

APRIL 16, 1976

Office of the White House Press Secretary

NOTICE TO THE PRESS

The President has signed H.R. 12725 -- Tax-free rollover for terminated retirement plans. This bill amends the Internal Revenue Code of 1954 to permit tax-free "rollovers" of distributions from employee retirement plans in the event of the termination of those plans.

The bill will permit an employee of a company that prematurely terminates its retirement plan to rollover his distribution from that plan, tax free, into another qualified plan or into an individual retirement account (IRA).

Up to now, this tax-free rollover has been available only when an employee dies, is fired, reaches 59 1/2 years of age or becomes disabled.

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