

119TH CONGRESS
1ST SESSION

H. R. 6450

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

IN THE HOUSE OF REPRESENTATIVES

DECEMBER 4, 2025

Mr. LAHOOD (for himself and Ms. SÁNCHEZ) 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 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.

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