

109TH CONGRESS
2^D SESSION

H. R. 5424

To allow certain existing retirement plans maintained by churches to continue to provide annuities directly to participants rather than through an insurance company.

IN THE HOUSE OF REPRESENTATIVES

MAY 18, 2006

Mr. SOUDER (for himself and Mr. PITTS) introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To allow certain existing retirement plans maintained by churches to continue to provide annuities directly to participants rather than through an insurance company.

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. GRANDFATHER RULE FOR CHURCH PLANS**
4 **WHICH SELF-ANNUITIZE.**

5 (a) IN GENERAL.—In the case of any plan year end-
6 ing after April 17, 2002, annuity payments provided with
7 respect to any account maintained for a participant or
8 beneficiary under a qualified church plan shall not fail to
9 satisfy the requirements of section 401(a)(9) of the Inter-

1 nal Revenue Code of 1986 merely because the payments
2 are not made under an annuity contract purchased from
3 an insurance company if such payments would not fail
4 such requirements if provided with respect to a retirement
5 income account described in section 403(b)(9) of such
6 Code.

7 (b) QUALIFIED CHURCH PLAN.—For purposes of
8 this section, the term “qualified church plan” means any
9 money purchase pension plan described in section 401(a)
10 of such Code which—

11 (1) is a church plan (as defined in section
12 414(e) of such Code) with respect to which the elec-
13 tion provided by section 410(d) of such Code has not
14 been made, and

15 (2) was in existence on April 17, 2002.

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