

108TH CONGRESS  
1ST SESSION

# H. R. 1250

To amend the Internal Revenue Code of 1986 to modify the exemption from the self-employment tax for certain termination payments received by former insurance sales agents.

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## IN THE HOUSE OF REPRESENTATIVES

MARCH 12, 2003

Mr. RYAN of Wisconsin (for himself, Mr. WELLER, Mr. KLECZKA, Mr. PETRI, Mr. GREEN of Wisconsin, and Ms. BALDWIN) 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 modify the exemption from the self-employment tax for certain termination payments received by former insurance sales agents.

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 “Former Insurance  
5       Agents Tax Equity Act of 2003”.

1 **SEC. 2. MODIFICATION OF EXEMPTION FROM SELF-EM-**  
2 **PLOYMENT TAX FOR CERTAIN TERMINATION**  
3 **PAYMENTS RECEIVED BY FORMER INSUR-**  
4 **ANCE SALES AGENTS.**

5 (a) INTERNAL REVENUE CODE.—Paragraph (4) of  
6 section 1402(k) of the Internal Revenue Code of 1986 (re-  
7 lating to codification of treatment of certain termination  
8 payments received by former insurance salesmen) is  
9 amended to read as follows:

10 “(4) the amount of such payment depends pri-  
11 marily on policies sold by or credited to the account  
12 of such individual or the extent to which such poli-  
13 cies remain in force for some period after such ter-  
14 mination, or both.”.

15 (b) SOCIAL SECURITY ACT.—Paragraph (4) of sec-  
16 tion 211(j) of the Social Security Act is amended to read  
17 as follows:

18 “(4) the amount of such payment depends pri-  
19 marily on policies sold by or credited to the account  
20 of such individual or the extent to which such poli-  
21 cies remain in force for some period after such ter-  
22 mination, or both.”.

23 (c) EFFECTIVE DATE.—The amendments made by  
24 this section shall apply to payments after December 31,  
25 2003.