

Senators Bennet & Toomey's Protecting Public Safety Employees' Timely Retirement Act (S. 4314)

Allows penalty-free early withdrawals at age 50 or after 25 years of service in covered retirement plans for eligible law enforcement and public safety officers

SUMMARY:

- Current law allows eligible law enforcement and public safety officers to withdraw from their retirement accounts penalty-free if they retire on or after the date they turn 50 years old.
- Federal law enforcement officers – and certain state and local officers – are eligible for retirement benefits prior to the age of 50 if they have completed at least 25 years of service.
 - However, due to the way the tax code is written, when an officer retires prior to the age of 50 with 25 years of service, they are not allowed to access their retirement savings penalty-free until they reach the age of 59 ½, which is the typical age at which Americans are able to start making penalty-free withdrawals.
- S. 4314 fixes this problem in the tax code by allowing eligible law enforcement and public safety officers to make penalty-free withdrawals once they attain 25 years of service in a covered retirement plan or when they turn 50 years old, whichever is earlier.
 - Example: A federal law enforcement officer who begins service at age 22 can retire at age 47 (after 25 years of covered service) and be eligible to make penalty-free distributions from his or her retirement account along with collecting pension benefits.

SUPPORTING GROUPS:

- Federal Law Enforcement Officers Association (FLEOA)
- National Association of Police Organizations (NAPO)
- National Council of Prison Locals 33
- National Border Patrol Council
- National Immigration and Customs Enforcement Council
- Colorado Workers for Innovative and New Solutions (WINS)