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May 9, 2023

Testimony in support of LD 1774
“An Act Exempting Certain Emergency Distributions and Emergency Savings Accounts
from Taxation”

Senator Grohoski, Representative Perry, and Distinguished members of the Committee on Taxation, my name is Amy Arata and I represent House District 104 which includes New Gloucester and part of Gray.

It's my pleasure to present LD 1774, “An Act Exempting Certain Emergency Distributions and Emergency Savings Accounts from Taxation.”

The intent of the bill is to bring the state of Maine into conformity with the federal Consolidated Appropriations Act of 2023, also known as the 2023 Omnibus Appropriations Bill. Doing so will help Mainers save for emergencies such as the excessively high heating fuel prices we experienced last winter or medical emergencies for themselves and their families. This federal Act is 1,653 pages long, and very complicated. If you think Maine's statutes are hard to understand, they're easy compared to federal legislation! Nevertheless, I've included excerpts from the Act in order to clarify what LD 1774 is attempting to accomplish and to help you follow along. I apologize for the small type that may be hard to read.

Page 838, Section 115 pertains to Withdrawals for Certain Emergency Expenses. This allows individuals to withdraw up to \$1000, without the normal 10% penalty or taxation, to meet unforeseeable or immediate financial needs relating to necessary personal or family expenses from eligible retirement accounts. The \$1000 may be repaid and withdrawn again once per year. I was unable to find the definition of “eligible retirement accounts” in the Consolidated Appropriations Act of 2023, but research of media coverage has indicated that these are 401(k) and 403(b) plans only. This proposal, LD 1774, would require Maine to also forego any taxes that would otherwise be due for such an emergency withdrawal.

Page 859, Section 127 pertains to Emergency Savings Accounts Linked to Individual Account Plans. The Pension-Linked Emergency Savings Account is a new type of account that will be linked to 401(k) and 403(b) retirement plans. Participants can contribute up to 3% of their compensation, and the maximum total contributions can total \$2500. Plan sponsors, or employers, may offer to enroll participants or may automatically enroll them. Employer matching funds go to the retirement account, not to the emergency savings account.

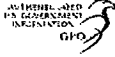
Participation is voluntary for both the employer and employee. Highly compensated employees, which are those who make over \$150,000 per year, are not eligible. Pension-Linked Emergency Savings Accounts will be designated as Roth accounts, which means that after-tax income is used for contributions, but that any capital gains, dividends, or interest earned will not be taxed. This is a part of the federal law that LD 1774 asks you, the taxation committee, to conform with, in order to incentivize Mainers to have these emergency accounts.

In addition to the Emergency Heating Assistance bill that this legislature passed, there is also interest in the idea of a Paid Family and Medical Leave Program. However, an actuarial study showed that such a program would cost between \$266M and \$636M per year. Employers have expressed concern that the program could be misused and make their businesses less competitive than their peers in other states. Mainers may also oppose the program when they realize how much will be deducted from their paychecks, even if they never use the program. However, having a plan for emergencies is important, and LD 1774 would incentivize individuals to save for emergencies along with retirement, and I urge you to support it.

Thank you and I'd be happy to answer any questions.

Respectfully,

Amy Arata
State Representative



H. R. 2617

One Hundred Seventeenth Congress
of the
United States of America

AT THE SECOND SESSION

*Began and held at the City of Washington on Monday,
the third day of January, two thousand and twenty-two*

An Act

Making consolidated appropriations for the fiscal year ending September 30, 2023,
and for providing emergency assistance for the situation in Ukraine, and for
other purposes.

*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 "Consolidated Appropriations
Act, 2023".

SEC. 2. TABLE OF CONTENTS.

- Sec. 1. Short title.
- Sec. 2. Table of contents.
- Sec. 3. References.
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- Title I—Corps of Engineers—Civil
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"Omnibus Spending Bill 2023"
1,653 Pages

(d) AMENDMENT OF EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974.—Subsection (b) of section 408 of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1108(b)) is amended by adding at the end the following new paragraph:

"(21) The provision of a de minimis financial incentive described in section 401(k)(4)(A) or section 403(h)(12)(A) of the Internal Revenue Code of 1986."

