

111TH CONGRESS
2^D SESSION

H. R. 6457

To amend the Internal Revenue Code of 1986 to exclude from gross income distributions from individual retirement plans during periods of unemployment in 2009, 2010, and 2011.

IN THE HOUSE OF REPRESENTATIVES

NOVEMBER 29, 2010

Mr. McDERMOTT 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 exclude from gross income distributions from individual retirement plans during periods of unemployment in 2009, 2010, and 2011.

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. RETIREMENT PLAN DISTRIBUTIONS WHILE UN-**
4 **EMPLOYED DURING 2009, 2010, AND 2011 EX-**
5 **CLUDED FROM GROSS INCOME.**

6 (a) IN GENERAL.—For purposes of the Internal Rev-
7 enue Code of 1986, gross income shall not include any
8 qualified unemployment distribution.

1 (b) QUALIFIED UNEMPLOYMENT DISTRIBUTION.—

2 (1) IN GENERAL.—For purposes of this section,
3 the term “qualified unemployment distribution”
4 means any distribution from a qualified retirement
5 plan (as defined in section 4974(c) of such Code)
6 after separation from employment, if—

7 (A) such individual has received unemploy-
8 ment compensation for 12 consecutive weeks
9 under any Federal or State unemployment com-
10 pensation law by reason of such separation,

11 (B) such distributions are made during
12 any taxable year during which such unemploy-
13 ment compensation is paid or the succeeding
14 taxable year, and

15 (C) such distribution is made after Decem-
16 ber 31, 2008, and before January 1, 2012.

17 (2) DISTRIBUTIONS AFTER REEMPLOYMENT.—

18 Paragraph (1) shall not apply to any distribution
19 made after the individual has been employed for at
20 least 60 days after the separation from employment
21 to which paragraph (1) applies.

22 (3) SELF-EMPLOYED INDIVIDUALS.—To the ex-
23 tent provided in regulations by the Secretary of the
24 Treasury, a self-employed individual shall be treated
25 as meeting the requirements of paragraph (1) if,

1 under Federal or State law, the individual would
2 have received unemployment compensation but for
3 the fact the individual was self-employed.

4 (c) EFFECTIVE DATE.—This section shall apply to
5 distributions made after December 31, 2008, in taxable
6 years ending after such date.

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