

117TH CONGRESS
2D SESSION

S. 4426

To amend the Internal Revenue Code of 1986 to modify rules relating to beneficiaries of charitable remainder trusts.

IN THE SENATE OF THE UNITED STATES

JUNE 16, 2022

Mr. YOUNG (for himself and Ms. HASSAN) 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 modify rules relating to beneficiaries of charitable remainder trusts.

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 “Special Needs Trust
5 Improvement Act of 2022”.

1 **SEC. 2. TREATMENT OF CHARITABLE REMAINDER BENE-**
 2 **FICIARIES IN APPLICABLE MULTI-BENE-**
 3 **FICIARY TRUSTS UNDER DEFINED CON-**
 4 **TRIBUTION PLAN DISTRIBUTION RULES**
 5 **AFTER DEATH OF EMPLOYEE.**

6 (a) IN GENERAL.—Section 401(a)(9)(H)(iv)(II) of
 7 the Internal Revenue Code of 1986 is amended by striking
 8 “no individual” and inserting “no beneficiary”.

9 (b) APPLICABLE MULTI-BENEFICIARY TRUST DEFINI-
 10 TION.—Section 401(a)(9)(H)(v) of the Internal Rev-
 11 enue Code of 1986 is amended by adding at the end the
 12 following flush text:

13 “For purposes of the preceding sentence,
 14 in the case of a trust the terms of which
 15 are described in clause (iv)(II), any bene-
 16 ficiary which is an organization described
 17 in section 408(d)(8)(B)(i) shall be treated
 18 as a designated beneficiary described in
 19 subclause (II).”.

20 (c) EFFECTIVE DATE.—The amendments made by
 21 this section shall take effect as if included in section 401
 22 of the Setting Every Community Up for Retirement En-
 23 hancement Act of 2019.

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