(e) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to plan years beginning after the date of enactment of this Act.

SEC. 114. DEFERRAL OF TAX FOR CERTAIN SALES OF EMPLOYER STOCK TO EMPLOYEE STOCK OWNERSHIP PLAN SPONSORED BY S CORPORATION.

(a) IN GENERAL.—Section 1042(e)(1)(A) is amended by striking "domestic C corporation" and inserting "domestic corporation".

(b) 10 PERCENT LIMITATION ON APPLICATION OF GAIN ON SALE OF S CORPORATION STOCK.—Section 1042 is amended by adding at the end the following new subsection:

"(h) APPLICATION OF SECTION TO SALE OF STOCK IN S CORPORATION.—In the case of the sale of qualified securities of an S corporation, the election under subsection (a) may be made with respect to not more than 10 percent of the amount realized on such sale for purposes of determining the amount of gain not recognized and the extent to which (if at all) the amount realized on such sale exceeds the cost of qualified replacement property. The portion of adjusted basis that is properly allocable to the portion of the amount realized with respect to which the election is made under this subsection shall be taken into account for purposes of the preceding sentence."

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to sales after December 31, 2027.

SEC. 115. WITHDRAWALS FOR CERTAIN EMERGENCY EXPENSES.

(a) IN GENERAL.—Paragraph (2) of section 72(l) is amended by adding at the end the following new subparagraph:

"(I) DISTRIBUTIONS FOR CERTAIN EMERGENCY EXPENSES.—

"(i) IN GENERAL.—Any emergency personal expense distribution.

"(ii) ANNUAL LIMITATION.—Not more than 1 distribution per calendar year may be treated as an emergency personal expense distribution by any individual.

"(iii) DOLLAR LIMITATION.—The amount which may be treated as an emergency personal expense distribution by any individual in any calendar year shall not exceed the lesser of \$1,000 or an amount equal to the excess of—

"(1) the individual's total nonforfeitable accrued benefit under the plan (the individual's total interest in the plan in the case of an individual retirement plan), determined as of the date of each such distribution, over

"(II) \$1,000.

"(iv) EMERGENCY PERSONAL EXPENSE DISTRIBUTION.—For purposes of this subparagraph, the term 'emergency personal expense distribution' means any distribution from an applicable eligible retirement plan

(as defined in subparagraph (H)(vi)(I)) to an individual for purposes of meeting unforeseeable or immediate financial needs relating to necessary personal or family emergency expenses. The administrator of an applicable eligible retirement plan may rely on an employee's written certification that the employee satisfies the conditions of the preceding sentence in determining whether any distribution is an emergency personal expense distribution. The Secretary may provide by regulations for exceptions to the rule of the preceding sentence in cases where the plan administrator has actual knowledge to the contrary of the employee's certification, and for procedures for addressing cases of employee misrepresentation.

"(v) TREATMENT OF PLAN DISTRIBUTIONS.—If a distribution to an individual would (without regard to clause (ii) or (iii)) be an emergency personal expense distribution, a plan shall not be treated as failing to meet any requirement of this title merely because the plan treats the distribution as an emergency personal expense distribution, unless the number or the aggregate amount of such distributions from all plans maintained by the employer (and any member of any controlled group which includes the employer, determined as provided in subparagraph (H)(iv)(II)) to such individual exceeds the limitation determined under clause (ii) or (iii).

"(vi) AMOUNT DISTRIBUTED MAY BE REPAYED.—Rules similar to the rules of subparagraph (II)(v) shall apply with respect to an individual who receives a distribution to which clause (i) applies.

"(vii) LIMITATION ON SUBSEQUENT DISTRIBUTIONS.—If a distribution is treated as an emergency personal expense distribution in any calendar year with respect to a plan of the employee, no amount may be treated as such a distribution during the immediately following 3 calendar years with respect to such plan unless—

"(I) such previous distribution is fully repaid to such plan pursuant to clause (vi), or

"(II) the aggregate of the elective deferrals and employee contributions to the plan (the total amounts contributed to the plan in the case of an individual retirement plan) subsequent to such previous distribution is at least equal to the amount of such previous distribution which has not been so repaid.

