

117TH CONGRESS
2D SESSION

H. R. 7203

To amend the Internal Revenue Code of 1986 to repeal the direct payment requirement on the exclusion from gross income of distributions from governmental plans for health and long-term care insurance, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MARCH 24, 2022

Mr. CHABOT (for himself and Ms. SPANBERGER) 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 repeal the direct payment requirement on the exclusion from gross income of distributions from governmental plans for health and long-term care insurance, and for other purposes.

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 “Wally Bunker
5 Healthcare Enhancement for Local Public Safety Retirees
6 Improvement Act of 2022” or the “HELPS Retirees Im-
7 provement Act of 2022”.

1 **SEC. 2. INCREASE IN AMOUNT EXCLUDED FROM GROSS IN-**
 2 **COME BY REASON OF DISTRIBUTIONS FROM**
 3 **GOVERNMENTAL RETIREMENT PLANS FOR**
 4 **HEALTH AND LONG-TERM CARE INSURANCE**
 5 **FOR PUBLIC SAFETY OFFICERS.**

6 (a) IN GENERAL.—Paragraph (2) of section 402(l)
 7 of the Internal Revenue Code of 1986 is amended by strik-
 8 ing “\$3,000” and inserting “\$6,000”.

9 (b) EFFECTIVE DATE.—The amendment made by
 10 paragraph (1) shall apply to distributions in taxable years
 11 beginning after December 31, 2021.

12 **SEC. 3. REPEAL OF DIRECT PAYMENT REQUIREMENT ON**
 13 **EXCLUSION FROM GROSS INCOME OF DIS-**
 14 **TRIBUTIONS FROM GOVERNMENTAL PLANS**
 15 **FOR HEALTH AND LONG-TERM CARE INSUR-**
 16 **ANCE.**

17 (a) IN GENERAL.—Section 402(l)(5) of the Internal
 18 Revenue Code of 1986 is amended to read as follows:

19 “(5) AGGREGATION RULE.—For purposes of
 20 this subsection, all eligible retirement plans of an
 21 employer shall be treated as a single plan.”.

22 (b) EFFECTIVE DATE.—The amendment made by
 23 this section shall apply to distributions made after the
 24 date of the enactment of this Act.