

106TH CONGRESS  
1ST SESSION

# H. R. 616

To amend the Internal Revenue Code of 1986 to permit 401(k) contributions which would otherwise be limited by employer contributions to employee stock ownership plans.

---

## IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 8, 1999

Mr. CRANE 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 401(k) contributions which would otherwise be limited by employer contributions to employee stock ownership 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. 401(k) CONTRIBUTIONS PERMITTED WHICH**  
4                       **WOULD OTHERWISE BE LIMITED BY EM-**  
5                       **PLOYER CONTRIBUTIONS TO EMPLOYEE**  
6                       **STOCK OWNERSHIP PLANS.**

7       (a) IN GENERAL.—Subsection (c) of section 415 of  
8       the Internal Revenue Code of 1986 (relating to limitation

1 for defined contribution plans) is amended by adding at  
2 the end the following new paragraph:

3           “(8)   401(k)   CONTRIBUTIONS   PERMITTED  
4       WHICH WOULD OTHERWISE BE LIMITED BY EM-  
5       PLOYER CONTRIBUTIONS TO EMPLOYEE STOCK OWN-  
6       ERSHIP PLANS.—Employer contributions to an em-  
7       ployee stock ownership plan (as described in section  
8       4975(e)(7)) shall not be taken into account in deter-  
9       mining whether any other amount exceeds the limi-  
10      tations imposed by this section with respect to con-  
11      tributions to qualified cash or deferred arrangements  
12      under section 401(k).”.

13       (b) EFFECTIVE DATE.—The amendment made by  
14 this section shall apply to years beginning after December  
15 31, 1999.

○