II

116TH CONGRESS
1ST SESSION

S. 2214

To amend the Internal Revenue Code of 1986 to provide a better defined recruitment and retention incentive program for volunteer emergency service workers.

IN THE SENATE OF THE UNITED STATES

JULY 23, 2019

Ms. COLLINS (for herself and Mr. CARDIN) 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 provide a better defined recruitment and retention incentive program for volunteer emergency service workers.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Volunteer Emergency Services Recruitment and Retention Act of 2019".

SEC. 2. ELECTIVE TREATMENT OF LENGTH OF SERVICE AWARD PLANS AS ELIGIBLE DEFERRED COMPENSATION PLANS.

(a) IN GENERAL.—Section 457(e) of the Internal Revenue Code of 1986 is amended by adding at the end the following new paragraph:

"(19) ADDITIONAL SPECIAL RULES APPLICABLE TO LENGTH OF SERVICE AWARD PLANS.—

"(A) IN GENERAL.—The term 'eligible deferred compensation plan' includes, at the election of its sponsor, any length of service award plan described in paragraph (11)(A)(ii) which meets the requirements of paragraph (11)(B). Any such election, once made, shall be irrevocable.

"(B) SPECIAL RULES.—In the case of a length of service award plan whose sponsor has elected to have such plan treated as an eligible deferred compensation plan—

"(i) IN GENERAL.—Such sponsor shall be treated as an eligible employer described in subsection (e)(1)(A), and, except as provided in clauses (ii) and (iii), such plan shall be administered in a manner consistent with the requirements of this section.

"(ii) MAXIMUM DEFERRAL AMOUNT.—Subsection (b)(2) shall be applied by substituting 'the limitation on accruals in effect under paragraph (11)(B)' for 'the lesser of—' and all that follows through 'compensation,' in subparagraph (B) thereof.

"(iii) DISTRIBUTION REQUIREMENTS.—Subsection (d)(1)(A) shall be applied by deeming a severance from employment to have occurred for purposes of clause (ii) thereof on the payment date under the terms of the plan.".

(b) EXEMPTION FROM EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974.—For purposes of the Employee Retirement Income Security Act of 1974, a length of service award plan described in section 457(e)(11)(A)(ii) of the Internal Revenue Code of 1986 whose sponsor has elected under section 457(e)(19) of such Code to have such plan treated as an eligible deferred compensation plan shall not be treated as an employee pension benefit plan or a pension plan under section 3(2) of such Act (29 U.S.C. 1002(2)).

(c) Effective Date.—The amendment made by this section shall apply to taxable years beginning after December 31, 2019.

○