

111TH CONGRESS
1ST SESSION

H. R. 4239

To amend the Internal Revenue Code of 1986 to modify the exception from the 10 percent penalty for early withdrawals from governmental plans for Federal and State qualified public safety employees.

IN THE HOUSE OF REPRESENTATIVES

DECEMBER 8, 2009

Mr. MEEK of Florida (for himself and Mr. BRADY of Texas) 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 modify the exception from the 10 percent penalty for early withdrawals from governmental plans for Federal and State qualified public safety employees.

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. MODIFICATION OF EXCEPTION FROM 10 PER-**
4 **CENT EARLY WITHDRAWAL PENALTY FOR**
5 **FEDERAL AND STATE PUBLIC SAFETY EM-**
6 **PLOYEES.**

7 (a) REPEAL OF RESTRICTION TO DEFINED BENEFIT
8 PLANS.—Subparagraph (A) of section 72(t)(10)(A) of the

1 Internal Revenue Code of 1986 is amended by striking
2 “which is a defined benefit plan”.

3 (b) INCLUSION OF FEDERAL EMPLOYEES.—Sub-
4 paragraph (B) of section 72(t)(10) of such Code is amend-
5 ed to read as follows:

6 “(B) QUALIFIED PUBLIC SAFETY EM-
7 PLOYEE.—For purposes of this paragraph, the
8 term ‘qualified public safety employee’ means
9 any employee of the Government of the United
10 States, a State or political subdivision of a
11 State, or any agency or instrumentality of any
12 of the foregoing who provides police protection,
13 firefighting services, or emergency medical serv-
14 ices for any area within the jurisdiction of the
15 Government of the United States, or such State
16 or political subdivision, as the case may be.”.

17 (c) APPLICATION TO ANNUITIES COMMENCING BE-
18 FORE THE PENSION PROTECTION ACT OF 2006.—Para-
19 graph (10) of section 72(t) is amended by adding at the
20 end the following new subparagraph:

21 “(C) TRANSITIONAL RULE FOR ANNU-
22 ITIES.—Paragraph (4) shall not apply to any
23 modification to a series of substantially equal
24 periodic payments which are made with respect

1 to a qualified public safety employee if such se-
2 ries of payments commenced—

3 “(i) before the date of the enactment
4 of the Pension Protection Act of 2006, and

5 “(ii) after such qualified public safety
6 employee’s separation from service after
7 attainment of age 50.”.

8 (d) EFFECTIVE DATES.—

9 (1) IN GENERAL.—The amendments made by
10 subsections (a) and (b) shall apply to distributions
11 made after the date of the enactment of the Pension
12 Protection Act of 2006.

13 (2) TRANSITIONAL RULE FOR ANNUITIES.—The
14 amendment made by subsection (c) shall apply to
15 modifications made after the date of the enactment
16 of the Pension Protection Act of 2006.

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