

109TH CONGRESS  
2D SESSION

# H. R. 5424

To allow certain existing retirement plans maintained by churches to continue to provide annuities directly to participants rather than through an insurance company.

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## IN THE HOUSE OF REPRESENTATIVES

MAY 18, 2006

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

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## A BILL

To allow certain existing retirement plans maintained by churches to continue to provide annuities directly to participants rather than through an insurance company.

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. GRANDFATHER RULE FOR CHURCH PLANS**  
4 **WHICH SELF-ANNUITIZE.**

5 (a) IN GENERAL.—In the case of any plan year end-  
6 ing after April 17, 2002, annuity payments provided with  
7 respect to any account maintained for a participant or  
8 beneficiary under a qualified church plan shall not fail to  
9 satisfy the requirements of section 401(a)(9) of the Inter-

1   nal Revenue Code of 1986 merely because the payments  
2   are not made under an annuity contract purchased from  
3   an insurance company if such payments would not fail  
4   such requirements if provided with respect to a retirement  
5   income account described in section 403(b)(9) of such  
6   Code.

7       (b) QUALIFIED CHURCH PLAN.—For purposes of  
8   this section, the term “qualified church plan” means any  
9   money purchase pension plan described in section 401(a)  
10   of such Code which—

11           (1) is a church plan (as defined in section  
12           414(e) of such Code) with respect to which the elec-  
13           tion provided by section 410(d) of such Code has not  
14           been made, and

15           (2) was in existence on April 17, 2002.

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