

119TH CONGRESS
1ST SESSION

H. R. 6450

To amend the Internal Revenue Code of 1986 to permit rollover contributions from Roth IRAs to designated Roth accounts.

IN THE HOUSE OF REPRESENTATIVES

DECEMBER 4, 2025

Mr. LAHOOD (for himself and Ms. SÁNCHEZ) introduced the following bill;
which was referred to the Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 to permit rollover contributions from Roth IRAs to designated Roth accounts.

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 Rollover
5 Flexibility Act”.

6 **SEC. 2. ROLLOVER CONTRIBUTIONS FROM ROTH IRAS TO**
7 **DESIGNATED ROTH ACCOUNTS.**

8 (a) TREATMENT AS ROLLOVER DISTRIBUTION FOR
9 PURPOSES OF ROTH IRA.—

(1) IN GENERAL.—Section 408(d)(3)(A) of the Internal Revenue Code of 1986 is amended by striking “; or” at the end of clause (i) and inserting a comma, by striking the period at the end of clause (ii) and inserting “, or” and by inserting after clause (ii) the following new clause:

“(iii) the entire amount received (including money and any other property) is paid in a direct trustee-to-trustee transfer to a designated Roth account (within the meaning of section 402A)—

“(I) from an eligible Roth IRA,

or

“(II) in an automatic portability transaction (as defined in section 4975(f)(12)(A)(i)).”.

(2) ELIGIBLE ROTH IRA.—Section 408(d)(3) is amended by adding at the end the following new subparagraph:

“(J) ELIGIBLE ROTH IRA.—For purposes of subparagraph (A)(iii), the term ‘eligible Roth IRA’ means a Roth IRA which—

“(i) is the only Roth IRA (other than a Roth IRA established under section 401(a)(31)(B)(i)) maintained for the ben-

1 efit of the individual during the taxable
 2 year of the taxpayer in which the distribu-
 3 tion or payment described in subparagraph
 4 (A)(iii) is made, and

5 “(ii) has a balance at the time of the
 6 payment or distribution which is not in ex-
 7 cess of the amount described in section
 8 401(a)(31)(B)(ii).”.

9 (b) TREATMENT AS ROLLOVER CONTRIBUTION FOR
 10 PURPOSES OF DESIGNATED ROTH ACCOUNT.—

11 (1) IN GENERAL.—Section 402A(c)(3)(B) of
 12 the Internal Revenue Code of 1986 is amended by
 13 inserting “or under section 408(d)(3)(A)(iii)” after
 14 “subparagraph (A)”.

15 (2) TREATMENT OF EARNINGS IN CASE OF TAX-
 16 ABLE DISTRIBUTIONS.—Section 402A(d) of such
 17 Code is amended by adding at the end the following
 18 new paragraph:

19 “(6) TREATMENT OF ROTH IRA ROLLOVER CON-
 20 TRIBUTIONS.—Notwithstanding section 72, the total
 21 amount of any rollover contribution to a designated
 22 Roth account under section 408(d)(3)(A)(iii) shall
 23 be treated as investment in the contract.”.

24 (c) COORDINATION WITH NONEXCLUSION PERIOD.—
 25 Section 402A(d)(2)(B) of such Code is amended—

1 (1) by striking “earlier” in the matter pre-
 2 ceding subclause (i) and inserting “earliest”,

3 (2) by striking “or” at the end of clause (i),

4 (3) by striking the period at the end of clause
 5 (ii), and

6 (4) by adding at the end the following:

7 “(iii) if a rollover contribution was
 8 made to such designated Roth account
 9 from a Roth IRA under section
 10 408(d)(3)(A)(iii)(II) and the automatic
 11 portability provider (as defined in section
 12 4975(f)(12)(A)(ii)) provides the first tax-
 13 able year to which a contribution was
 14 made to the source plan, the first taxable
 15 year in which the individual made con-
 16 tributions to the source plan.

17 For purposes of clause (iii), the term ‘source
 18 plan’ means the eligible retirement plan (as de-
 19 fined in section 401(a)(31)(B)(ii)) from which
 20 amounts were transferred to the Roth IRA as
 21 described in section 4975(f)(12)(A)(i)(I).”.

22 (d) EFFECTIVE DATE.—The amendments made by
 23 this section shall apply to amounts paid or distributed
 24 after the date of the enactment of this Act.

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