"(viii) SPECIAL RULES.—Rules similar to the rules of subclauses (II) and (IV) of subparagraph (H)(vi) shall apply to any emergency personal expense distribution."

(b) CROSS-REFERENCE.—See section 311 of this Act for amendment to section 72(t)(2)(H)(v)(I) of the Internal Revenue Code of 1986 limiting repayment of distribution to 3 years.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to distributions made after December 31, 2023.

program from which a qualified rollover contribution is made under subparagraph (C) shall be treated in the same manner as the earnings and contributions of a Roth IRA from which a qualified rollover contribution is made under subparagraph (A).”

(2) APPLICATION OF CONTRIBUTION LIMITATIONS.—

(A) IN GENERAL.—Section 408A(c)(5)(B) is amended—

(i) by striking “A qualified rollover contribution” and inserting the following:

“(i) IN GENERAL.—A qualified rollover contribution”, and

(ii) by adding at the end the following:

“(ii) EXCEPTION FOR ROLLOVERS FROM QUALIFIED TUITION PROGRAMS.—Clause (i) shall not apply to any qualified rollover contribution described in subsection (c)(1)(C).”

(B) WAIVER OF ROTH IRA INCOME LIMITATION.—Section 408A(c)(3) is amended by adding at the end the following new subparagraph:

(E) SPECIAL RULE FOR CERTAIN TRANSFERS FROM QUALIFIED TUITION PROGRAMS.—The amount determined under subparagraph (A) shall be increased by the lesser of—

“(i) the amount of contributions described in section 529(c)(3)(E) for the taxable year, or

“(ii) the amount of the reduction determined under such subparagraph (determined without regard to this subparagraph).”

(c) REPORTING.—Section 529(d) is amended—

(1) by striking “Each officer” and inserting the following:

“(1) IN GENERAL.—Each officer”,

(2) by striking “by this subsection” and inserting “by this paragraph”, and

(3) by adding at the end the following new paragraph:

(2) ROLLOVER DISTRIBUTIONS.—In the case of any distribution described in subsection (c)(3)(E), the officer or employee having control of the qualified tuition program (or their designee) shall provide a report to the trustee of the Roth IRA to which the distribution is made. Such report shall be filed at such time and in such manner as the Secretary may require and shall include information with respect to the contributions, distributions, and earnings of the qualified tuition program as of the date of the distribution described in subsection (c)(3)(A), together with such other matters as the Secretary may require.”

(d) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to distributions after December 31, 2023.

SEC. 127. EMERGENCY SAVINGS ACCOUNTS LINKED TO INDIVIDUAL ACCOUNT PLANS.

(a) EMPLOYEE PENSION BENEFIT PLANS.—Section 3 of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1002) is amended by adding at the end the following:

“(46) PENSION-LINKED EMERGENCY SAVINGS ACCOUNT.—The term ‘pension-linked emergency savings account’ means a short-term savings account established and maintained as part of an individual account plan, in accordance with section 801,

on behalf of an eligible participant (as such term is defined in section 801(b)) that—

"(A) is a designated Roth account (within the meaning of section 402A of the Internal Revenue Code of 1986) and accepts only participant contributions, as described in section 801(d)(1)(A), which are designated Roth contributions subject to the rules of section 402A(e) of such Code; and

"(B) meets the requirements of part 8 of subtitle B."

(h) PENSION-LINKED EMERGENCY SAVINGS ACCOUNTS.—

(1) IN GENERAL.—Subtitle B of title I of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1021 et seq.) is amended by adding at the end the following:

"PART 8—PENSION-LINKED EMERGENCY SAVINGS ACCOUNTS

"SEC. 801. PENSION-LINKED EMERGENCY SAVINGS ACCOUNTS.

"(a) IN GENERAL.—A plan sponsor of an individual account plan may—

"(1) include in such individual account plan a pension-linked emergency savings account meeting the requirements of subsection (c); and

"(2)(A) offer to enroll an eligible participant in such pension-linked emergency savings account; or

"(B) automatically enroll an eligible participant in such account pursuant to an automatic contribution arrangement described in paragraph (2) of subsection (c).

"(b) ELIGIBLE PARTICIPANT.—

"(1) IN GENERAL.—For purposes of this part, the term 'eligible participant', with regard to an individual account plan, means an individual who—

"(A) meets any age, service, and other eligibility requirements of the plan; and

"(B) is not a highly compensated employee.

