

116TH CONGRESS
1ST SESSION

S. 2214

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 SENATE OF THE UNITED STATES

JULY 23, 2019

Ms. COLLINS (for herself and Mr. CARDIN) introduced the following bill; which was read twice and referred to the Committee on Finance

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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