

119TH CONGRESS
2D SESSION

S. 4511

To amend the Internal Revenue Code of 1986 to exclude from gross income charitable distributions from certain employer-sponsored retirement plans, and for other purposes.

IN THE SENATE OF THE UNITED STATES

MAY 13, 2026

Mr. CRAMER (for himself, Mr. COONS, Mr. MARSHALL, and Mr. WARNER) 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 exclude from gross income charitable distributions from certain employer-sponsored retirement plans, 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. EXCLUSION FROM GROSS INCOME OF CHARI-**
4 **TABLE DISTRIBUTIONS FROM CERTAIN EM-**
5 **PLOYER-SPONSORED RETIREMENT PLANS.**

6 (a) IN GENERAL.—Section 402 of the Internal Rev-
7 enue Code of 1986 is amended by adding at the end the
8 following new subsection:

1 “(m) DISTRIBUTIONS FOR CHARITABLE PUR-
2 POSES.—

3 “(1) IN GENERAL.—Gross income for any tax-
4 able year shall not include so much of the aggregate
5 amount of qualified charitable distributions made
6 with respect to a taxpayer during such taxable year
7 which does not exceed the applicable amount.

8 “(2) QUALIFIED CHARITABLE DISTRIBUTION.—
9 For purposes of this subsection, the term ‘qualified
10 charitable distribution’ means any distribution from
11 a qualified employer plan—

12 “(A) which is made directly by the plan to
13 an organization described in section
14 170(b)(1)(A) (other than any organization de-
15 scribed in section 509(a)(3) or any fund or ac-
16 count described in section 4966(d)(2)), and

17 “(B) which is made on or after the date
18 that the individual on whose behalf the distribu-
19 tion is made has attained age 70½.

20 A distribution shall be treated as a qualified chari-
21 table distribution only to the extent that the dis-
22 tribution would be includible in gross income without
23 regard to paragraph (1).

24 “(3) SPECIAL RULES.—

1 “(A) IN GENERAL.—Rules similar to the
 2 rules of subparagraphs (C), (E), and (F) of sec-
 3 tion 408(d)(8) shall apply for purposes of this
 4 subsection.

5 “(B) APPLICATION OF SECTION 72.—
 6 Rules similar to the rules of section
 7 408(d)(8)(D) shall apply for purposes of this
 8 subsection, by taking into account all amounts
 9 to which the taxpayer has a nonforfeitable right
 10 in all qualified employer plans maintained by
 11 the employer in lieu of all amounts in all indi-
 12 vidual retirement plans of the individual.

13 “(4) DEFINITIONS.—For purposes of this sub-
 14 section—

15 “(A) APPLICABLE AMOUNT.—The term
 16 ‘applicable amount’ means the excess of—

17 “(i) the dollar amount in effect under
 18 section 408(d)(8) for the taxable year, over

19 “(ii) the total amount of distributions
 20 not includible in the gross income of the
 21 taxpayer for the taxable year by reason of
 22 section 408(d)(8).

23 “(B) QUALIFIED EMPLOYER PLAN.—The
 24 term ‘qualified employer plan’ means—

1 “(i) an eligible retirement plan de-
 2 scribed in clause (iii) or (vi) of subsection
 3 (c)(8)(B), or

4 “(ii) a plan established for its employ-
 5 ees by the United States, by a State or po-
 6 litical subdivision thereof, or by an agency
 7 or instrumentality of any of the fore-
 8 going.”.

9 (b) SEPS AND SIMPLES.—Section 408(d)(8)(B) of
 10 such Code is amended by striking “(other than a plan de-
 11 scribed in subsection (k) or (p))”.

12 (c) 403(b) PLANS.—Section 403 of such Code is
 13 amended by adding at the end the following new sub-
 14 section:

15 “(d) DISTRIBUTIONS FOR CHARITABLE PURPOSES.—
 16 The rules of section 402(m) shall apply to distributions
 17 under an annuity contract described in subsection (b).”.

18 (d) 457(b) PLANS.—Section 457(e) of such Code is
 19 amended by adding at the end the following new para-
 20 graph:

21 “(19) DISTRIBUTIONS FOR CHARITABLE PUR-
 22 POSES.—The rules of section 402(m) shall apply to
 23 distributions under an eligible deferred compensation
 24 plan established and maintained by an eligible em-
 25 ployer described in subsection (e)(1)(A).”.

1 (e) EFFECTIVE DATE.—The amendments made by
2 this section shall apply to distributions made in taxable
3 years beginning after the date of the enactment of this
4 Act.

