

Senate Study Bill 2152

Bill Text

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1 1 Section 1. NEW SECTION. 19A.12C IOWA STATE EMPLOYEE
1 2 DEFERRED COMPENSATION TRUST FUND.
1 3 1. There is hereby created in the office of the treasurer
1 4 of state a special fund, separate and apart from all other
1 5 public moneys or funds of this state, to be known as the "Iowa
1 6 State Employee Deferred Compensation Trust Fund", hereafter
1 7 called the "fund". The fund shall consist of all moneys
1 8 deposited in the fund pursuant to this section, any other
1 9 assets that must be held in trust for the exclusive benefit of
1 10 participants in the state's deferred compensation program as
1 11 required by section 457 of the federal Internal Revenue Code,
1 12 and interest and earnings thereon, and shall be used for the
1 13 exclusive benefit of participants in a deferred compensation
1 14 program established by the state under section 509A.12.
1 15 2. The director is the trustee of the fund and shall
1 16 administer the fund. Any loss to the fund shall be charged
1 17 against the fund and the director shall not be personally
1 18 liable for such loss. In addition, the director is the
1 19 trustee of any trusts referenced in section 457(g) of the
1 20 federal Internal Revenue Code. Any loss to the trusts shall
1 21 be charged against the trusts and the director shall not be
1 22 personally liable for such loss.
1 23 3. By January 1, 1999, any compensation or portion of
1 24 compensation reduced by a participant in conjunction with a
1 25 deferred compensation program established by the state under
1 26 section 509A.12 and any earnings or income thereon shall be
1 27 held in trust and used for the exclusive benefit of the
1 28 participant or the participant's beneficiary as provided by
1 29 section 457 of the federal Internal Revenue Code.
1 30 4. For purposes of this section, custodial accounts,
1 31 annuity contracts, and any other contracts referenced in
1 32 section 457(g) of the federal Internal Revenue Code shall be
1 33 treated as trusts for purposes of section 457 of the federal
1 34 Internal Revenue Code.
1 35 5. Moneys in the fund are not subject to section 8.33.
2 1 Notwithstanding section 12C.7, subsection 2, interest or
2 2 earnings on moneys in the fund shall be credited to the fund.
2 3 EXPLANATION
2 4 This bill establishes within the office of the state
2 5 treasurer an Iowa State Employee Deferred Compensation Trust
2 6 Fund to be administered by the director of the department of
2 7 personnel. The fund consists of moneys deferred by employees
2 8 participating in the state's deferred compensation program to
2 9 be used for the exclusive benefit of participants in the
2 10 state's deferred compensation program pursuant to requirements
2 11 established in the federal Internal Revenue Code.
2 12 The bill provides that the director of the department of
2 13 personnel shall not be personally liable for any losses to the
2 14 fund or for losses to trusts as referred to in the federal
2 15 Internal Revenue Code.
2 16 The bill provides that moneys deferred from employees
2 17 participating in the state's deferred compensation program
2 18 shall be deposited in the fund or placed in trust as provided
2 19 by the federal Internal Revenue Code by January 1, 1999.
2 20 The bill also provides that section 8.33 concerning the
2 21 reversion of any moneys in the fund to the general fund of the

2 22 state does not apply to moneys in the fund. The bill further
2 23 provides that any interest on moneys in the fund shall be
2 24 credited to the fund and shall be used for the exclusive
2 25 benefit of participants in the state's deferred compensation
2 26 program.
2 27 LSB 3261DP 77
2 28 ec/jl/8.1