

108TH CONGRESS  
2D SESSION

# H. R. 5365

To treat certain arrangements maintained by the YMCA Retirement Fund as church plans for the purposes of certain provisions of the Internal Revenue Code of 1986, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

NOVEMBER 16, 2004

Mr. ENGLISH (for himself and Mr. POMEROY) introduced the following bill; which was referred to the Committee on Ways and Means, and in addition to the Committee on Education and the Workforce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

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## A BILL

To treat certain arrangements maintained by the YMCA Retirement Fund as church plans for the purposes of certain provisions of the Internal Revenue Code of 1986, 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. CERTAIN ARRANGEMENTS MAINTAINED BY**  
4 **THE YMCA RETIREMENT FUND TREATED AS**  
5 **CHURCH PLANS.**

6 (a) RETIREMENT PLANS.—

1           (1) IN GENERAL.—For purposes of sections  
2           401(a) and 403(b) of the Internal Revenue Code of  
3           1986, any retirement plan maintained by the YMCA  
4           Retirement Fund as of January 1, 2003, shall be  
5           treated as a church plan (within the meaning of sec-  
6           tion 414(e) of such Code) which is maintained by an  
7           organization described in section 414(e)(3)(A) of  
8           such Code.

9           (2) TAX-DEFERRED RETIREMENT PLAN.—In  
10          the case of a retirement plan described in paragraph  
11          (1) which allows contributions to be made under a  
12          salary reduction agreement—

13                 (A) such treatment shall not apply for pur-  
14                 poses of section 415(c)(7) of such Code, and

15                 (B) any account maintained for a partici-  
16                 pant or beneficiary of such plan shall be treated  
17                 for purposes of such Code as a retirement in-  
18                 come account described in section 403(b)(9) of  
19                 such Code, except that such account shall not,  
20                 for purposes of section 403(b)(12) of such  
21                 Code, be treated as a contract purchased by a  
22                 church for purposes of section 403(b)(1)(D) of  
23                 such Code.

24          (3) MONEY PURCHASE PENSION PLAN.—In the  
25          case of a retirement plan described in paragraph (1)

1 which is subject to the requirements of section  
2 401(a) of such Code—

3 (A) such plan (but not any reserves held  
4 by the YMCA Retirement Fund)—

5 (i) shall be treated for purposes of  
6 such Code as a defined contribution plan  
7 which is a money purchase pension plan,  
8 and

9 (ii) shall be treated as having made  
10 an election under section 410(d) of such  
11 Code for plan years beginning after De-  
12 cember 31, 2005, except that notwith-  
13 standing the election—

14 (I) nothing in the Employee Re-  
15 tirement Income Security Act of 1974  
16 or such Code shall prohibit the YMCA  
17 Retirement Fund from commingling  
18 for investment purposes the assets of  
19 the electing plan with the assets of  
20 such Fund and with the assets of any  
21 employee benefit plan maintained by  
22 such Fund, and

23 (II) nothing in this section shall  
24 be construed as subjecting any assets  
25 described in subclause (I), other than

1                   the assets of the electing plan, to any  
2                   provision of such Act,

3                   (B) notwithstanding section 401(a)(11) or  
4                   417 of such Code or section 205 of such Act,  
5                   such plan may offer a lump-sum distribution  
6                   option to participants who have not attained  
7                   age 55 without offering such participants an  
8                   annuity option, and

9                   (C) any account maintained for a partici-  
10                  pant or beneficiary of such plan shall, for pur-  
11                  poses of section 401(a)(9) of such Code, be  
12                  treated as a retirement income account de-  
13                  scribed in section 403(b)(9) of such Code.

14                  (4) SELF-FUNDED DEATH BENEFIT PLAN.—  
15                  For purposes of section 7702(j) of such Code, a re-  
16                  tirement plan described in paragraph (1) shall be  
17                  treated as an arrangement described in section  
18                  7702(j)(2).

19                  (b) YMCA RETIREMENT FUND.—For purposes of  
20                  this section, the term “YMCA Retirement Fund” means  
21                  the Young Men’s Christian Association Retirement Fund,  
22                  a corporation created by an Act of the State of New York  
23                  which became law on April 30, 1921.

1       (c) EFFECTIVE DATE.—This section shall apply to  
2 plan years beginning after December 31, 2003.

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