

115TH CONGRESS  
1ST SESSION

# H. R. 3892

To amend the Internal Revenue Code of 1986 to provide an exception for certain spun-off voluntary employees' beneficiary associations to the limitation on the exemption from tax on unrelated business taxable income of amounts set aside for qualified benefits.

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## IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 28, 2017

Mrs. WALORSKI (for herself and Mr. CARSON of Indiana) introduced the following bill; which was referred to the Committee on Ways and Means

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## A BILL

To amend the Internal Revenue Code of 1986 to provide an exception for certain spun-off voluntary employees' beneficiary associations to the limitation on the exemption from tax on unrelated business taxable income of amounts set aside for qualified benefits.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

1 **SECTION 1. EXCEPTION FROM TAX ON UNRELATED BUSI-**  
2 **NESS TAXABLE INCOME FOR CERTAIN SPUN-**  
3 **OFF VOLUNTARY EMPLOYEES' BENEFICIARY**  
4 **ASSOCIATIONS.**

5 (a) IN GENERAL.—Section 512(a)(3)(E) of the Inter-  
6 nal Revenue Code of 1986 is amended by adding at the  
7 end the following new clause:

8 “(iv) CERTAIN SPUN-OFF VOLUNTARY  
9 EMPLOYEES’ BENEFICIARY ASSOCIA-  
10 TIONS.—This subparagraph shall not apply  
11 to any voluntary employees’ beneficiary as-  
12 sociation described in section 501(c)(9) for  
13 any taxable year if—

14 “(I) such organization was origi-  
15 nally established before the date of  
16 the enactment of this clause by an  
17 employer to provide benefits described  
18 in section 501(c)(9) for eligible em-  
19 ployees and retirees and their depend-  
20 ents and beneficiaries,

21 “(II) the only benefits provided  
22 by such organization are post-retire-  
23 ment medical and life benefits,

24 “(III) such employer has (before  
25 the beginning of such taxable year)  
26 delegated all authority and responsi-

1 bility with respect to such organiza-  
2 tion to one or more independent per-  
3 sons who do not have an employment  
4 relationship with the members entitled  
5 to benefits from such organization,

6 “(IV) no member entitled to ben-  
7 efits from such organization is enti-  
8 tled to benefits from any other organi-  
9 zation described in section 501(c)(9)  
10 as a result of employment with such  
11 employer, and

12 “(V) such employer, as of the  
13 close of such taxable year, has no obli-  
14 gation to make any contribution to  
15 such organization and has not made a  
16 contribution to such organization at  
17 any time during the 11-taxable-year  
18 period ending with such taxable  
19 year.”.

20 (b) EFFECTIVE DATE.—The amendment made by  
21 this section shall apply to taxable years beginning after  
22 December 31, 2017.

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