

Substituted for HF 2489
3/24/98 (P. 864)

H. 3/4/98 State Gov.

FILED FEB 26 1998

SENATE FILE 2350
BY COMMITTEE ON STATE GOVERNMENT

(SUCCESSOR TO SSB 2152)

Passed Senate, ^(P. 540) Date 3/3/98 Passed House, ^(P. 864) Date 3/24/98
Vote: Ayes 48 Nays 0 Vote: Ayes 96 Nays 0
Approved April 1, 1998

A BILL FOR

1 An Act establishing a state employee deferred compensation trust
2 fund.

3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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S.F. 2350

1 Section 1. NEW SECTION. 19A.12C IOWA STATE EMPLOYEE
2 DEFERRED COMPENSATION TRUST FUND.

3 1. There is hereby created in the office of the treasurer
4 of state a special fund, separate and apart from all other
5 public moneys or funds of this state, to be known as the "Iowa
6 State Employee Deferred Compensation Trust Fund", hereafter
7 called the "fund". The fund shall consist of all moneys
8 deposited in the fund pursuant to this section, any other
9 assets that must be held in trust for the exclusive benefit of
10 participants in the state's deferred compensation program as
11 required by section 457 of the federal Internal Revenue Code,
12 and interest and earnings thereon, and shall be used for the
13 exclusive benefit of participants in a deferred compensation
14 program established by the state under section 509A.12.

15 2. The director is the trustee of the fund and shall
16 administer the fund. Any loss to the fund shall be charged
17 against the fund and the director shall not be personally
18 liable for such loss. In addition, the director is the
19 trustee of any trusts referenced in section 457(g) of the
20 federal Internal Revenue Code. Any loss to the trusts shall
21 be charged against the trusts and the director shall not be
22 personally liable for such loss.

23 3. By January 1, 1999, any compensation or portion of
24 compensation reduced by a participant in conjunction with a
25 deferred compensation program established by the state under
26 section 509A.12 and any earnings or income thereon shall be
27 held in trust and used for the exclusive benefit of the
28 participant or the participant's beneficiary as provided by
29 section 457 of the federal Internal Revenue Code.

30 4. For purposes of this section, custodial accounts,
31 annuity contracts, and any other contracts referenced in
32 section 457(g) of the federal Internal Revenue Code shall be
33 treated as trusts for purposes of section 457 of the federal
34 Internal Revenue Code.

35 5. Moneys in the fund are not subject to section 8.33.

1 Notwithstanding section 12C.7, subsection 2, interest or
2 earnings on moneys in the fund shall be credited to the fund.

3 EXPLANATION

4 This bill establishes within the office of the state
5 treasurer an Iowa State Employee Deferred Compensation Trust
6 Fund to be administered by the director of the department of
7 personnel. The fund consists of moneys deferred by employees
8 participating in the state's deferred compensation program to
9 be used for the exclusive benefit of participants in the
10 state's deferred compensation program pursuant to requirements
11 established in the federal Internal Revenue Code.

12 The bill provides that the director of the department of
13 personnel shall not be personally liable for any losses to the
14 fund or for losses to trusts as referred to in the federal
15 Internal Revenue Code.

16 The bill provides that moneys deferred from employees
17 participating in the state's deferred compensation program
18 shall be deposited in the fund or placed in trust as provided
19 by the federal Internal Revenue Code by January 1, 1999.

20 The bill also provides that section 8.33 concerning the
21 reversion of any moneys in the fund to the general fund of the
22 state does not apply to moneys in the fund. The bill further
23 provides that any interest on moneys in the fund shall be
24 credited to the fund and shall be used for the exclusive
25 benefit of participants in the state's deferred compensation
26 program.

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Delaney
Lundby
King

SSB-2152
State Government

Succeeded By

SF/HF 2350

SENATE/HOUSE FILE
BY (PROPOSED DEPARTMENT OF
PERSONNEL BILL)

Passed Senate, Date _____ Passed House, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

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8 deposited in the fund pursuant to this section, any other
9 assets that must be held in trust for the exclusive benefit of
10 participants in the state's deferred compensation program as
11 required by section 457 of the federal Internal Revenue Code,
12 and interest and earnings thereon, and shall be used for the
13 exclusive benefit of participants in a deferred compensation
14 program established by the state under section 509A.12.

15 2. The director is the trustee of the fund and shall
16 administer the fund. Any loss to the fund shall be charged
17 against the fund and the director shall not be personally
18 liable for such loss. In addition, the director is the
19 trustee of any trusts referenced in section 457(g) of the
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21 be charged against the trusts and the director shall not be
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24 compensation reduced by a participant in conjunction with a
25 deferred compensation program established by the state under
26 section 509A.12 and any earnings or income thereon shall be
27 held in trust and used for the exclusive benefit of the
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21 reversion of any moneys in the fund to the general fund of the
22 state does not apply to moneys in the fund. The bill further
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24 credited to the fund and shall be used for the exclusive
25 benefit of participants in the state's deferred compensation
26 program.

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SENATE FILE 2350

AN ACT
ESTABLISHING A STATE EMPLOYEE DEFERRED COMPENSATION TRUST FUND.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. NEW SECTION. 19A.12C IOWA STATE EMPLOYEE DEFERRED COMPENSATION TRUST FUND.

1. There is hereby created in the office of the treasurer of state a special fund, separate and apart from all other public moneys or funds of this state, to be known as the "Iowa State Employee Deferred Compensation Trust Fund", hereafter called the "fund". The fund shall consist of all moneys deposited in the fund pursuant to this section, any other assets that must be held in trust for the exclusive benefit of participants in the state's deferred compensation program as required by section 457 of the federal Internal Revenue Code, and interest and earnings thereon, and shall be used for the exclusive benefit of participants in a deferred compensation program established by the state under section 509A.12.

2. The director is the trustee of the fund and shall administer the fund. Any loss to the fund shall be charged against the fund and the director shall not be personally liable for such loss. In addition, the director is the trustee of any trusts referenced in section 457(g) of the federal Internal Revenue Code. Any loss to the trusts shall be charged against the trusts and the director shall not be personally liable for such loss.

3. By January 1, 1999, any compensation or portion of compensation reduced by a participant in conjunction with a deferred compensation program established by the state under section 509A.12 and any earnings or income thereon shall be held in trust and used for the exclusive benefit of the participant or the participant's beneficiary as provided by

section 457 of the federal Internal Revenue Code.

4. For purposes of this section, custodial accounts, annuity contracts, and any other contracts referenced in section 457(g) of the federal Internal Revenue Code shall be treated as trusts for purposes of section 457 of the federal Internal Revenue Code.

5. Moneys in the fund are not subject to section 8.33. Notwithstanding section 12C.7, subsection 2, interest or earnings on moneys in the fund shall be credited to the fund.

MARY E. KRAMER
President of the Senate

RON J. CORBETT
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 2350, Seventy-seventh General Assembly.

MARY PAT GUNDERSON
Secretary of the Senate

Approved *April* 1998

TERRY E. BRANSTAD
Governor