

115TH CONGRESS
1ST SESSION

S. 492

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 SENATE OF THE UNITED STATES

MARCH 2, 2017

Mr. CORNYN (for himself and Mr. CASEY) introduced the following bill; which was read twice and referred to the Committee on Finance

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.

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 “Servicemember Retire-
5 ment Improvement Act”.

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

4 (a) IN GENERAL.—Section 402(g) of the Internal
 5 Revenue Code of 1986 is amended by adding at the end
 6 the following new paragraph:

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

9 “(A) IN GENERAL.—In the case of a quali-
 10 fied ready reservist (other than a specified Fed-
 11 eral employee ready reservist) for any taxable
 12 year, the limitations of subparagraphs (A) and
 13 (C) of paragraph (1) shall be applied separately
 14 with respect to—

15 “(i) elective deferrals of such qualified
 16 ready reservist with respect to the Thrift
 17 Savings Fund (as defined in section
 18 7701(j)), and

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

21 “(B) SPECIAL RULE FOR FEDERAL EM-
 22 PLOYEES IN THE READY RESERVE NOT ELIGI-
 23 BLE TO MAKE ELECTIVE DEFERRALS TO A
 24 PLAN OTHER THAN THE THRIFT SAVINGS
 25 PLAN.—In the case of a specified Federal em-
 26 ployee 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

1 any individual for any taxable year if such
2 individual—

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

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

12 “(III) is not eligible to make elec-
13 tive deferrals with respect to any plan
14 other than such Thrift Savings Fund
15 during such taxable year.”.

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

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