114TH CONGRESS
1ST SESSION

S. 969

To amend the Internal Revenue Code of 1986 to provide an exemption from the tax on early distributions for certain Federal law enforcement officers, firefighters, and air traffic controllers who retire before age 55, and for other purposes.

IN THE SENATE OF THE UNITED STATES

APRIL 16, 2015

Mr. TOOMEY (for himself and Mr. BENNET) introduced the following bill; which was read twice and referred to the Committee on Finance

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A BILL

To amend the Internal Revenue Code of 1986 to provide an exemption from the tax on early distributions for certain Federal law enforcement officers, firefighters, and air traffic controllers who retire before age 55, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ‘‘Federal Public Safety Retirement Fairness Act of 2015’’.

SEC. 2. EXEMPTION FROM TAX ON EARLY DISTRIBUTIONS.

(a) IN GENERAL.—Subsection (t) of section 72 of the Internal Revenue Code of 1986 is amended by adding at the end the following new paragraph:

"(11) DISTRIBUTIONS TO QUALIFIED FEDERAL LAW ENFORCEMENT OFFICERS, FIREFIGHTERS, AND AIR TRAFFIC CONTROLLERS FROM THE THRIFT SAVINGS FUND.—

"(A) IN GENERAL.—In the case of a distribution to a qualified Federal law enforcement officer, qualified firefighter, or qualified air traffic controller from the Thrift Savings Fund established under section 8437 of title 5, United States Code, paragraph (2)(A)(v) of this subsection shall be applied by substituting 'age 50 (or, if earlier, the age at which the employee has completed 25 years of creditable service)' for 'age 55'.

"(B) QUALIFIED LAW ENFORCEMENT OFFICER.—For purposes of this paragraph, the term 'qualified law enforcement officer' means an individual—

"(i) who is employed by the Federal Government as a law enforcement officer (within the meaning of section 4521, 5541(3), 8331(20), or 8401(17) of title 5, United States Code), and

"(ii) who has completed 20 years of creditable service.

"(C) QUALIFIED FIREFIGHTER.—For purposes of this paragraph, the term 'qualified firefighter' means an individual—

"(i) who is employed by the Federal Government as a firefighter (within the meaning of section 8331(21) of title 5, United States Code), and

"(ii) who has completed 20 years of creditable service.

"(D) QUALIFIED AIR TRAFFIC CONTROLLER.—For purposes of this paragraph, the term 'qualified air traffic controller' means an individual—

"(i) who is employed as an air traffic controller (within the meaning of section 2109 of title 5, United States Code), and

"(ii) who has completed 20 years of creditable service.

"(E) CREDITABLE SERVICE.—For purposes of this paragraph, the term 'creditable service' means creditable service under section 8332 or 8411 of title 5, United States Code.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to distributions made in taxable years beginning after December 31, 2014.

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