

117TH CONGRESS
1ST SESSION

H. R. 2953

To amend the Internal Revenue Code of 1986 to allow penalty-free withdrawals from retirement plans for domestic abuse victims.

IN THE HOUSE OF REPRESENTATIVES

MAY 4, 2021

Mrs. MCBATH (for herself, Ms. MOORE of Wisconsin, and Mr. SMUCKER) 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 allow penalty-free withdrawals from retirement plans for domestic abuse victims.

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 “Savings Access For
5 Escaping and Rebuilding Act of 2021” or the “SAFER
6 Act”.

1 **SEC. 2. PENALTY-FREE WITHDRAWALS FROM RETIREMENT**
2 **PLANS FOR INDIVIDUALS IN CASE OF DOMES-**
3 **TIC ABUSE.**

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

7 “(I) DISTRIBUTIONS FROM RETIREMENT
8 PLAN IN CASE OF DOMESTIC ABUSE.—

9 “(i) IN GENERAL.—Any eligible dis-
10 tribution to a domestic abuse victim.

11 “(ii) LIMITATION.—The aggregate
12 amount which may be treated as an eligi-
13 ble distribution to a domestic abuse victim
14 by any individual shall not exceed an
15 amount equal to the lesser of—

16 “(I) \$10,000, or

17 “(II) 50 percent of the present
18 value of the nonforfeitable accrued
19 benefit of the employee under the
20 plan.

21 “(iii) ELIGIBLE DISTRIBUTION TO A
22 DOMESTIC ABUSE VICTIM.—For purposes
23 of this subparagraph—

24 “(I) IN GENERAL.—A distribu-
25 tion shall be treated as an eligible dis-
26 tribution to a domestic abuse victim if

1 such distribution is from an applicable
2 eligible retirement plan to an indi-
3 vidual and made during the 1-year pe-
4 riod beginning on the date on which
5 the individual is a victim of domestic
6 abuse by a spouse or domestic part-
7 ner.

8 “(II) DOMESTIC ABUSE.—The
9 term ‘domestic abuse’ means physical,
10 psychological, sexual, emotional, or
11 economic abuse, including efforts to
12 control, isolate, humiliate, or intimi-
13 date the victim, or to undermine the
14 victim’s ability to reason independ-
15 ently, including by means of abuse of
16 the victim’s child or another family
17 member living in the household.

18 “(iv) AMOUNT DISTRIBUTED MAY BE
19 REPAID.—

20 “(I) IN GENERAL.—Any indi-
21 vidual who receives a distribution de-
22 scribed in clause (i) may, at any time
23 during the 3-year period beginning on
24 the day after the date on which such
25 distribution was received, make one or

1 more contributions in an aggregate
2 amount not to exceed the amount of
3 such distribution to an applicable eli-
4 gible retirement plan of which such
5 individual is a beneficiary and to
6 which a rollover contribution of such
7 distribution could be made under sec-
8 tion 402(c), 403(a)(4), 403(b)(8),
9 408(d)(3), or 457(e)(16), as the case
10 may be.

11 “(II) LIMITATION ON CONTRIBU-
12 TIONS TO APPLICABLE ELIGIBLE RE-
13 TIREMENT PLANS OTHER THAN
14 IRAs.—The aggregate amount of con-
15 tributions made by an individual
16 under subclause (I) to any applicable
17 eligible retirement plan which is not
18 an individual retirement plan shall not
19 exceed the aggregate amount of eligi-
20 ble distributions to a domestic abuse
21 victim which are made from such plan
22 to such individual. Subclause (I) shall
23 not apply to contributions to any ap-
24 plicable eligible retirement plan which
25 is not an individual retirement plan

1 unless the individual is eligible to
2 make contributions (other than those
3 described in subclause (I)) to such ap-
4 plicable eligible retirement plan.

5 “(III) TREATMENT OF REPAY-
6 MENTS OF DISTRIBUTIONS FROM AP-
7 PPLICABLE ELIGIBLE RETIREMENT
8 PLANS OTHER THAN IRAS.—If a con-
9 tribution is made under subclause (I)
10 with respect to an eligible distribution
11 to a domestic abuse victim from an
12 applicable eligible retirement plan
13 other than an individual retirement
14 plan, then the taxpayer shall, to the
15 extent of the amount of the contribu-
16 tion, be treated as having received
17 such distribution in an eligible rollover
18 distribution (as defined in section
19 402(c)(4)) and as having transferred
20 the amount to the applicable eligible
21 retirement plan in a direct trustee to
22 trustee transfer within 60 days of the
23 distribution.

24 “(IV) TREATMENT OF REPAY-
25 MENTS FOR DISTRIBUTIONS FROM

1 IRAS.—If a contribution is made
2 under subclause (I) with respect to an
3 eligible distribution to a domestic
4 abuse victim from an individual retire-
5 ment plan, then, to the extent of the
6 amount of the contribution, such dis-
7 tribution shall be treated as a dis-
8 tribution described in section
9 408(d)(3) and as having been trans-
10 ferred to the applicable eligible retire-
11 ment plan in a direct trustee to trust-
12 ee transfer within 60 days of the dis-
13 tribution.

14 “(v) DEFINITION AND SPECIAL
15 RULE.—For purposes of this subpara-
16 graph:

17 “(I) APPLICABLE ELIGIBLE RE-
18 TIREMENT PLAN.—The term ‘applica-
19 ble eligible retirement plan’ means an
20 eligible retirement plan (as defined in
21 section 402(c)(8)(B)) other than a de-
22 fined benefit plan.

23 “(II) DISTRIBUTIONS TREATED
24 AS MEETING PLAN DISTRIBUTION RE-
25 QUIREMENTS; SELF-CERTIFICATION.—

1 Any distribution which the employee
2 or participant certifies as being an eli-
3 gible distribution to a domestic abuse
4 victim shall be treated as meeting the
5 requirements of sections
6 401(k)(2)(B)(i), 403(b)(7)(A)(ii),
7 403(b)(11), and 457(d)(1)(A).”.

8 (b) EFFECTIVE DATE.—The amendments made by
9 this section shall apply to distributions made after the
10 date of the enactment of this Act.

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