

103D CONGRESS  
1ST SESSION

# H. R. 2617

To amend the Internal Revenue Code of 1986 to permit rollovers into individual retirement accounts of separation pay from the Armed Forces.

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## IN THE HOUSE OF REPRESENTATIVES

JULY 13, 1993

Mr. BUNNING (for himself, Mr. STUMP, and Mr. MONTGOMERY) 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 permit rollovers into individual retirement accounts of separation pay from the Armed Forces.

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 “Military Separation  
5       Retirement Benefits Act of 1993”.

6       **SEC. 2. IRA ROLLOVERS OF MILITARY SEPARATION PAY.**

7       (a) IN GENERAL.—Section 402(a)(6) of the Internal  
8       Revenue Code of 1986 (relating to special rollover rules)  
9       is amended by adding at the end thereof the following new  
10       subparagraph:

1 “(J) MILITARY SEPARATION PAY.—If—

2 “(i) an individual receives separation  
3 pay under section 1174 or 1174a of title  
4 10, United States Code, and

5 “(ii) such individual transfers any  
6 portion of such pay within 60 days after  
7 the receipt of such pay to an eligible retire-  
8 ment plan described in subclause (I) or  
9 (II) of paragraph (5)(E)(iv),

10 then the portion of the pay so transferred shall  
11 be treated as a transfer from a qualified trust  
12 which meets the requirements of paragraph (5)  
13 and which is a transfer of a distribution of  
14 amounts other than employee contributions.”

15 (b) EFFECTIVE DATE.—

16 (1) IN GENERAL.—The amendment made by  
17 subsection (a) shall apply to pay received after De-  
18 cember 5, 1991.

19 (2) TRANSITION RULE.—In the case of any  
20 payment received after December 5, 1991, and be-  
21 fore the date of the enactment of this Act, the 60-  
22 day transfer requirement of section 402(a)(6)(J)(ii)  
23 of the Internal Revenue Code of 1986 (as added by  
24 subsection (a)) shall be treated as met if the tax-

- 1 payer transfers the payment to an eligible retirement
- 2 plan within 1 year after such date of enactment.

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