

MEMO# 18112

October 18, 2004

CLARIFICATION REGARDING SENATE PASSAGE OF H.R. 1779, THE "GUARDSMEN AND RESERVISTS FINANCIAL RELIEF ACT OF 2004"

[18112] October 18, 2004 TO: PENSION MEMBERS No. 54-04 PENSION OPERATIONS ADVISORY COMMITTEE No. 72-04 RE: CLARIFICATION REGARDING SENATE PASSAGE OF H.R. 1779, THE "GUARDSMEN AND RESERVISTS FINANCIAL RELIEF ACT OF 2004" On October 15, 2004, we informed you that Congress recently approved three legislative bills that contain pension relief provisions.¹ One of these bills is H.R. 1779, the "Guardsmen and Reservists Financial Relief Act of 2004 (the "Bill"). The Bill generally provides an additional exception to the ten-percent penalty tax under section 72(t) of the Internal Revenue Code for "any qualified reservist distribution." The Bill also provides for penalty-free withdrawals from retirement plans for victims of federally declared natural disasters. Clarification Regarding Next Steps for H.R. 1779 H.R. 1779 is not ready to be signed into law by the President. While the House of Representatives version of H.R. 1779 that passed in April 2004 and the recently passed Senate version of H.R. 1779 are similar, the attached Senate version includes an amendment added by Sen. Landrieu. It is uncertain whether the House of Representatives will take up the Senate- amended version of H.R. 1779 after the November elections. Lisa Robinson Assistant Counsel Attachment (in .pdf format) 1 See Institute Memorandum (18108) to Pension Members No. 53-04 and Pension Operations Advisory Committee No. 71-04, dated October 15, 2004.

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