

105TH CONGRESS
1ST SESSION

S. 69

To amend the Internal Revenue Code of 1986 to allow a one-time election of the interest rate to be used to determine present value for purposes of pension cash-out restrictions, and for other purposes.

IN THE SENATE OF THE UNITED STATES

JANUARY 21, 1997

Mr. KYL 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 allow a one-time election of the interest rate to be used to determine present value for purposes of pension cash-out restrictions, and for other purposes.

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 Protection
5 Act Amendments of 1997”.

1 **SEC. 2. INTEREST RATE FOR DETERMINATION OF PRESENT**
 2 **VALUE FOR PURPOSES OF PENSION CASH-**
 3 **OUT RESTRICTIONS.**

4 (a) IN GENERAL.—Subclause (II) of section
 5 417(e)(3)(A)(ii) of the Internal Revenue Code of 1986 (re-
 6 lating to determination of present value) is amended by
 7 inserting “, or, at the irrevocable election of the plan, an
 8 annual interest rate specified in the plan, which may not
 9 be less than 5 percent nor more than 8 percent” after
 10 “prescribe”.

11 (b) CONFORMING AMENDMENT.—Subclause (II) of
 12 section 205(g)(3)(A)(ii) of the Employee Retirement In-
 13 come Security Act of 1974 (29 U.S.C. 1055(g)(3)(A)(ii))
 14 is amended by inserting “, or, at the irrevocable election
 15 of the plan, an annual interest rate specified in the plan,
 16 which may not be less than 5 percent nor more than 8
 17 percent” after “prescribe”.

18 (c) EFFECTIVE DATE.—The amendments made by
 19 this section shall take effect as if included in the enact-
 20 ment of the amendments made by section 767 of the Uru-
 21 guay Round Agreements Act.

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