II

119TH CONGRESS
1ST SESSION

S. 3352

To amend the Internal Revenue Code of 1986 to permit rollover contributions from Roth IRAs to designated Roth accounts.

IN THE SENATE OF THE UNITED STATES

DECEMBER 4, 2025

Mr. BARRASSO (for himself and Mr. BENNET) 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 permit rollover contributions from Roth IRAs to designated Roth accounts.

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 "Retirement Rollover Flexibility Act".

SEC. 2. ROLLOVER CONTRIBUTIONS FROM ROTH IRAS TO DESIGNATED ROTH ACCOUNTS.

(a) TREATMENT AS ROLLOVER DISTRIBUTION FOR PURPOSES OF ROTH IRA.—

(1) IN GENERAL.—Section 408(d)(3)(A) of the Internal Revenue Code of 1986 is amended by striking "; or" at the end of clause (i) and inserting a comma, by striking the period at the end of clause (ii) and inserting ", or" and by inserting after clause (ii) the following new clause:

"(iii) the entire amount received (including money and any other property) is paid in a direct trustee-to-trustee transfer to a designated Roth account (within the meaning of section 402A)—

"(I) from an eligible Roth IRA, or

"(II) in an automatic portability transaction (as defined in section 4975(f)(12)(A)(i)).".

(2) ELIGIBLE ROTH IRA.—Section 408(d)(3) is amended by adding at the end the following new subparagraph:

"(J) ELIGIBLE ROTH IRA.—For purposes of subparagraph (A)(iii), the term 'eligible Roth IRA' means a Roth IRA which—

"(i) is the only Roth IRA (other than a Roth IRA established under section 401(a)(31)(B)(i)) maintained for the benefit of the individual during the taxable year of the taxpayer in which the distribution or payment described in subparagraph (A)(iii) is made, and

"(ii) has a balance at the time of the payment or distribution which is not in excess of the amount described in section 401(a)(31)(B)(ii).".

(b) TREATMENT AS ROLLOVER CONTRIBUTION FOR PURPOSES OF DESIGNATED ROTH ACCOUNT.—

(1) IN GENERAL.—Section 402A(c)(3)(B) of the Internal Revenue Code of 1986 is amended by inserting "or under section 408(d)(3)(A)(iii)" after "subparagraph (A)".

(2) TREATMENT OF EARNINGS IN CASE OF TAXABLE DISTRIBUTIONS.—Section 402A(d) of such Code is amended by adding at the end the following new paragraph:

"(6) TREATMENT OF ROTH IRA ROLLOVER CONTRIBUTIONS.—Notwithstanding section 72, the total amount of any rollover contribution to a designated Roth account under section 408(d)(3)(A)(iii) shall be treated as investment in the contract.".

(c) COORDINATION WITH NONEXCLUSION PERIOD.—Section 402A(d)(2)(B) of such Code is amended—

(1) by striking "earlier" in the matter preceding subclause (i) and inserting "earliest",

(2) by striking "or" at the end of clause (i),

(3) by striking the period at the end of clause (ii), and

(4) by adding at the end the following:

"(iii) if a rollover contribution was made to such designated Roth account from a Roth IRA under section 408(d)(3)(A)(iii)(II) and the automatic portability provider (as defined in section 4975(f)(12)(A)(ii)) provides the first taxable year to which a contribution was made to the source plan, the first taxable year in which the individual made contributions to the source plan.

For purposes of clause (iii), the term 'source plan' means the eligible retirement plan (as defined in section 401(a)(31)(B)(ii)) from which amounts were transferred to the Roth IRA as described in section 4975(f)(12)(A)(i)(I).".

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to amounts paid or distributed after the date of the enactment of this Act.

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