

112TH CONGRESS
1ST SESSION

H. R. 659

To amend the Internal Revenue Code of 1986 to waive the 10-percent penalty with respect to early retirement distributions for certain unemployed individuals.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 11, 2011

Mr. BROUN of Georgia (for himself, Mrs. LUMMIS, Mr. RIGELL, Mr. FRANKS of Arizona, Mr. POSEY, Mr. GOHMERT, Mr. MARCHANT, and Ms. FOXX) 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 waive the 10-percent penalty with respect to early retirement distributions for certain unemployed individuals.

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 Savings
5 Access Act of 2011”.

1 **SEC. 2. WAIVER OF 10-PERCENT PENALTY FOR CERTAIN**
2 **UNEMPLOYMENT DISTRIBUTIONS.**

3 (a) IN GENERAL.—Paragraph (2) of section 72(t) of
4 the Internal Revenue Code of 1986 is amended by adding
5 at the end the following new subparagraph:

6 “(H) UNEMPLOYMENT DISTRIBUTIONS.—

7 “(i) IN GENERAL.—Any distribution
8 to an individual after separation from em-
9 ployment—

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

17 “(II) if such individual has re-
18 ceived unemployment compensation
19 for 26 consecutive weeks for any Fed-
20 eral or State Unemployment com-
21 pensation law by reason of such sepa-
22 ration, and

23 “(III) if such distributions are
24 made during any taxable year during
25 which such employment compensation
26 is paid.

1 “(ii) DISTRIBUTIONS AFTER REEM-
2 PLOYMENT.—Clause (i) shall not apply to
3 any distribution made after the individual
4 has been employed for at least 60 days
5 after the separation from employment to
6 which clause (i) relates.

7 “(iii) SELF-EMPLOYED INDIVID-
8 UALS.—To the extent provided in regula-
9 tions, a self-employed individual shall be
10 treated as meeting the requirements of
11 clause (i)(II) if, under Federal or State
12 law, the individual would have received un-
13 employment compensation but for the fact
14 the individual was self-employed.”.

15 (b) EFFECTIVE DATE.—The amendment made by
16 this section shall apply to distributions made after the
17 date of the enactment of this Act.

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