

113TH CONGRESS  
1ST SESSION

# H. R. 205

To amend the Internal Revenue Code of 1986 to clarify the treatment of certain retirement plan contributions picked up by governmental employers.

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IN THE HOUSE OF REPRESENTATIVES

JANUARY 4, 2013

Ms. LORETTA SANCHEZ of California 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 clarify the treatment of certain retirement plan contributions picked up by governmental employers.

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. CLARIFICATION OF TREATMENT OF CERTAIN**  
4 **RETIREMENT PLAN CONTRIBUTIONS PICKED**  
5 **UP BY GOVERNMENTAL EMPLOYERS.**

6 (a) IN GENERAL.—Paragraph (2) of section 414(h)  
7 of the Internal Revenue Code of 1986 is amended—

8 (1) by striking “For purposes of paragraph  
9 (1)” and inserting the following:

1           “(A) IN GENERAL.—For purposes of para-  
2           graph (1)”, and  
3           (2) by adding at the end the following new sub-  
4           paragraph:

5           “(B) TREATMENT OF ELECTIONS BE-  
6           TWEEN ALTERNATIVE BENEFIT FORMULAS.—

7           “(i) IN GENERAL.—For purposes of  
8           subparagraph (A), a contribution shall not  
9           fail to be treated as picked up by an em-  
10          ploying unit merely because the employee  
11          may make an irrevocable election between  
12          the application of two alternative benefit  
13          formulas involving the same or different  
14          levels of employee contributions.

15          “(ii) APPLICATION TO EXISTING EM-  
16          PLOYEES.—Clause (i) shall be applied  
17          without regard to whether the employee is  
18          already covered by one of the benefit for-  
19          mulas referred to therein.”.

20          (b) EFFECTIVE DATE.—The amendment made by  
21          this section shall apply to years ending after the date of  
22          the enactment of this Act.

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