

.....
(Original Signature of Member)

119TH CONGRESS
1ST SESSION

H. R. _____

To amend the Internal Revenue Code of 1986 to permit rollover contributions
from Roth IRAs to designated Roth accounts.

IN THE HOUSE OF REPRESENTATIVES

Mr. LAHOOD introduced the following bill; which was referred to the
Committee on _____

A BILL

To amend the Internal Revenue Code of 1986 to permit
rollover contributions from Roth IRAs to designated
Roth accounts.

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 Rollover
5 Flexibility Act”.

1 **SEC. 2. ROLLOVER CONTRIBUTIONS FROM ROTH IRAS TO**
2 **DESIGNATED ROTH ACCOUNTS.**

3 (a) TREATMENT AS ROLLOVER DISTRIBUTION FOR
4 PURPOSES OF ROTH IRA.—

5 (1) IN GENERAL.—Section 408(d)(3)(A) of the
6 Internal Revenue Code of 1986 is amended by strik-
7 ing “; or” at the end of clause (i) and inserting a
8 comma, by striking the period at the end of clause
9 (ii) and inserting “, or” and by inserting after clause
10 (ii) the following new clause:

11 “(iii) the entire amount received (in-
12 cluding money and any other property) is
13 paid in a direct trustee-to-trustee transfer
14 to a designated Roth account (within the
15 meaning of section 402A)—

16 “(I) from an eligible Roth IRA,
17 or

18 “(II) in an automatic portability
19 transaction (as defined in section
20 4975(f)(12)(A)(i)).”.

21 (2) ELIGIBLE ROTH IRA.—Section 408(d)(3) is
22 amended by adding at the end the following new
23 subparagraph:

24 “(J) ELIGIBLE ROTH IRA.—For purposes
25 of subparagraph (A)(iii), the term ‘eligible Roth
26 IRA’ means a Roth IRA which—

1 “(i) is the only Roth IRA (other than
2 a Roth IRA established under section
3 401(a)(31)(B)(i)) maintained for the ben-
4 efit of the individual during the taxable
5 year of the taxpayer in which the distribu-
6 tion or payment described in subparagraph
7 (A)(iii) is made, and

8 “(ii) has a balance at the time of the
9 payment or distribution which is not in ex-
10 cess of the amount described in section
11 401(a)(31)(B)(ii).”.

12 (b) TREATMENT AS ROLLOVER CONTRIBUTION FOR
13 PURPOSES OF DESIGNATED ROTH ACCOUNT.—

14 (1) IN GENERAL.—Section 402A(c)(3)(B) of
15 the Internal Revenue Code of 1986 is amended by
16 inserting “or under section 408(d)(3)(A)(iii)” after
17 “subparagraph (A)”.

18 (2) TREATMENT OF EARNINGS IN CASE OF TAX-
19 ABLE DISTRIBUTIONS.—Section 402A(d) of such
20 Code is amended by adding at the end the following
21 new paragraph:

22 “(6) TREATMENT OF ROTH IRA ROLLOVER CON-
23 TRIBUTIONS.—Notwithstanding section 72, the total
24 amount of any rollover contribution to a designated

1 Roth account under section 408(d)(3)(A)(iii) shall
2 be treated as investment in the contract.”.

3 (c) COORDINATION WITH NONEXCLUSION PERIOD.—

4 Section 402A(d)(2)(B) of such Code is amended—

5 (1) by striking “earlier” in the matter pre-
6 ceding subclause (i) and inserting “earliest”,

7 (2) by striking “or” at the end of clause (i),

8 (3) by striking the period at the end of clause
9 (ii), and

10 (4) by adding at the end the following:

11 “(iii) if a rollover contribution was
12 made to such designated Roth account
13 from a Roth IRA under section
14 408(d)(3)(A)(iii)(II) and the automatic
15 portability provider (as defined in section
16 4975(f)(12)(A)(ii)) provides the first tax-
17 able year to which a contribution was
18 made to the source plan, the first taxable
19 year in which the individual made con-
20 tributions to the source plan.

21 For purposes of clause (iii), the term ‘source
22 plan’ means the eligible retirement plan (as de-
23 fined in section 401(a)(31)(B)(ii)) from which
24 amounts were transferred to the Roth IRA as
25 described in section 4975(f)(12)(A)(i)(I).”.

1 (d) EFFECTIVE DATE.—The amendments made by
2 this section shall apply to amounts paid or distributed
3 after the date of the enactment of this Act.