

1 SB279
2 127471-1
3 By Senators Taylor, Marsh, Williams and Beason
4 RFD: Governmental Affairs
5 First Read: 24-MAR-11

SYNOPSIS: Under existing law, the State of Alabama Personnel Board is authorized to adopt a plan recommended by the employees of the State of Alabama through the Alabama State Employees Association providing for tax deferred annuity and deferred compensation programs for the salaried employees of the State of Alabama and arrange for consolidated billing and efficient administrative services through the Alabama State Employees Association or its designated agent.

This bill would authorize the State of Alabama Personnel Board to adopt a plan providing for tax deferred annuity and deferred compensation programs for the salaried employees of the State of Alabama and arrange for consolidated billing and efficient administrative services.

A BILL
TO BE ENTITLED
AN ACT

1
2 To amend Section 36-26-14, Code of Alabama 1975,
3 relating to the tax deferred annuity and deferred compensation
4 programs for the salaried employees of the State of Alabama;
5 to authorize the State of Alabama Personnel Board to adopt a
6 plan providing for tax deferred annuity and deferred
7 compensation programs for the salaried employees of the State
8 of Alabama and arrange for consolidated billing and efficient
9 administrative services.

10 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

11 Section 1. Section 36-26-14, Code of Alabama 1975,
12 is amended to read as follows:

13 "§36-26-14.

14 "(a) The personnel board ~~is hereby authorized and~~
15 ~~directed to~~ shall adopt, ~~a plan or plans as recommended by the~~
16 ~~employees of the State of Alabama through the Alabama State~~
17 ~~Employees Association providing for tax-deferred annuity and~~
18 establish, and maintain a deferred compensation programs plan
19 for the salaried employees of the State of Alabama. The
20 personnel board may include in any plan any provision that
21 does not cause the plan to fail to qualify for its tax-favored
22 treatment under the United States Internal Revenue Code,
23 including, but not limited to, participant loans,
24 unforeseeable emergency or hardship distributions, Roth
25 deferrals, rollovers, transfers to purchase service credit,
26 and distributions to purchase a retired public safety
27 officer's health insurance.

1 "~~(b)~~ The State of Alabama Personnel Board personnel
2 board is hereby authorized to adopt and arrange for
3 consolidated billing and efficient investment, trustee,
4 administrative, and professional services ~~through the Alabama~~
5 ~~State Employees Association or its designated agent~~ in order
6 that any such plans adopted shall operate without cost to or
7 contribution from the State of Alabama except for ~~the~~
8 incidental ~~expense of~~ expenses associated with administering
9 any plan, the payroll salary-reductions and the remittance
10 thereof to the trustee or custodian of the plan or plans.

11 "~~(b)~~ (c) Alabama state employees may participate in
12 these plans on a voluntary basis by authorizing in writing to
13 their employer a reduction in their cash remuneration to be
14 placed in ~~annuity contracts~~ the plan.

15 "~~(c)~~ (d) The Finance Director, Comptroller, or other
16 appropriate state official is hereby authorized and directed
17 to initiate payroll deductions for the plans as directed by
18 each employee.

19 "~~(d)~~ (e) It is expressly provided that any benefits
20 under the provisions of this section shall be in addition to
21 any other benefits provided by law for any employees of the
22 State of Alabama, and this section is specifically made
23 supplemental to and shall be construed in pari materia with
24 the provisions of the employees' retirement law of Alabama.

25 "(f) Except as otherwise required under the Internal
26 Revenue Code, each such deferred compensation plan and its
27 trust shall be established and maintained for the exclusive

1 benefit, as defined by law of the plan's participants and
2 their beneficiaries, and all assets of any such plan shall be
3 held for the exclusive benefit of the plan's participants and
4 their beneficiaries. For the purposes and within the meaning
5 of Section 19-3B-102, each such plan is declared to be a trust
6 created by statute and is therefore required to be
7 administered in the manner of an express trust."

8 Section 2. This act shall become effective
9 immediately following its passage and approval by the
10 Governor, or its otherwise becoming law.