

106TH CONGRESS  
2D SESSION

# H. R. 4837

To amend the Internal Revenue Code of 1986 to allow distributions to be made from certain pension plans before the participant is separated from employment.

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## IN THE HOUSE OF REPRESENTATIVES

JULY 12, 2000

Mr. POMEROY 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 allow distributions to be made from certain pension plans before the participant is separated from employment.

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 “Phased Retirement  
5 Liberalization Act”.

6 **SEC. 2. CERTAIN PENSION DISTRIBUTIONS ALLOWED BE-**  
7 **FORE SEVERANCE FROM EMPLOYMENT.**

8 (a) IN GENERAL.—Section 401(a) of the Internal  
9 Revenue Code of 1986 (relating to qualified pension, prof-

1 it-sharing, and stock bonus plans) is amended by inserting  
2 after paragraph (34) the following new paragraph:

3           “(35) DISTRIBUTION PRIOR TO SEVERANCE  
4 FROM EMPLOYMENT.—A trust forming part of a de-  
5 fined benefit plan (or a defined contribution plan  
6 which is subject to the funding standards of section  
7 412) shall not constitute a qualified trust under this  
8 section if the plan provides a distribution to a par-  
9 ticipant who has not severed from employment and  
10 the distribution is made before the earliest of the  
11 following with respect to the participant:

12                   “(A) Normal retirement age (as defined in  
13 section 411(a)(8)).

14                   “(B) Attainment of age 59½.

15                   “(C) The date the participant completes  
16 30 years of service.”

17       (b) EFFECTIVE DATE.—The amendment made by  
18 this section shall apply to years beginning after December  
19 31, 2000.

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