

Senate Study Bill 1179

Bill Text

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1 1 Section 1. NEW SECTION. 19A.12D IOWA STATE EMPLOYEE
1 2 DEPENDENT CARE FLEXIBLE SPENDING ACCOUNT TRUST FUND.
1 3 1. A special fund, separate and apart from all other
1 4 public moneys or funds of this state, to be known as the "Iowa
1 5 State Employee Dependent Care Flexible Spending Account Trust
1 6 Fund", is created in the office of the treasurer of state.
1 7 The fund shall consist of all moneys deposited in the fund and
1 8 any other assets that must be held in trust for the exclusive
1 9 benefit of participants in the dependent care flexible
1 10 spending account program. The moneys and assets of the fund
1 11 shall be used for the exclusive benefit of participants in the
1 12 state's dependent care flexible spending account program.
1 13 2. The director is the trustee of the fund and shall
1 14 administer the fund. Any loss to the fund shall be charged
1 15 against the fund and the director shall not be personally
1 16 liable for such loss. The director shall have the authority
1 17 to direct expenditures from the fund as deemed appropriate for
1 18 the exclusive benefit of the participants in the program as
1 19 authorized by this section.
1 20 3. Moneys and assets in the fund may be expended to cover
1 21 all reasonable and necessary expenses or charges allocable to
1 22 the program for purposes of administration of the program.
1 23 Expenditures of moneys from the fund for purposes of plan
1 24 administration shall be deemed to be for the exclusive benefit
1 25 of the participants in the program.
1 26 4. Moneys in the fund are not subject to section 8.33.
1 27 Notwithstanding section 12C.7, subsection 2, interest or
1 28 earnings on moneys in the fund shall be credited to the fund.
1 29 Sec. 2. Section 70A.20, subsection 3, paragraph a, Code
1 30 1999, is amended to read as follows:
1 31 a. Minimum and maximum benefits, not less than fifty
1 32 dollars per month and not exceeding

~~two~~

- ~~three~~ thousand dollars

1 33 per month.

1 34 Sec. 3. NEW SECTION. 432.13A PREMIUM TAX EXEMPTION
1 35 STATE EMPLOYEE BENEFIT PROGRAMS.

2 1 Premiums received for benefits acquired by the department
2 2 of personnel on behalf of state employees as provided in
2 3 section 19A.1, subsection 2, are exempt from premium tax.

2 4 Sec. 4. EFFECTIVE DATE RETROACTIVE APPLICABILITY.

2 5 Section 3 of this Act, creating new section 432.13A, being
2 6 deemed of immediate importance, takes effect upon enactment
2 7 and is retroactively applicable to January 1, 1999, and is
2 8 applicable on and after that date.

2 9 EXPLANATION

2 10 This bill establishes an Iowa state employee dependent care
2 11 flexible spending account trust fund for purposes of
2 12 depositing and expending moneys related to the state's
2 13 dependent care program. The bill provides that the director
2 14 of the department of personnel is responsible for
2 15 administering the fund. The bill permits the expenditure of
2 16 moneys from the fund for purposes of administering the
2 17 dependent care program.

2 18 Code section 70A.20 is amended to increase the maximum

2 19 monthly state employee disability program payment from \$2,000
2 20 to \$3,000.
2 21 New Code section 432.13A is created to provided that
2 22 premiums received for benefits provided to state employees by
2 23 the department of personnel are exempt from the premium tax
2 24 provided in Code chapter 432. This new Code section is
2 25 effective immediately and is retroactively applicable to
2 26 January 1, 1999.
2 27 LSB 3084SC 78
2 28 ec/cf/24