

4-7-97 Referred to Judiciary

MAR 18 1997

Place On Calendar

HOUSE FILE **664**  
BY COMMITTEE ON JUDICIARY

(SUCCESSOR TO HF 595)

Passed House, Date \_\_\_\_\_ Passed Senate, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

**A BILL FOR**

- 1 An Act concerning compliance with the terms of an employee
- 2 pension plan and providing a penalty.
- 3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
- 4

**HOUSE FILE 664**

H-1268

- 1 Amend House File 664 as follows:
- 2 1. Page 1, line 2, by inserting before the word
- 3 "PENALTY" the following: "CIVIL".
- 4 2. Page 1, lines 15 and 16, by striking the words
- 5 "commits a serious misdemeanor" and inserting the
- 6 following: "shall be subject to a civil penalty of an
- 7 amount equivalent to ten percent of the contributions
- 8 of employees not timely deposited. The civil penalty
- 9 shall be recovered by the county attorney of the
- 10 county where the violation occurred".

By MILLAGE of Scott

H-1268 FILED MARCH 20, 1997

HF 664

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1 Section 1. NEW SECTION. 730.6 EMPLOYEE PENSION PLANS --  
2 PENALTY.

3 1. For purposes of this section:

4 a. "Employee pension plan" means a qualified pension plan  
5 subject to the requirements of section 401(k) of the Internal  
6 Revenue Code.

7 b. "Timely deposit" means within a period of time  
8 consistent with federal requirements governing the time  
9 employers are required to deposit an employee's pension  
10 contribution into an employee pension plan.

11 2. A person who fails to timely deposit an employee's  
12 contributions following a payroll deduction of the  
13 contribution from the employee's pay into the employee pension  
14 plan for the employee violates this section.

15 3. A person who violates this section commits a serious  
16 misdemeanor.

17 EXPLANATION

18 This bill provides that a person commits a serious  
19 misdemeanor if the person fails to timely deposit an  
20 employee's contribution made through a payroll deduction into  
21 an employee pension plan. An employee pension plan is defined  
22 as a qualified plan under section 401(k) of the Internal  
23 Revenue Code. Timely deposit is defined consistently with  
24 federal requirements.

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