

119TH CONGRESS  
1ST SESSION

**S.** \_\_\_\_\_

To amend the Internal Revenue Code of 1986 to permit rollover contributions from Roth IRAs to designated Roth accounts.

---

IN THE SENATE OF THE UNITED STATES

---

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

---

**A BILL**

To amend the Internal Revenue Code of 1986 to permit rollover contributions from Roth IRAs to designated Roth accounts.

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 “Retirement Rollover  
5       Flexibility Act”.

6       **SEC. 2. ROLLOVER CONTRIBUTIONS FROM ROTH IRAS TO**  
7       **DESIGNATED ROTH ACCOUNTS.**

8       (a) TREATMENT AS ROLLOVER DISTRIBUTION FOR  
9       PURPOSES OF ROTH IRA.—

1           (1) IN GENERAL.—Section 408(d)(3)(A) of the  
2       Internal Revenue Code of 1986 is amended by strik-  
3       ing “; or” at the end of clause (i) and inserting a  
4       comma, by striking the period at the end of clause  
5       (ii) and inserting “, or” and by inserting after clause  
6       (ii) the following new clause:

7                       “(iii) the entire amount received (in-  
8                       cluding money and any other property) is  
9                       paid in a direct trustee-to-trustee transfer  
10                      to a designated Roth account (within the  
11                      meaning of section 402A)—

12                      “(I) from an eligible Roth IRA,  
13                      or

14                      “(II) in an automatic portability  
15                      transaction (as defined in section  
16                      4975(f)(12)(A)(i)).”.

17           (2) ELIGIBLE ROTH IRA.—Section 408(d)(3) is  
18       amended by adding at the end the following new  
19       subparagraph:

20                      “(J) ELIGIBLE ROTH IRA.—For purposes  
21                      of subparagraph (A)(iii), the term ‘eligible Roth  
22                      IRA’ means a Roth IRA which—

23                      “(i) is the only Roth IRA (other than  
24                      a Roth IRA established under section  
25                      401(a)(31)(B)(i)) maintained for the ben-

1                   efit of the individual during the taxable  
2                   year of the taxpayer in which the distribu-  
3                   tion or payment described in subparagraph  
4                   (A)(iii) is made, and

5                   “(ii) has a balance at the time of the  
6                   payment or distribution which is not in ex-  
7                   cess of the amount described in section  
8                   401(a)(31)(B)(ii).”.

9           (b) TREATMENT AS ROLLOVER CONTRIBUTION FOR  
10 PURPOSES OF DESIGNATED ROTH ACCOUNT.—

11           (1) IN GENERAL.—Section 402A(c)(3)(B) of  
12           the Internal Revenue Code of 1986 is amended by  
13           inserting “or under section 408(d)(3)(A)(iii)” after  
14           “subparagraph (A)”.

15           (2) TREATMENT OF EARNINGS IN CASE OF TAX-  
16           ABLE DISTRIBUTIONS.—Section 402A(d) of such  
17           Code is amended by adding at the end the following  
18           new paragraph:

19           “(6) TREATMENT OF ROTH IRA ROLLOVER CON-  
20           TRIBUTIONS.—Notwithstanding section 72, the total  
21           amount of any rollover contribution to a designated  
22           Roth account under section 408(d)(3)(A)(iii) shall  
23           be treated as investment in the contract.”.

24           (c) COORDINATION WITH NONEXCLUSION PERIOD.—  
25 Section 402A(d)(2)(B) of such Code is amended—

1           (1) by striking “earlier” in the matter pre-  
2           ceding subclause (i) and inserting “earliest”,

3           (2) by striking “or” at the end of clause (i),

4           (3) by striking the period at the end of clause  
5           (ii), and

6           (4) by adding at the end the following:

7                       “(iii) if a rollover contribution was  
8                       made to such designated Roth account  
9                       from a Roth IRA under section  
10                      408(d)(3)(A)(iii)(II) and the automatic  
11                      portability provider (as defined in section  
12                      4975(f)(12)(A)(ii)) provides the first tax-  
13                      able year to which a contribution was  
14                      made to the source plan, the first taxable  
15                      year in which the individual made con-  
16                      tributions to the source plan.

17           For purposes of clause (iii), the term ‘source  
18           plan’ means the eligible retirement plan (as de-  
19           fined in section 401(a)(31)(B)(ii)) from which  
20           amounts were transferred to the Roth IRA as  
21           described in section 4975(f)(12)(A)(i)(I).”.

22           (d) EFFECTIVE DATE.—The amendments made by  
23           this section shall apply to amounts paid or distributed  
24           after the date of the enactment of this Act.