

117TH CONGRESS
1ST SESSION

S. _____

To amend the Internal Revenue Code of 1986 to increase IRA contribution limits for individuals without an employer retirement plan.

IN THE SENATE OF THE UNITED STATES

Mr. KENNEDY introduced the following bill; which was read twice and referred to the Committee on _____

A BILL

To amend the Internal Revenue Code of 1986 to increase IRA contribution limits for individuals without an employer retirement plan.

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 “Increasing Retirement
5 Amount Act of 2021” or the “IRA Act of 2021”.

1 **SEC. 2. INCREASE IN CONTRIBUTION LIMITS FOR INDIVID-**
2 **UALS WITHOUT AN EMPLOYER RETIREMENT**
3 **PLAN.**

4 (a) IN GENERAL.—Section 219 of the Internal Rev-
5 enue Code of 1986 is amended by adding at the end the
6 following new subsection:

7 “(h) SPECIAL RULES FOR INDIVIDUALS WITHOUT AN
8 EMPLOYER PLAN.—For purposes of this section—

9 “(1) IN GENERAL.—In the case of an applicable
10 individual—

11 “(A) the deductible amount for purposes of
12 subsection (b)(1)(A) is \$12,000, and

13 “(B) the applicable amount for purposes of
14 subsection (b)(5)(B)(i) is \$3,000.

15 “(2) COST-OF-LIVING ADJUSTMENT.—

16 “(A) IN GENERAL.—In the case of any
17 taxable year beginning in a calendar year after
18 2022, the \$12,000 amount under paragraph
19 (1)(A) shall be increased by an amount equal
20 to—

21 “(i) such dollar amount, multiplied by

22 “(ii) the cost-of-living adjustment de-
23 termined under section 1(f)(3) for the cal-
24 endar year in which the taxable year be-
25 gins, determined by substituting ‘calendar

1 year 2021’ for ‘calendar year 2016’ in sub-
2 paragraph (A)(ii) thereof.

3 “(B) ROUNDING RULES.—If any amount
4 after adjustment under subparagraph (A) is not
5 a multiple of \$500, such amount shall be
6 rounded to the next lower multiple of \$500.

7 “(3) APPLICABLE INDIVIDUAL.—For purposes
8 of paragraph (1), the term ‘applicable individual’
9 with respect to any taxable year means any indi-
10 vidual whose employer does not maintain a plan de-
11 scribed in any clause of subsection (g)(5)(A) for
12 such taxable year.”.

13 (b) COORDINATION WITH KAY BAILEY HUTCHINSON
14 SPOUSAL IRA.—Subparagraph (A) of section 219(c)(1) of
15 the Internal Revenue Code of 1986 is amended by striking
16 “(b)(1)(A)” and inserting “(b)(1)(A) (determined without
17 regard to subsection (h))”.

18 (c) EFFECTIVE DATE.—The amendments made by
19 this section shall apply to taxable years beginning after
20 December 31, 2021.