"(2) ELIGIBLE PARTICIPANT WHO BECOMES A HIGHLY COMPENSATED EMPLOYEE.—Notwithstanding paragraph (1)(B), an individual who is enrolled in a pension-linked emergency savings account and thereafter becomes a highly compensated employee may not make further contributions to such account, but retains the right to withdraw any account balance of such account in accordance with subsection (c)(1)(A)(ii).

"(3) DEFINITION.—For purposes of this subsection, the term 'highly compensated employee' has the meaning given the term in section 414(q) of the Internal Revenue Code of 1986.

"(c) ACCOUNT REQUIREMENTS.—

"(1) IN GENERAL.—A pension-linked emergency savings account—

"(A) shall—

"(i) not have a minimum contribution or account balance requirement;

"(ii) allow for withdrawal by the participant of the account balance, in whole or in part at the discretion of the participant, at least once per calendar month and for distribution of such withdrawal to the participant as soon as practicable from the date on which the participant elects to make such withdrawal; and

For 2023, income over \$150,000

"(iii) be, as selected by the plan sponsor, held as cash, in an interest-bearing deposit account, or in an investment product—

"(I) designed to—

"(aa) maintain over the term of the investment, the dollar value that is equal to the amount invested in the product; and

"(bb) preserve principal and provide a reasonable rate of return, whether or not such return is guaranteed, consistent with the need for liquidity; and

"(II) offered by a State- or federally-regulated financial institution;

"(B) may be subject to, as permitted by the Secretary, reasonable restrictions; and

"(C)(i) may not, for not less than the first 4 withdrawals of funds from the account in a plan year, be subject to any fees or charges solely on the basis of such a withdrawal; and

"(ii) may, for any subsequent withdrawal in a plan year, be subject to reasonable fees or charges in connection with such a withdrawal, including reasonable reimbursement fees imposed for the incidental costs of handling of paper checks.

"(2) ESTABLISHMENT AND TERMINATION OF ACCOUNT.—

"(A) ESTABLISHMENT OF ACCOUNT.—The pension-linked emergency savings account feature shall be included in the plan document of the individual account plan. Such individual account plan shall—

"(i) separately account for contributions to the pension-linked emergency savings account of the individual account plan and any earnings properly allocable to the contributions;

"(ii) maintain separate recordkeeping with respect to each such pension-linked emergency savings account; and

"(iii) allow withdrawals from such account in accordance with section 402A(e)(7) of the Internal Revenue Code of 1986.

"(B) TERMINATION OF ACCOUNT.—A plan sponsor may terminate the pension-linked emergency savings account feature of an individual account plan at any time.

"(d) ACCOUNT CONTRIBUTIONS.—

"(1) LIMITATION.—

"(A) IN GENERAL.—Subject to subparagraph (B), no contribution shall be accepted to a pension-linked emergency savings account to the extent such contribution would cause the portion of the account balance attributable to participant contributions to exceed the lesser of—

"(i) \$2,500; or

"(ii) an amount determined by the plan sponsor of the pension-linked emergency savings account.

In the case of contributions made in taxable years beginning after December 31, 2024, the Secretary shall adjust the amount under clause (i) at the same time and in the same manner as the adjustment made by the Secretary

of the Treasury under section 415(d) of the Internal Revenue Code of 1986, except that the base period shall be the calendar quarter beginning July 1, 2023. Any increase under the preceding sentence which is not a multiple of \$100 shall be rounded to the next lowest multiple of \$100.

“(B) EXCESS CONTRIBUTIONS.—To the extent any contribution to the pension-linked emergency savings account of a participant for a taxable year would exceed the limitation of subparagraph (A)—

“(i) in the case of a participant with another designated Roth account under the individual account plan, such plan may provide that—

“(I) the participant may elect to increase the participant’s contribution to such other account; and

“(II) in the absence of such a participant election, the participant is deemed to have elected to increase the participant’s contributions to such other account at the rate at which contributions were being made to the pension-linked emergency savings account; and

“(ii) in any other case, such plan shall provide that such excess contributions will not be accepted.

