

107TH CONGRESS  
2D SESSION

# H. R. 5558

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

---

## 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,*

3       **SECTION 1. SHORT TITLE.**

4       This Act may be cited as the “Retirement Savings  
5       and Security Act of 2002”.

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

3 (a) DEDUCTIBLE AMOUNT.—Subparagraph (A) of  
 4 section 219(b)(5) of the Internal Revenue Code of 1986  
 5 is amended to read as follows:

6 “(A) IN GENERAL.—The deductible  
 7 amount shall be \$5,000.”.

8 (b) CATCH-UP AMOUNT.—Subparagraph (B) of sec-  
 9 tion 219(b)(5) of such Code is amended to read as follows:

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

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

20 **SEC. 3. ACCELERATION OF SCHEDULED INCREASES IN**  
 21 **PENSION PLAN CONTRIBUTION LIMITS.**

22 (a) ELECTIVE DEFERRALS.—Subparagraph (B) of  
 23 section 402(g)(1) of the Internal Revenue Code of 1986  
 24 is amended by striking “the amount determined” and all  
 25 that follows and inserting “\$15,000.”.

1 (b) DEFERRED COMPENSATION PLANS OF STATE  
 2 AND LOCAL GOVERNMENTS AND TAX-EXEMPT ORGANI-  
 3 ZATIONS.—Subparagraph (A) of section 457(e)(15) of  
 4 such Code is amended by striking “the amount deter-  
 5 mined” and all that follows and inserting “\$15,000.”.

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

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

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

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

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

19 **SEC. 4. SIMPLIFICATION AND UPDATING OF THE MINIMUM**  
 20 **DISTRIBUTION RULES.**

21 (a) REQUIRED DISTRIBUTIONS.—

22 (1) INCREASE IN AGE FOR REQUIRED BEGIN-  
 23 NING DATE.—Subparagraphs (C)(i)(I) and (C)(ii)(I)  
 24 of section 401(a)(9) of the Internal Revenue Code of

1 1986 are each amended by striking “70½” and in-  
 2 serting “applicable age”.

3 (2) APPLICABLE AGE.—Subparagraph (C) of  
 4 section 401(a)(9) of such Code is amended by insert-  
 5 ing at the end the following new clause:

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

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

9 (3) ACTUARIAL ADJUSTMENT OF BENEFIT  
 10 UNDER DEFINED BENEFIT PLAN.—Clause (iii) of  
 11 section 401(a)(9)(C) of such Code is amended to  
 12 read as follows:

13 “(iii) ACTUARIAL ADJUSTMENT.—

14 “(I) IN GENERAL.—In the case  
 15 of a defined benefit plan, an employ-  
 16 ee’s accrued benefit shall be actuari-  
 17 ally increased to take into account the  
 18 period after the applicable date during  
 19 which the employee was not eligible to  
 20 receive any benefits under the plan.

21 “(II) APPLICABLE DATE.—For  
 22 purposes of clause (I), the term ‘appli-  
 23 cable date’ means the April 1st fol-

1                   lowing the calendar year in which the  
2                   employee attains age 70½.”.

3       (b) EFFECTIVE DATE.—

4           (1) IN GENERAL.—The amendments made by  
5       this section shall apply to years beginning after De-  
6       cember 31, 2002.

7           (2) TRANSITION.—A plan shall not be treated  
8       as failing to meet the requirements of section  
9       401(a)(9) of the Internal Revenue Code of 1986  
10      merely because, in years beginning after December  
11      31, 2002, no distribution is made to an employee be-  
12      fore the employee’s required beginning date, as de-  
13      termined in accordance with the amendments made  
14      by this section.

○