

116TH CONGRESS
2D SESSION

S. 3527

To waive required minimum distribution rules for retirement plans in 2020.

IN THE SENATE OF THE UNITED STATES

MARCH 18, 2020

Mr. MARKEY (for himself, Mr. DURBIN, and Mr. DAINES) introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To waive required minimum distribution rules for retirement plans in 2020.

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. TEMPORARY WAIVER OF REQUIRED MINIMUM**
4 **DISTRIBUTION RULES FOR CERTAIN RETIRE-**
5 **MENT PLANS AND ACCOUNTS.**

6 (a) IN GENERAL.—Section 401(a)(9) of the Internal
7 Revenue Code of 1986 is amended by adding at the end
8 the following new subparagraph:

9 “(I) TEMPORARY WAIVER OF MINIMUM RE-
10 QUIRED DISTRIBUTION.—

1 “(i) IN GENERAL.—The requirements
 2 of this paragraph shall not apply for cal-
 3 endar year 2020 to—

4 “(I) a defined contribution plan
 5 which is described in this subsection
 6 or in section 403(a) or 403(b),

7 “(II) a defined contribution plan
 8 which is an eligible deferred com-
 9 pensation plan described in section
 10 457(b) but only if such plan is main-
 11 tained by an employer described in
 12 section 457(e)(1)(A), or

13 “(III) an individual retirement
 14 plan.

15 “(ii) SPECIAL RULES REGARDING
 16 WAIVER PERIOD.—For purposes of this
 17 paragraph—

18 “(I) the required beginning date
 19 with respect to any individual shall be
 20 determined without regard to this
 21 subparagraph for purposes of applying
 22 this paragraph for calendar years
 23 after 2020, and

24 “(II) if clause (ii) of subpara-
 25 graph (B) applies, the 5-year period

1 described in such clause shall be de-
 2 termined without regard to calendar
 3 year 2020.”.

4 (b) ELIGIBLE ROLLOVER DISTRIBUTIONS.—Section
 5 402(c)(4) of the Internal Revenue Code of 1986 (defining
 6 eligible rollover distribution) is amended by adding at the
 7 end the following new flush sentence:

8 “If all or any portion of a distribution during 2020
 9 is treated as an eligible rollover distribution but
 10 would not be so treated if the minimum distribution
 11 requirements under section 401(a)(9) had applied
 12 during 2020, such distribution shall not be treated
 13 as an eligible rollover distribution for purposes of
 14 section 401(a)(31) or 3405(c) or subsection (f) of
 15 this section.”.

16 (c) EFFECTIVE DATES.—

17 (1) IN GENERAL.—The amendments made by
 18 this section shall apply for calendar years beginning
 19 after December 31, 2019.

20 (2) PROVISIONS RELATING TO PLAN OR CON-
 21 TRACT AMENDMENTS.—

22 (A) IN GENERAL.—If this paragraph ap-
 23 plies to any pension plan or contract amend-
 24 ment, such pension plan or contract shall not
 25 fail to be treated as being operated in accord-

1 ance with the terms of the plan during the pe-
 2 riod described in subparagraph (B)(ii) solely be-
 3 cause the plan operates in accordance with this
 4 section.

5 (B) AMENDMENTS TO WHICH PARAGRAPH
 6 APPLIES.—

7 (i) IN GENERAL.—This paragraph
 8 shall apply to any amendment to any pen-
 9 sion plan or annuity contract which—

10 (I) is made pursuant to the
 11 amendments made by this section,
 12 and

13 (II) is made on or before the last
 14 day of the first plan year beginning
 15 on or after January 1, 2022.

16 In the case of a governmental plan, sub-
 17 clause (II) shall be applied by substituting
 18 “2023” for “2022”.

19 (ii) CONDITIONS.—This paragraph
 20 shall not apply to any amendment unless
 21 during the period beginning on the effec-
 22 tive date of the amendment and ending on
 23 December 31, 2020, the plan or contract is

1 operated as if such plan or contract
2 amendment were in effect.

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