“(2) AUTOMATIC CONTRIBUTION ARRANGEMENT.—For purposes of this section—

“(A) IN GENERAL.—An automatic contribution arrangement described in this paragraph is an arrangement under which an eligible participant is treated as having elected to have the plan sponsor make elective contributions to a pension-linked emergency savings account at a participant contribution rate that is not more than 3 percent of the compensation of the eligible participant, unless the eligible participant, at any time (subject to such reasonable advance notice as is required by the plan administrator), affirmatively elects to—

“(i) make contributions at a different rate or amount; or

“(ii) opt out of such contributions.

“(B) PARTICIPANT CONTRIBUTION RATE.—For purposes of an automatic contribution arrangement described in subparagraph (A), the plan sponsor—

“(i) shall select a participant contribution rate under such automatic contribution arrangement that meets the requirements of subparagraph (A); and

“(ii) may amend (prior to the plan year in which an amendment would take effect) such rate not more than once annually.

“(3) DISCLOSURE BY PLAN ADMINISTRATOR OF CONTRIBUTIONS.—

“(A) IN GENERAL.—With respect to an individual account plan with a pension-linked emergency savings account feature, the administrator of the plan shall, not less than 30 days and not more than 90 days prior to date of the first contribution to the pension-linked emergency savings account, including any contribution under

an automatic contribution arrangement described in subsection (d)(2), or the date of any adjustment to the participant contribution rate under subsection (d)(2)(B)(ii), and not less than annually thereafter, shall furnish to the participant a notice describing—

“(i) the purpose of the account, which is for short-term, emergency savings;

“(ii) the limits on, and tax treatment of, contributions to the pension-linked emergency savings account of the participant;

“(iii) any fees, expenses, restrictions, or charges associated with such pension-linked emergency savings account;

“(iv) procedures for electing to make contributions to or opting out of the pension-linked emergency savings account, for changing participant contribution rates for such pension-linked emergency savings account, and for making participant withdrawals from such pension-linked emergency savings account, including any limits on frequency;

“(v) as applicable, the amount of the intended contribution to such pension-linked emergency savings account or the change in the percentage of the compensation of the participant of such contribution;

“(vi) the amount in the emergency savings account and the amount or percentage of compensation that a participant has contributed to the pension-linked emergency savings account;

“(vii) the designated investment option under subsection (c)(1)(A)(iii) for amounts contributed to the pension-linked emergency savings account;

“(viii) the options under subsection (e) for the account balance of the pension-linked emergency savings account after termination of the employment of the participant or termination by the plan sponsor of the pension-linked emergency savings account; and

“(ix) the ability of a participant who becomes a highly compensated employee (as such term is defined in paragraph (3) of subsection (b)) to, as described in paragraph (2) of such subsection, withdraw any account balance from a pension-linked emergency savings account and the restriction on the ability of such a participant to make further contributions to the pension-linked emergency savings account.

“(B) NOTICE REQUIREMENTS.—A notice furnished to a participant under subparagraph (A) shall be—

“(i) sufficiently accurate and comprehensive to apprise the participant of the rights and obligations of the participant with regard to the pension-linked emergency savings account of the participant; and

“(ii) written in a manner calculated to be understood by the average participant.

“(C) CONSOLIDATED NOTICES.—The required notices under subparagraph (A) may be included with any other notice under this Act, including under section 404(c)(5)(B) or 514(c)(3), or under section 401(k)(13)(E) or 414(w)(4) of the Internal Revenue Code of 1986, if such other notice

is provided to the participant at the time required for such notice.

"(4) EMPLOYER MATCHING CONTRIBUTIONS TO AN INDIVIDUAL ACCOUNT PLAN FOR EMPLOYEE CONTRIBUTIONS TO A PENSION-LINKED EMERGENCY SAVINGS ACCOUNT.—

"(A) IN GENERAL.—If an employer makes any matching contributions to an individual account plan of which a pension-linked emergency savings account is part, subject to the limitations of paragraph (1)(A), the employer shall make matching contributions on behalf of a participant on account of the contributions by the participant to the pension-linked emergency savings account at the same rate as any other matching contribution on account of an elective contribution by such participant. The matching contributions shall be made to the participant's account under the individual account plan that is not the pension-linked emergency savings account. Such matching contributions on account of contributions under paragraph (1)(A) shall not exceed the maximum account balance under paragraph (1)(A) for such plan year.

