

116TH CONGRESS
2D SESSION

S. 3557

To amend the Internal Revenue Code of 1986 to terminate required minimum distributions under tax-favored retirement plans.

IN THE SENATE OF THE UNITED STATES

MARCH 21, 2020

Mr. PAUL introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To amend the Internal Revenue Code of 1986 to terminate required minimum distributions under tax-favored retirement plans.

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. TERMINATION OF REQUIRED MINIMUM DIS-**
4 **TRIBUTION RULES.**

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

8 “(I) TERMINATION OF MINIMUM REQUIRED
9 DISTRIBUTION.—The requirements of this para-

1 graph shall not apply for any calendar year
2 after 2019.”.

3 (b) ELIGIBLE ROLLOVER DISTRIBUTIONS.—The last
4 sentence of section 402(c)(4) of the Internal Revenue
5 Code of 1986 is amended to read as follows: “If all or
6 any portion of a distribution after December 31, 2019,
7 is treated as an eligible rollover distribution but would not
8 be so treated if the minimum distribution requirements
9 under section 401(a)(9) had applied during the year of
10 the distribution, such distribution shall not be treated as
11 an eligible rollover distribution for purposes of section
12 401(a)(31) or 3405(c) or subsection (f) of this section.”.

13 (c) EFFECTIVE DATES.—

14 (1) IN GENERAL.—The amendments made by
15 this section shall apply for calendar years beginning
16 after December 31, 2019.

17 (2) PROVISIONS RELATING TO PLAN OR CON-
18 TRACT AMENDMENTS.—

19 (A) IN GENERAL.—If this paragraph ap-
20 plies to any pension plan or contract amend-
21 ment, such pension plan or contract shall not
22 fail to be treated as being operated in accord-
23 ance with the terms of the plan during the pe-
24 riod described in subparagraph (B)(ii) solely be-

1 cause the plan operates in accordance with this
2 section.

3 (B) AMENDMENTS TO WHICH PARAGRAPH
4 APPLIES.—

5 (i) IN GENERAL.—This paragraph
6 shall apply to any amendment to any pen-
7 sion plan or annuity contract which—

8 (I) is made pursuant to the
9 amendments made by this section,
10 and

11 (II) is made on or before the last
12 day of the first plan year beginning
13 on or after January 1, 2022.

14 In the case of a governmental plan, sub-
15 clause (II) shall be applied by substituting
16 “2023” for “2022”.

17 (ii) CONDITIONS.—This paragraph
18 shall not apply to any amendment unless
19 during the period beginning on the effec-
20 tive date of the amendment and ending on
21 December 31, 2020, the plan or contract is
22 operated as if such plan or contract
23 amendment were in effect.

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