

111TH CONGRESS  
1ST SESSION

# H. R. 3390

To amend the Internal Revenue Code of 1986 to waive the 10 percent penalty on distributions from certain retirement plans during periods of high unemployment.

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## IN THE HOUSE OF REPRESENTATIVES

JULY 29, 2009

Mr. HOEKSTRA 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 waive the 10 percent penalty on distributions from certain retirement plans during periods of high unemployment.

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 Account  
5 Freedom Act of 2009”.

1 **SEC. 2. WAIVER OF 10 PERCENT PENALTY ON DISTRIBUTIONS FROM CERTAIN RETIREMENT PLANS**  
2 **DURING PERIODS OF HIGH UNEMPLOYMENT.**  
3

4 (a) IN GENERAL.—Paragraph (2) of section 72(t) of  
5 the Internal Revenue Code of 1986 (relating to 10-percent  
6 additional tax on early distributions from qualified retire-  
7 ment plans) is amended by adding at the end the following  
8 new subparagraph:

9 “(H) DISTRIBUTIONS DURING PERIODS OF  
10 HIGH NATIONAL UNEMPLOYMENT.—

11 “(i) IN GENERAL.—Distributions to  
12 an individual—

13 “(I) from an individual retire-  
14 ment plan, or from amounts attrib-  
15 utable to employer contributions made  
16 pursuant to elective deferrals de-  
17 scribed in subparagraph (A) or (C) of  
18 section 402(g)(3) or section  
19 501(c)(18)(D)(iii), and

20 “(II) during any period that the  
21 national rate of unemployment is at  
22 least 7 percent.

23 “(ii) LIMITATION.—

24 “(I) IN GENERAL.—Clause (i)  
25 shall not apply to the extent that the  
26 aggregate distributions during the

1 taxable year exceed 10 percent of the  
2 aggregate account balances at the be-  
3 ginning of such year in the plans.

4 “(II) ACCOUNT BALANCE.—For  
5 purposes of subclause (I), in the case  
6 of a distribution other than from an  
7 individual retirement plan, the ac-  
8 count balance shall include only  
9 amounts attributable to employer con-  
10 tributions described in clause (i)(I).”.

11 (b) EFFECTIVE DATE.—The amendment made by  
12 this section shall apply to distributions received in taxable  
13 years ending after the date of the enactment of this Act.

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