

Union Calendar No.

107TH CONGRESS
2^D SESSION

H. R. 5558

[Report No. 107-]

To amend the Internal Revenue Code of 1986 to accelerate the increases in contribution limits to retirement plans and to increase the required beginning date for distributions from qualified plans.

IN THE HOUSE OF REPRESENTATIVES

OCTOBER 7, 2002

Mr. THOMAS introduced the following bill; which was referred to the Committee on Ways and Means

OCTOBER , 2002

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union and ordered to be printed

[Strike out all after the enacting clause and insert the part printed in italic]

[For text of introduced bill, see copy of bill as introduced on October 7, 2002]

A BILL

To amend the Internal Revenue Code of 1986 to accelerate the increases in contribution limits to retirement plans and to increase the required beginning date for distributions from qualified plans.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*



1 **SECTION 1. SHORT TITLE.**

2 *This Act may be cited as the “Retirement Savings and*
3 *Security Act of 2002”.*

4 **SEC. 2. ACCELERATION OF INCREASES IN IRA CONTRIBU-**
5 **TION LIMIT.**

6 (a) *DEDUCTIBLE AMOUNT.*—Subparagraph (A) of sec-
7 *tion 219(b)(5) of the Internal Revenue Code of 1986 is*
8 *amended to read as follows:*

9 “(A) *IN GENERAL.*—The deductible amount
10 *shall be \$5,000.”.*

11 (b) *CATCH-UP AMOUNT.*—Subparagraph (B) of section
12 *219(b)(5) of such Code is amended to read as follows:*

13 “(B) *CATCH-UP CONTRIBUTIONS FOR INDIV-*
14 *IDUALS 50 OR OLDER.*—In the case of an indi-
15 *vidual who has attained the age of 50 before the*
16 *close of the taxable year, the dollar amount in ef-*
17 *fect under paragraph (1)(A) for such taxable*
18 *year (determined without regard to this para-*
19 *graph) shall be increased by \$1,000.”.*

20 (c) *EFFECTIVE DATE.*—The amendments made by this
21 *section shall apply to taxable years beginning after Decem-*
22 *ber 31, 2002.*

23 **SEC. 3. ACCELERATION OF SCHEDULED INCREASES IN PEN-**
24 **SION PLAN CONTRIBUTION LIMITS.**

25 (a) *ELECTIVE DEFERRALS.*—Subparagraph (B) of sec-
26 *tion 402(g)(1) of the Internal Revenue Code of 1986 is*



1 *amended by striking “the amount determined” and all that*
2 *follows and inserting “\$15,000.”.*

3 (b) *DEFERRED COMPENSATION PLANS OF STATE AND*
4 *LOCAL GOVERNMENTS AND TAX-EXEMPT ORGANIZA-*
5 *TIONS.—Subparagraph (A) of section 457(e)(15) of such*
6 *Code is amended by striking “the amount determined” and*
7 *all that follows and inserting “\$15,000.”.*

8 (c) *SIMPLE RETIREMENT ACCOUNTS.—Clause (i) of*
9 *section 408(p)(2)(E) of such Code is amended by striking*
10 *“the amount determined” and all that follows and inserting*
11 *“\$10,000.”.*

12 (d) *CATCH-UP CONTRIBUTIONS.—Subparagraph (B)*
13 *of section 414(v)(2) of such Code is amended—*

14 (1) *in clause (i) by striking “determined” and*
15 *all that follows and inserting “\$5,000.”, and*

16 (2) *in clause (ii) by striking “determined” and*
17 *all that follows and inserting “\$2,500.”.*

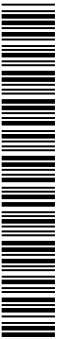
18 (e) *EFFECTIVE DATE.—The amendments made by this*
19 *section shall apply to years beginning after December 31,*
20 *2002.*

21 **SEC. 4. SIMPLIFICATION AND UPDATING OF THE MINIMUM**

22 **DISTRIBUTION RULES.**

23 (a) *REQUIRED DISTRIBUTIONS.—*

24 (1) *INCREASE IN AGE FOR REQUIRED BEGINNING*
25 *DATE.—Subparagraphs (C)(i)(I) and (C)(ii)(I) of sec-*



1 *tion 401(a)(9) of the Internal Revenue Code of 1986*
2 *are each amended by striking “age 70½” and insert-*
3 *ing “the applicable age”.*

4 (2) *APPLICABLE AGE.*—Subparagraph (C) of sec-
5 *tion 401(a)(9) of such Code is amended by inserting*
6 *at the end the following new clause:*

7 “(v) *APPLICABLE AGE.*—The applica-
8 *ble age shall be determined in accordance*
9 *with the following table:*

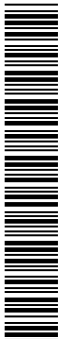
“Calendar year:	Applicable age is:
2003 and 2004	73
2005 and 2006	74
2007 and thereafter	75.”

10 (3) *SPOUSE BENEFICIARIES.*—Subclause (I) of
11 *section 401(a)(9)(B)(iv) is amended by striking “age*
12 *70½” and inserting “the applicable age”.*

13 (4) *ACTUARIAL ADJUSTMENT OF BENEFIT UNDER*
14 *DEFINED BENEFIT PLAN.*—Clause (iii) of section
15 *401(a)(9)(C) of such Code is amended to read as fol-*
16 *lows:*

17 “(iii) *ACTUARIAL ADJUSTMENT.*—

18 “(I) *IN GENERAL.*—In the case of
19 *a defined benefit plan, an employee’s*
20 *accrued benefit shall be actuarially in-*
21 *creased to take into account the period*
22 *after the applicable date during which*



1 *the employee was not eligible to receive*
2 *any benefits under the plan.*

3 *“(II) APPLICABLE DATE.—For*
4 *purposes of clause (I), the term ‘appli-*
5 *cable date’ means the April 1st fol-*
6 *lowing the calendar year in which the*
7 *employee attains age 70½.”.*

8 *(b) EFFECTIVE DATE.—*

9 *(1) IN GENERAL.—The amendments made by*
10 *this section shall apply to years beginning after De-*
11 *cember 31, 2002.*

12 *(2) TRANSITION.—A plan shall not be treated as*
13 *failing to meet the requirements of section 401(a)(9)*
14 *of the Internal Revenue Code of 1986 merely because,*
15 *in years beginning after December 31, 2002, no dis-*
16 *tribution is made to an employee before the employ-*
17 *ee’s required beginning date, as determined in accord-*
18 *ance with the amendments made by this section.*

