To amend the Internal Revenue Code of 1986 to allow members of the Ready Reserve of a reserve component of the Armed Forces to make elective deferrals on the basis of their service to the Ready Reserve and on the basis of their other employment.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 30, 2019

Mr. KING of New York (for himself, Mr. JONES, Ms. STEFANIK, Mr. CALVERT, Mr. RYAN, Mr. DAVID P. ROE of Tennessee, Mr. COLE, Mr. WILSON of South Carolina, and Mr. HILL of Arkansas) 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 allow members of the Ready Reserve of a reserve component of the Armed Forces to make elective deferrals on the basis of their service to the Ready Reserve and on the basis of their other employment.

Be it enacted by the Senate and House of Representa-

tives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the “Servicemember Retirement Improvement Act”.

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SEC. 2. ELECTIVE DEFERRALS BY MEMBERS OF THE READY RESERVE OF A RESERVE COMPONENT OF THE ARMED FORCES.

(a) In General.—Section 402(g) of the Internal Revenue Code of 1986 is amended by adding at the end the following new paragraph:

“(9) ELECTIVE DEFERRALS BY MEMBERS OF READY RESERVE.—

“(A) IN GENERAL.—In the case of a qualified ready reservist (other than a specified Federal employee ready reservist) for any taxable year, the limitations of subparagraphs (A) and (C) of paragraph (1) shall be applied separately with respect to—

“(i) elective deferrals of such qualified ready reservist with respect to the Thrift Savings Fund (as defined in section 7701(j)), and

“(ii) any other elective deferrals of such qualified ready reservist.

“(B) SPECIAL RULE FOR FEDERAL EMPLOYEES IN THE READY RESERVE NOT ELIGIBLE TO MAKE ELECTIVE DEFERRALS TO A PLAN OTHER THAN THE THRIFT SAVINGS PLAN.—In the case of a specified Federal employee ready reservist for any taxable year—
“(i) the applicable dollar amount in effect under paragraph (1)(B) for such taxable year shall be twice such amount (as determined without regard to this subclause), and

“(ii) for purposes of paragraph (1)(C), the applicable dollar amount under section 414(v)(2)(B)(i) (as otherwise determined for purposes of paragraph (1)(C)) shall be twice such amount (as determined without regard to this subclause).

“(C) DEFINITIONS.—For purposes of this paragraph—

“(i) QUALIFIED READY RESERVIST.—The term ‘qualified ready reservist’ means any individual for any taxable year if such individual received compensation for service as a member of the Ready Reserve of a reserve component (as defined in section 101 of title 37, United States Code) during such taxable year.

“(ii) SPECIFIED FEDERAL EMPLOYEE READY RESERVIST.—The term ‘specified Federal employee ready reservist’ means
any individual for any taxable year if such individual—

“(I) is a qualified ready reservist for such taxable year,

“(II) would be eligible to make elective deferrals with respect to the Thrift Savings Fund (as defined in section 7701(j)) during such taxable year determined without regard to the service of such individual described in clause (i), and

“(III) is not eligible to make elective deferrals with respect to any plan other than such Thrift Savings Fund during such taxable year.”.

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