

112TH CONGRESS
1ST SESSION

H. R. 2934

To amend the Internal Revenue Code of 1986 to clarify the treatment of certain retirement plan contributions picked up by governmental employers.

IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 14, 2011

Ms. LORETTA SANCHEZ of California (for herself, Mr. CAMPBELL, and Mr. ROYCE) 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 clarify the treatment of certain retirement plan contributions picked up by governmental employers.

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. CLARIFICATION OF TREATMENT OF CERTAIN**
4 **RETIREMENT PLAN CONTRIBUTIONS PICKED**
5 **UP BY GOVERNMENTAL EMPLOYERS.**

6 (a) IN GENERAL.—Paragraph (2) of section 414(h)
7 of the Internal Revenue Code of 1986 is amended—

8 (1) by striking “For purposes of paragraph
9 (1)” and inserting the following:

1 “(A) IN GENERAL.—For purposes of para-
2 graph (1)”, and
3 (2) by adding at the end the following new sub-
4 paragraph:

5 “(B) TREATMENT OF ELECTIONS BE-
6 TWEEN ALTERNATIVE BENEFIT FORMULAS.—

7 “(i) IN GENERAL.—For purposes of
8 subparagraph (A), a contribution shall not
9 fail to be treated as picked up by an em-
10 ploying unit merely because the employee
11 may make an irrevocable election between
12 the application of two alternative benefit
13 formulas involving the same or different
14 levels of employee contributions.

15 “(ii) APPLICATION TO EXISTING EM-
16 PLOYEES.—Clause (i) shall be applied
17 without regard to whether the employee is
18 already covered by one of the benefit for-
19 mulas referred to therein.”.

20 (b) EFFECTIVE DATE.—The amendment made by
21 this section shall apply to years ending after the date of
22 the enactment of this Act.

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