

116TH CONGRESS  
2D SESSION

# H. R. 8567

To amend the Internal Revenue Code of 1986 to increase to 75 the required beginning date age for mandatory retirement distributions and to exempt from such distribution rules individuals with lower account balances.

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## IN THE HOUSE OF REPRESENTATIVES

OCTOBER 9, 2020

Mrs. MURPHY of Florida (for herself and Mr. ESTES) introduced the following bill; which was referred to the Committee on Ways and Means

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## A BILL

To amend the Internal Revenue Code of 1986 to increase to 75 the required beginning date age for mandatory retirement distributions and to exempt from such distribution rules individuals with lower account balances.

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 “Required Minimum  
5 Distribution Modernization Act of 2020”.

1 **SEC. 2. INCREASE IN AGE FOR REQUIRED BEGINNING DATE**  
2 **FOR MANDATORY DISTRIBUTIONS.**

3 (a) IN GENERAL.—Section 401(a)(9)(C)(i)(I) of the  
4 Internal Revenue Code of 1986 is amended by striking  
5 “age 72” and inserting “age 75”.

6 (b) SPOUSE BENEFICIARIES; SPECIAL RULE FOR  
7 OWNERS.—Subparagraphs (B)(iv)(I) and (C)(ii)(I) of sec-  
8 tion 401(a)(9) of such Code are each amended by striking  
9 “age 72” and inserting “age 75”.

10 (c) CONFORMING AMENDMENTS.—The last sentence  
11 of section 408(b) of such Code is amended by striking  
12 “age 72” and inserting “age 75”.

13 (d) EFFECTIVE DATE.—The amendments made by  
14 this section shall apply to distributions required to be  
15 made after December 31, 2020, with respect to individuals  
16 who attain age 72 after such date.

17 **SEC. 3. EXEMPTION FROM REQUIRED MINIMUM DISTRIBUTION**  
18 **RULES FOR INDIVIDUALS WITH CERTAIN ACCOUNT BALANCES.**

20 (a) IN GENERAL.—Section 401(a)(9) of the Internal  
21 Revenue Code of 1986 is amended by adding at the end  
22 the following new subparagraph:

23 “(J) EXCEPTION FROM REQUIRED MIN-  
24 IMUM DISTRIBUTIONS DURING LIFE OF EM-  
25 PLOYEE WHERE ASSETS DO NOT EXCEED  
26 \$100,000.—

1           “(i) IN GENERAL.—If, as of a meas-  
2           urement date, the aggregate value of an  
3           employee’s entire interest under all defined  
4           contribution plans does not exceed  
5           \$100,000, then, during any succeeding cal-  
6           endar year beginning before the next meas-  
7           urement date, the requirements of sub-  
8           paragraph (A) shall not apply with respect  
9           to such employee.

10           “(ii) DEFINED CONTRIBUTION  
11           PLAN.—For purposes of this subpara-  
12           graph, the term ‘defined contribution plan’  
13           has the same meaning as when used in  
14           subparagraph (H).

15           “(iii) LIMIT ON REQUIRED MINIMUM  
16           DISTRIBUTION.—The required minimum  
17           distribution determined under subpara-  
18           graph (A) for an employee under all de-  
19           fined contribution plans shall not exceed  
20           an amount equal to the excess of—

21                   “(I) the aggregate value of an  
22                   employee’s entire interest under such  
23                   plans on the last day of the calendar  
24                   year to which such distribution re-  
25                   lates, over

1                   “(II) the dollar amount in effect  
2                   under clause (i) for such calendar  
3                   year.

4                   The Secretary in regulations or other guid-  
5                   ance may provide how such amount shall  
6                   be distributed in the case of an individual  
7                   with more than one defined contribution  
8                   plan.

9                   “(iv) MEASUREMENT DATE.—For  
10                  purposes of this subparagraph, the term  
11                  ‘measurement date’ means, with respect to  
12                  any employee—

13                  “(I) the last day of the calendar  
14                  year preceding the calendar year in  
15                  which the employee attains age 75,  
16                  and

17                  “(II) in the case of any employee  
18                  who (after a measurement date deter-  
19                  mined under subclause (I) with re-  
20                  spect to such employee) receives con-  
21                  tributions, rollovers, or transfers of  
22                  amounts that were not previously  
23                  taken into account in applying this  
24                  subparagraph, the last day of the cal-

1           endar year in which such contribution,  
2           rollover, or transfer was so received.

