

116TH CONGRESS
1ST SESSION

H. R. 4036

To amend the Internal Revenue Code of 1986 to provide a better defined recruitment and retention incentive program for volunteer emergency service workers.

IN THE HOUSE OF REPRESENTATIVES

JULY 25, 2019

Mr. KING of New York (for himself and Mr. PASCRELL) introduced the following bill; which was referred to the Committee on Ways and Means, and in addition to the Committee on Education and Labor, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To amend the Internal Revenue Code of 1986 to provide a better defined recruitment and retention incentive program for volunteer emergency service workers.

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 “Volunteer Emergency
5 Services Recruitment and Retention Act of 2019”.

1 **SEC. 2. ELECTIVE TREATMENT OF LENGTH OF SERVICE**
2 **AWARD PLANS AS ELIGIBLE DEFERRED COM-**
3 **PENSATION PLANS.**

4 (a) IN GENERAL.—Section 457(e) of the Internal
5 Revenue Code of 1986 is amended by adding at the end
6 the following new paragraph:

7 “(19) ADDITIONAL SPECIAL RULES APPLICABLE
8 TO LENGTH OF SERVICE AWARD PLANS.—

9 “(A) IN GENERAL.—The term ‘eligible de-
10 ferred compensation plan’ includes, at the elec-
11 tion of its sponsor, any length of service award
12 plan described in paragraph (11)(A)(ii) which
13 meets the requirements of paragraph (11)(B).
14 Any such election, once made, shall be irrev-
15 ocable.

16 “(B) SPECIAL RULES.—In the case of a
17 length of service award plan whose sponsor has
18 elected to have such plan treated as an eligible
19 deferred compensation plan—

20 “(i) IN GENERAL.—Such sponsor shall
21 be treated as an eligible employer de-
22 scribed in subsection (e)(1)(A), and, except
23 as provided in clauses (ii) and (iii), such
24 plan shall be administered in a manner
25 consistent with the requirements of this
26 section.

1 “(ii) MAXIMUM DEFERRAL
2 AMOUNT.—Subsection (b)(2) shall be ap-
3 plied by substituting ‘the limitation on ac-
4 cruals in effect under paragraph (11)(B)’
5 for ‘the lesser of—’ and all that follows
6 through ‘compensation,’ in subparagraph
7 (B) thereof.

8 “(iii) DISTRIBUTION REQUIRE-
9 MENTS.—Subsection (d)(1)(A) shall be ap-
10 plied by deeming a severance from employ-
11 ment to have occurred for purposes of
12 clause (ii) thereof on the payment date
13 under the terms of the plan.”.

14 (b) EXEMPTION FROM EMPLOYEE RETIREMENT IN-
15 COME SECURITY ACT OF 1974.—For purposes of the Em-
16 ployee Retirement Income Security Act of 1974, a length
17 of service award plan described in section
18 457(e)(11)(A)(ii) of the Internal Revenue Code of 1986
19 whose sponsor has elected under section 457(e)(19) of
20 such Code to have such plan treated as an eligible deferred
21 compensation plan shall not be treated as an employee
22 pension benefit plan or a pension plan under section 3(2)
23 of such Act (29 U.S.C. 1002(2)).

1 (c) EFFECTIVE DATE.—The amendment made by
2 this section shall apply to taxable years beginning after
3 December 31, 2019.

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