

116TH CONGRESS
2D SESSION

H. R. 5676

To increase the amount of accrued benefit which a pension plan may distribute after employee separation.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 24, 2020

Mr. SABLAN (for himself and Mr. WALBERG) introduced the following bill; which was referred to the Committee on Education and Labor, and in addition to the Committee on Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To increase the amount of accrued benefit which a pension plan may distribute after employee separation.

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 “Retirement Plan Mod-
5 ernization Act”.

1 **SEC. 2. INCREASE IN AMOUNT OF ACCRUED BENEFIT**
2 **WHICH A PENSION PLAN MAY DISTRIBUTE**
3 **AFTER EMPLOYEE SEPARATION.**

4 (a) AMENDMENTS TO INTERNAL REVENUE CODE OF
5 1986.—

6 (1) IN GENERAL.—Section 411(a)(11)(A) of the
7 Internal Revenue Code of 1986 is amended by strik-
8 ing “\$5,000” and inserting “\$8,000”.

9 (2) INFLATION ADJUSTMENT.—Section
10 411(a)(11) of such Code is amended by adding at
11 the end the following new subparagraph:

12 “(E) INFLATION ADJUSTMENT.—In the
13 case of any plan year beginning after 2019, the
14 Secretary shall adjust the \$8,000 amount in
15 subparagraph (A) at the same time and in the
16 same manner as under section 415(d), except
17 that the base period shall be the calendar quar-
18 ter beginning July 1, 2018, and any increase
19 under this subparagraph which is not a multiple
20 of \$50 shall be rounded to the next lowest mul-
21 tiple of \$50.”.

22 (3) CONFORMING AMENDMENTS.—

23 (A) Section 401(a)(31)(B)(ii) of such Code
24 is amended by striking “\$5,000” and inserting
25 “the dollar limit in effect under section
26 411(a)(11)(A)”.

1 (B) Section 411(a)(7)(B)(i) of such Code
2 is amended by striking “under section
3 411(a)(11)(A)” and inserting “in effect under
4 paragraph (11)(A)”.

5 (C) Section 457(e)(9)(A)(i) of such Code is
6 amended by inserting “in effect” after “the dol-
7 lar limit”.

8 (b) AMENDMENTS TO THE EMPLOYEE RETIREMENT
9 INCOME SECURITY ACT OF 1974.—

10 (1) IN GENERAL.—Section 203(e)(1) of the
11 Employee Retirement Income Security Act of 1974
12 (29 U.S.C. 1053(e)(1)) is amended by striking
13 “\$5,000” and inserting “\$8,000”.

14 (2) INFLATION ADJUSTMENT.—Section 203(e)
15 of such Act (29 U.S.C. 1053(e)) is amended by add-
16 ing at the end the following new paragraph:

17 “(5) In the case of any plan year beginning
18 after 2019, the Secretary of the Treasury shall ad-
19 just the \$8,000 amount in paragraph (1) at the
20 same time and in the same manner as under section
21 415(d) of the Internal Revenue Code of 1986, except
22 that the base period shall be the calendar quarter
23 beginning July 1, 2018, and any increase under this
24 paragraph which is not a multiple of \$50 shall be
25 rounded to the next lowest multiple of \$50.”.

1 (3) CONFORMING AMENDMENT.—Section
2 204(d)(1) of such Act (29 U.S.C. 1054(d)(1)) is
3 amended by inserting “in effect” after “the dollar
4 limit”.

5 (c) EFFECTIVE DATE.—The amendments made by
6 this section shall apply to plan years beginning after the
7 date of the enactment of this Act.

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