

Toomey/Bennet Bill Updates Federal Law to Help State and Local Corrections Officers

Background:

- The federal tax code currently imposes a 10 percent penalty on non-qualified withdrawals from retirement savings accounts that are made before an individual reaches age 59 ½.
 - Due to the strenuous nature of their professions—which makes mandatory retirement ages and early retirements common—Congress has exempted many federal, state, and local law enforcement and public safety officers from this 10% penalty and allowed this group to make withdrawals beginning at age 50.
 - However, under current law, state and local corrections officers remain ineligible for this exemption despite holding similar or identical jobs to their federal counterparts, who are eligible for the exemption.

The Solution:

- The Toomey/Bennet bill makes state and local government-employed corrections officers and forensic security employees who are tasked with the care, custody, and control of inmate populations eligible for the exemption from the 10% early withdrawal penalty imposed on early distributions from retirement accounts.
- The bill, if enacted in 2022, would take effect beginning in 2023.

Supporting Organizations:

- Pennsylvania State Corrections Officers Association (PSCOA)
- Colorado Workers for Innovative and New Solutions (WINS)
- Council of Prison Locals 33
- One Voice United