

103^D CONGRESS
1ST SESSION

S. 327

To amend the Internal Revenue Code of 1986 to permit rollovers into individual retirement accounts of separation pay from the Armed Forces.

IN THE SENATE OF THE UNITED STATES

FEBRUARY 4 (legislative day, JANUARY 5), 1993

Mr. MURKOWSKI (for himself, Mr. BUMPERS, Mr. DURENBERGER, Mr. GLENN, and Mr. HATFIELD) 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 rollovers into individual retirement accounts of separation pay from the Armed Forces.

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. SHORT TITLE.**

4 That this Act may be cited as the “Military Separation Retirement Benefits Act of 1993”.

6 **SEC. 2. IRA ROLLOVERS OF MILITARY SEPARATION PAY.**

7 (a) IN GENERAL.—Section 402(a)(6) of the Internal
8 Revenue Code of 1986 (relating to special rollover rules)

1 is amended by adding at the end thereof the following new
2 subparagraph:

3 “(J) MILITARY SEPARATION PAY.—If—

4 “(i) an individual receives separation
5 pay under section 1174 or 1174a of title
6 10, United States Code, and

7 “(ii) such individual transfers any
8 portion of such pay within 60 days after
9 the receipt of such pay to an eligible retire-
10 ment plan described in subclause (I) or
11 (II) of paragraph (5)(E)(iv),

12 then the portion of the pay so transferred shall
13 be treated as a transfer from a qualified trust
14 which meets the requirements of paragraph (5)
15 and which is a transfer of a distribution of
16 amounts other than employee contributions.”

17 (b) EFFECTIVE DATE.—

18 (1) IN GENERAL.—The amendment made by
19 subsection (a) shall apply to pay received after De-
20 cember 5, 1991.

21 (2) TRANSITION RULE.—In the case of any
22 payment received after December 5, 1991, and be-
23 fore the date of the enactment of this Act, the 60-
24 day transfer requirement of section 402(a)(6)(J)(ii)
25 of the Internal Revenue Code of 1986 (as added by

1 subsection (a)) shall be treated as met if the tax-
2 payer transfers the payment to an eligible retirement
3 plan within 1 year after such date of enactment.

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