

111TH CONGRESS  
1ST SESSION

# H. R. 1628

To amend the Internal Revenue Code of 1986 to permit hardship loans from certain individual retirement plans.

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## IN THE HOUSE OF REPRESENTATIVES

MARCH 19, 2009

Mr. McCOTTER (for himself, Mr. PAUL, Mr. SESSIONS, Mr. LEE of New York, Mr. CASTLE, Mr. POSEY, Mr. SOUDER, Mr. GERLACH, and Mr. MARCHANT) introduced the following bill; which was referred to the Committee on Ways and Means

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## A BILL

To amend the Internal Revenue Code of 1986 to permit hardship loans from certain individual retirement 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 “IRA Assistance Act  
5 of 2009”.

1 **SEC. 2. HARDSHIP LOANS FROM CERTAIN INDIVIDUAL RE-**  
2 **TIREMENT PLANS.**

3 (a) IN GENERAL.—Paragraph (2) of section 72(t) of  
4 the Internal Revenue Code of 1986 is amended by adding  
5 at the end the following new subparagraph:

6 “(H) HARDSHIP LOANS FROM CERTAIN IN-  
7 DIVIDUAL RETIREMENT PLANS.—

8 “(i) IN GENERAL.—Any qualified  
9 hardship loan.

10 “(ii) QUALIFIED HARDSHIP LOAN.—  
11 For purposes of this subparagraph, the  
12 term ‘qualified hardship loan’ means any  
13 distribution to an individual from a quali-  
14 fied individual retirement plan of such in-  
15 dividual upon hardship of such individual  
16 (within the meaning of section  
17 401(k)(2)(B)(i)(IV)) if one or more con-  
18 tributions to a qualified individual retire-  
19 ment plan of such individual in an aggre-  
20 gate amount equal to such distribution are  
21 made during the 5-year period beginning  
22 on the date of such distribution.

23 “(iii) QUALIFIED INDIVIDUAL RETIRE-  
24 MENT PLAN.—For purposes of this sub-  
25 paragraph, the term ‘qualified individual

1 retirement plan' means an individual re-  
2 tirement plan other than a Roth IRA.

3 “(iv) LIMITATION ON AMOUNT OF  
4 LOAN.—Such term shall not include any  
5 loan unless the amount of such loan (when  
6 added to the outstanding balance of all  
7 other hardship loans from Qualified indi-  
8 vidual retirement plans of such individual)  
9 does not exceed \$50,000.

10 “(v) TREATMENT OF RECONTRIBU-  
11 TIONS.—In the case of any contribution to  
12 a qualified individual retirement plan taken  
13 into account under clause (ii)—

14 “(I) the dollar limitations other-  
15 wise applicable to contributions to  
16 qualified individual retirement plans  
17 shall not apply to such contribution,  
18 and

19 “(II) no deduction shall be al-  
20 lowed for such contribution.

21 “(vi) FAILURE TO REPAY.—In the  
22 case of a failure to make the aggregate  
23 amount of contributions described in clause  
24 (ii) during the 5-year period described  
25 therein, the penalty determined under

1 paragraph (1) shall be imposed for the tax-  
2 able year in which such 5-year period ends  
3 in lieu of the taxable year in which the dis-  
4 tribution was made.”.

5 (b) EFFECTIVE DATE.—The amendment made by  
6 this section shall apply to distributions made after the 6-  
7 month period beginning on the date of the enactment of  
8 this Act.

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