111TH CONGRESS 1ST SESSION

H. R. 3612

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

September 22, 2009

Mr. Broun of Georgia (for himself, Mr. Westmoreland, Mr. Deal of Georgia, and Mr. Kingston) 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 2009".

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	$"(\Pi)$ 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

UALS.—To the extent provided in regulations, a self-employed individual shall be treated as meeting the requirements of clause (i)(II) if, under Federal or State law, the individual would have received unemployment compensation but for the fact 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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