"(B) COORDINATION RULE.—For purposes of any applicable limitation on matching contributions, any matching contributions made under the plan shall be treated first as attributable to the elective deferrals of the participant other than contributions to a pension-linked emergency savings account.

"(C) MATCHING CONTRIBUTIONS.—For purposes of subparagraph (A), the term 'matching contribution' has the meaning given such term in section 401(m)(4) of the Internal Revenue Code of 1986.

"(e) ACCOUNT BALANCE AFTER TERMINATION.—Upon termination of employment of the participant, or termination by the plan sponsor of the pension-linked emergency savings account, the pension-linked emergency savings account of such participant in an individual account plan shall—

"(1) allow, at the election of the participant, for transfer by the participant of the account balance of such account, in whole or in part, into another designated Roth account of the participant under the individual account plan; and

"(2) for any amounts in such account not transferred under paragraph (1), make such amounts available within a reasonable time to the participant.

"(f) ANTI-ABUSE RULES.—

"(1) IN GENERAL.—A plan of which a pension-linked emergency savings account is part—

"(A) may employ reasonable procedures to limit the frequency or amount of matching contributions with respect to contributions to such account, solely to the extent necessary to prevent manipulation of the rules of the plan to cause matching contributions to exceed the intended amounts or frequency; and

"(B) shall not be required to suspend matching contributions following any participant withdrawal of contributions, including elective deferrals and employee contributions, whether or not matched and whether or not made pursuant to an automatic contribution arrangement

"(C) MATCHING CONTRIBUTIONS.—For purposes of subparagraph (A), the term 'matching contribution' has the meaning given such term in section 401(m)(4).

"(7) DISTRIBUTIONS.—

"(A) IN GENERAL.—A pension-linked emergency savings account shall allow for withdrawal by the participant on whose behalf the account is established of the account balance, in whole or in part at the discretion of the participant, at least once per calendar month and for distribution of such withdrawal to the participant as soon as practicable after the date on which the participant elects to make such withdrawal.

"(B) TREATMENT OF DISTRIBUTIONS.—Any distribution from a pension-linked emergency savings account in accordance with subparagraph (A)—

"(i) shall be treated as a qualified distribution for purposes of subsection (d), and

"(ii) shall be treated as meeting the requirements of sections 401(k)(2)(B)(i), 403(b)(7)(A)(i), 403(b)(11), and 457(d)(1)(A).

"(8) ACCOUNT BALANCE AFTER TERMINATION.—

"(A) IN GENERAL.—Upon termination of employment of the participant, or termination by the plan sponsor of the pension-linked emergency savings account, the pension-linked emergency savings account of such participant in a defined contribution plan shall—

"(i) allow, at the election of the participant, for transfer by the participant of the account balance of such account, in whole or in part, into another designated Roth account of the participant under the defined contribution plan; and

"(ii) for any amounts in such account not transferred under paragraph (1), make such amounts available within a reasonable time to the participant.

"(B) PROHIBITION OF CERTAIN TRANSFERS.—No amounts shall be transferred by the participant from another account of the participant under any plan of the employer into the pension-linked emergency savings account of the participant.

"(C) COORDINATION WITH SECTION 72.—Subparagraph (F) of section 408A(d)(3) shall not apply (including by reason of subsection (e)(4)(D) of this section) to any rollover contribution of amounts in a pension-linked emergency savings account under subparagraph (A).

"(D) COORDINATION WITH DISTRIBUTION OF EXCESS DEFERRALS.—If any excess deferrals are distributed under section 402(g)(2)(A) to a participant, such amounts shall be distributed first from any pension-linked emergency savings account of the participant to the extent contributions were made to such account for the taxable year.

"(10) TREATMENT OF ACCOUNT BALANCES.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), a distribution from a pension-linked emergency savings account shall not be treated as an eligible rollover distribution for purposes of sections 401(a)(31), 402(f), and 3405.

"(B) TERMINATION.—In the case of termination of employment of the participant, or termination by the plan