

1 HB44
2 164513-3
3 By Representative Hill (M)
4 RFD: State Government
5 First Read: 03-MAR-15
6 PFD: 02/23/2015

1 participation in the plan. The personnel board may include in
2 any such plan any provision that does not cause the plan to
3 fail to qualify for its tax-favored treatment under the United
4 States Internal Revenue Code, including, but not limited to,
5 participant loans, unforeseeable emergency or hardship
6 distributions, Roth deferrals, rollovers, transfers to
7 purchase service credit, and distributions to purchase a
8 retired public safety officer's health insurance.

9 "(b) The State of Alabama Personnel Board ~~is hereby~~
10 ~~authorized to~~ may adopt and arrange for consolidated billing
11 and efficient investment, trustee, administrative, and
12 professional services in order that any such plans adopted
13 shall operate without cost to or contribution from the State
14 of Alabama except for incidental expenses associated with
15 administering any such plan, the payroll salary-reductions and
16 the remittance thereof to the trustee or custodian of the plan
17 or plans.

18 "(c) Alabama state employees, or the employees of
19 any city, town, county, or public entity or corporation
20 organized pursuant to the laws of this state may participate
21 in these plans on a voluntary basis by authorizing in writing
22 to their employer a reduction in their cash remuneration to be
23 placed in the plan or plans; ~~provided, however, that nothing~~
24 ~~in this section shall apply to employees of a county~~
25 ~~commission.~~

26 "(d) The Finance Director, Comptroller, or other
27 appropriate official is hereby authorized and directed to

1 initiate payroll deductions for the plans as directed by each
2 employee.

3 "(e) Participants who are receiving monthly benefits
4 from the Employees' Retirement System of Alabama, the Judicial
5 Retirement Fund of Alabama, the Teachers' Retirement System of
6 Alabama, or any other public retirement plan may opt to have
7 the cost of their retiree health insurance deducted from their
8 deferred compensation distribution in accordance with the
9 guidelines of the United States Internal Revenue Service.

10 "(f) It is expressly provided that any benefits
11 under the provisions of this section shall be in addition to
12 any other benefits provided by law for any employees of the
13 State of Alabama, and this section is specifically made
14 supplemental to and shall be construed in pari materia with
15 the provisions of the employees' retirement law of Alabama.

16 "(g) Except as otherwise required under the Internal
17 Revenue Code, each such deferred compensation plan and its
18 trust shall be established and maintained for the exclusive
19 benefit, as defined by law of the plan's participants and
20 their beneficiaries, and all assets of any such plan shall be
21 held for the exclusive benefit of the plan's participants and
22 their beneficiaries. For the purposes and within the meaning
23 of Section 19-3B-102, each such plan is declared to be a trust
24 created by statute and is therefore required to be
25 administered in the manner of an express trust."

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

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House of Representatives

Read for the first time and re-
ferred to the House of Representa-
tives committee on State Government
..... 03-MAR-15

Read for the second time and placed
on the calendar 1 amendment 11-MAR-15

Read for the third time and passed
as amended..... 17-MAR-15

Yeas 96, Nays 0, Abstains 0

Jeff Woodard
Clerk