3           “(v) INFLATION ADJUSTMENT.—In  
4           the case of any calendar year beginning  
5           after 2020, the \$100,000 amount in clause  
6           (i) shall be increased by an amount equal  
7           to—

8                   “(I) such dollar amount, multi-  
9                   plied by

10                   “(II) the cost of living adjust-  
11                   ment determined under section 1(f)(3)  
12                   for the calendar year, determined by  
13                   substituting ‘calendar year 2019’ for  
14                   ‘calendar year 2016’ in subparagraph  
15                   (A)(ii) thereof.

16           Any increase determined under this clause  
17           shall be rounded to the next lowest mul-  
18           tiple of \$5,000.

19           “(vi) PLAN ADMINISTRATOR RELI-  
20           ANCE ON EMPLOYEE CERTIFICATION.—A  
21           defined contribution plan described in  
22           clause (iii), (iv), (v), or (vi) of section  
23           402(c)(8)(B) shall not be treated as failing  
24           to meet the requirements of this paragraph  
25           in the case of any failure to make a re-

1           required minimum distribution for a cal-  
2           endar year if—

3                   “(I) the aggregate value of an  
4                   employee’s entire interest under all  
5                   defined contribution plans of the em-  
6                   ployer on the last day of the calendar  
7                   year to which such distribution relates  
8                   does not exceed the dollar amount in  
9                   effect for such year under clause (i),  
10                  and

11                  “(II) the employee certifies that  
12                  the aggregate value of the employee’s  
13                  entire interest under all defined con-  
14                  tribution plans on the most recent  
15                  measurement date with respect to the  
16                  employee (as determined by the em-  
17                  ployee based on guidance provided by  
18                  the Secretary) did not exceed the dol-  
19                  lar amount in effect for such year  
20                  under clause (i).

21                  “(vii) AGGREGATION RULE.—All em-  
22                  ployers treated as a single employer under  
23                  subsection (b), (c), (m), or (o) of section  
24                  414 shall be treated as a single employer  
25                  for purposes of clause (v).”.

1 (b) PLAN ADMINISTRATOR REPORTING.—Section  
2 6047 of such Code is amended by redesignating subsection  
3 (h) as subsection (i) and by inserting after subsection (g)  
4 the following new subsection:

5 “(h) ACCOUNT BALANCE FOR PARTICIPANTS WHO  
6 HAVE ATTAINED AGE 74.—

7 “(1) IN GENERAL.—Not later than January 31  
8 of each year, the plan administrator (as defined in  
9 section 414(g)) of each defined contribution plan (as  
10 defined in section 401(a)(9)(J)) shall make a return  
11 to the Secretary with respect to each participant of  
12 such plan who has attained age 74 as of the end of  
13 the preceding calendar year which states—

14 “(A) the name and plan number of the  
15 plan,

16 “(B) the name and address of the plan ad-  
17 ministrator,

18 “(C) the name, address, and taxpayer  
19 identification number of the participant, and

20 “(D) the account balance of such partici-  
21 pant as of the end of the preceding calendar  
22 year.

23 “(2) STATEMENT FURNISHED TO PARTICI-  
24 PANT.—Every person required to make a return  
25 under paragraph (1) with respect to a participant

1 shall furnish a copy of such return to such partici-  
2 pant.

3 “(3) APPLICATION TO INDIVIDUAL RETIREMENT  
4 PLANS AND ANNUITIES.—In the case of an defined  
5 contribution plan described in clause (i) or (ii) of  
6 section 402(c)(8)(B)—

7 “(A) any reference in this subsection to  
8 the plan administrator shall be treated as a ref-  
9 erence to the trustee or issuer, as the case may  
10 be, and

11 “(B) any reference in this subsection to  
12 the participant shall be treated as a reference  
13 to the individual for whom such account or an-  
14 nuity is maintained.”.

15 (c) EFFECTIVE DATE.—The amendments made by  
16 this section shall apply to distributions required to be  
17 made in calendar years beginning more than 120 days  
18 after the date of the enactment of this Act.

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