

113TH CONGRESS
2D SESSION

S. 2660

To amend the Internal Revenue Code of 1986 to clarify the special rules for accident and health plans of certain governmental entities, and for other purposes.

IN THE SENATE OF THE UNITED STATES

JULY 24, 2014

Ms. CANTWELL (for herself, Mr. CRAPO, Mrs. MURRAY, and Mr. RISCH) introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To amend the Internal Revenue Code of 1986 to clarify the special rules for accident and health plans of certain governmental entities, and for other purposes.

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. CLARIFICATION OF SPECIAL RULE FOR CER-**
4 **TAIN GOVERNMENTAL PLANS.**

5 (a) IN GENERAL.—Paragraph (1) of section 105(j)
6 of the Internal Revenue Code of 1986 is amended—

7 (1) by striking “the taxpayer” and inserting
8 “an employee or to a spouse, dependent (as defined

1 for purposes of subsection (b)), or child (as so de-
 2 fined) of an employee”, and

3 (2) by striking “deceased plan participant’s
 4 beneficiary” and inserting “deceased employee’s ben-
 5 eficiary other than a surviving spouse, dependent (as
 6 so defined), or child (as so defined) of the em-
 7 ployee”.

8 (b) APPLICATION TO POLITICAL SUBDIVISIONS OF
 9 STATES.—Paragraph (2) of section 105(j) of the Internal
 10 Revenue Code of 1986 is amended—

11 (1) by inserting “or established by or on behalf
 12 of a State or political subdivision thereof” after
 13 “public retirement system”, and

14 (2) by inserting “or 501(c)(9)” after “section
 15 115” in subparagraph (B).

16 (c) EFFECTIVE DATE.—The amendments made by
 17 this section shall apply to payments after the date of the
 18 enactment of this Act.

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