H. R. 2187

To amend the Internal Revenue Code of 1986 to clarify the treatment of certain retirement plan contributions picked up by governmental employers.

IN THE HOUSE OF REPRESENTATIVES

APRIL 27, 2017

Mrs. Black (for herself, Mr. Fleischmann, Mr. Roe of Tennessee, Mr. Duncan of Tennessee, Mr. DesJarlais, Mrs. Blackburn, and Mr. Kustoff of Tennessee) 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 clarify the treatment of certain retirement plan contributions picked up by governmental employers.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. CLARIFICATION OF TREATMENT OF CERTAIN RETIREMENT PLAN CONTRIBUTIONS PICKED UP BY GOVERNMENTAL EMPLOYERS.

(a) In general.—Section 414(h)(2) of the Internal Revenue Code of 1986 is amended—

(1) by striking “For purposes of paragraph (1)” and inserting the following:

...
“(A) IN GENERAL.—For purposes of paragraph (1), and
(2) by adding at the end the following new subparagraph:

“(B) TREATMENT OF ELECTIONS BETWEEN ALTERNATIVE BENEFIT FORMULAS.—

“(i) IN GENERAL.—For purposes of subparagraph (A), a contribution shall not fail to be treated as picked up by an employing unit merely because the employee may make an irrevocable election between the application of two alternative benefit formulas involving the same or different levels of employee contributions.

“(ii) APPLICATION TO EXISTING EMPLOYEES.—Clause (i) shall be applied without regard to whether the employee is already covered by one of the benefit formulas referred to therein.”.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to years ending after the date of the enactment of this Act.