), 408(d)(3), or
14 457(e)(16) of such Code, as the case may be.

15 (B) TREATMENT OF REPAYMENTS OF DIS-
16 TRIBUTIONS FROM ELIGIBLE RETIREMENT
17 PLANS OTHER THAN IRAS.—For purposes of
18 the Internal Revenue Code of 1986, if a con-
19 tribution is made pursuant to subparagraph (A)
20 to an eligible retirement plan other than an in-
21 dividual retirement plan, then the taxpayer
22 shall, to the extent of the amount of the con-
23 tribution, be treated as having received such
24 payments or distributions in an eligible rollover
25 distribution (as defined in section 402(c)(4) of

1 such Code) and as having transferred the
2 amount to the eligible retirement plan in a di-
3 rect trustee to trustee transfer within 60 days
4 of the distribution.

5 (C) TREATMENT OF REPAYMENTS FOR
6 DISTRIBUTIONS FROM IRAS.—For purposes of
7 the Internal Revenue Code of 1986, if a con-
8 tribution is made pursuant to subparagraph (A)
9 to an individual retirement plan (as defined by
10 section 7701(a)(37) of such Code), then, to the
11 extent of the amount of the contribution, such
12 payments or distributions shall be treated as a
13 distribution described in section 408(d)(3) of
14 such Code and as having been transferred to
15 the individual retirement plan in a direct trust-
16 ee to trustee transfer within 60 days of the dis-
17 tribution.

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