

108TH CONGRESS
1ST SESSION

H. R. 320

To amend the Internal Revenue Code of 1986 to allow expanded penalty-free withdrawals from certain retirement plans during periods of unemployment for any employee of an air carrier or of a manufacturer of aircraft or parts or components of aircraft.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 8, 2003

Mr. TLAHRT 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 allow expanded penalty-free withdrawals from certain retirement plans during periods of unemployment for any employee of an air carrier or of a manufacturer of aircraft or parts or components of aircraft.

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 “Aviation Employee As-
5 sistance Relief Act”.

1 **SEC. 2. DISTRIBUTIONS FROM CERTAIN PLANS MAY BE**
2 **USED WITHOUT PENALTY DURING PERIODS**
3 **OF UNEMPLOYMENT.**

4 (a) IN GENERAL.—Paragraph (2) of section 72(t) of
5 the Internal Revenue Code of 1986 (relating to exceptions
6 to 10-percent additional tax on early distributions from
7 qualified retirement plans) is amended by adding at the
8 end the following new subparagraph:

9 “(G) ADDITIONAL DISTRIBUTIONS TO IN-
10 DIVIDUALS SEPARATED FROM EMPLOYMENT BY
11 AIR CARRIERS, AIRCRAFT MANUFACTURERS, OR
12 MANUFACTURERS OF PARTS OR COMPONENTS
13 OF AIRCRAFT.—

14 “(i) IN GENERAL.—Distributions from
15 an individual retirement plan, or from
16 amounts attributable to employer contribu-
17 tions made pursuant to elective deferrals
18 described in subparagraph (A) or (C) of
19 section 402(g)(3) or section
20 501(e)(18)(D)(iii), to an individual after
21 separation from qualified employment if—

22 “(I) such individual has received
23 unemployment compensation for 12
24 consecutive weeks under any Federal
25 or State unemployment compensation
26 law by reason of such separation, and

1 “(II) such distributions are made
2 during the period beginning on the
3 date of such separation and ending on
4 June 30, 2003.

5 “(ii) QUALIFIED EMPLOYMENT.—For
6 purposes of this subparagraph, the term
7 ‘qualified employment’ means employment
8 by an air carrier (as defined in section
9 4102 of title 49, United States Code), by
10 an aircraft manufacturer, or by a manu-
11 facturer of parts or components of aircraft.

12 “(iii) DISTRIBUTIONS AFTER REEM-
13 PLOYMENT.—Clause (i) shall not apply to
14 any distribution made after the individual
15 has been employed on a fulltime basis for
16 at least 60 days after the separation from
17 employment to which clause (i) applies.

18 “(iv) COORDINATION WITH SUBPARA-
19 GRAPH (D).—Distributions during the pe-
20 riod described in clause (i)(II) shall not be
21 taken into account in applying the limita-
22 tion under subparagraph (D)(i)(III).”

23 (b) CONFORMING AMENDMENTS.—

24 (1) Section 401(k)(2)(B)(i) of such Code is
25 amended by striking “or” at the end of subclause

1 (III), by striking “and” at the end of subclause (IV)
2 and inserting “or”, and by inserting after subclause
3 (IV) the following new subclause:

4 “(V) the date on which a period
5 referred to in section 72(t)(2)(G) be-
6 gins, and”.

7 (2) Section 403(b)(11) of such Code is amend-
8 ed by striking “or” at the end of subparagraph (A),
9 by striking the period at the end of subparagraph
10 (B) and inserting “, or”, and by inserting after sub-
11 paragraph (B) the following new subparagraph:

12 “(C) for distributions to which section
13 72(t)(2)(G) applies.”

14 (c) EFFECTIVE DATE.—The amendments made by
15 this section shall apply to distributions after the date of
16 the enactment of this Act.

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