

117TH CONGRESS
2D SESSION

S. _____

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.

IN THE SENATE OF THE UNITED STATES

Mr. BROWN (for himself and Mr. THUNE) 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 repeal the direct payment requirement on the exclusion from gross income of distributions from governmental plans for health and long-term care insurance.

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 “Police and Fire Health
5 Care Protection Act of 2022”.

1 **SEC. 2. REPEAL OF DIRECT PAYMENT REQUIREMENT ON**
2 **EXCLUSION FROM GROSS INCOME OF DIS-**
3 **TRIBUTIONS FROM GOVERNMENTAL PLANS**
4 **FOR HEALTH AND LONG-TERM CARE INSUR-**
5 **ANCE.**

6 (a) IN GENERAL.—Section 402(l)(5)(A) of the Inter-
7 nal Revenue Code of 1986 is amended to read as follows:

8 “(A) DIRECT PAYMENT TO INSURER PER-
9 MITTED.—

10 “(i) IN GENERAL.—Paragraph (1)
11 shall apply to a distribution without regard
12 to whether payment of the premiums is
13 made directly to the provider of the acci-
14 dent or health plan or qualified long-term
15 care insurance contract by deduction from
16 a distribution from the eligible retirement
17 plan, or is made to the employee.

18 “(ii) REPORTING.—In the case of a
19 payment made to the employee as de-
20 scribed in clause (i), the employee shall in-
21 clude with the return of tax for the taxable
22 year in which the distribution is made an
23 attestation that the distribution does not
24 exceed the amount paid by the employee
25 for qualified health insurance premiums
26 for such taxable year.”.

1 (b) **EFFECTIVE DATE.**—The amendment made by
2 this section shall apply to distributions made after the
3 date of the enactment of this Act.