

SENATE BILL NO. 161

INTRODUCED BY R. WEBB

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A BILL FOR AN ACT ENTITLED: "AN ACT PROHIBITING GOVERNMENT EMPLOYER-SPONSORED DEFERRED COMPENSATION PLANS FROM ACCEPTING CERTAIN ROLLOVERS; REQUIRING A DETERMINATION BY THE INTERNAL REVENUE SERVICE; PROVIDING FOR CONTINGENT VOIDNESS; AND PROVIDING AN EFFECTIVE DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

NEW SECTION. **Section 1. Rollover to plan not authorized.** A deferred compensation plan established pursuant to this chapter may not accept a rollover into the plan of money that was not initially contributed to and invested within the plan.

NEW SECTION. **Section 2. Implementation.** The public employees' retirement board shall request a determination letter from the internal revenue service concerning whether [section 1] complies with federal laws and regulations governing deferred compensation plans sponsored by governmental employers under 26 U.S.C. 457.

NEW SECTION. **Section 3. Codification instruction.** [Section 1] is intended to be codified as an integral part of Title 19, chapter 50, part 1, and the provisions of Title 19, chapter 50, part 1, apply to [section 1].

NEW SECTION. **Section 4. Contingent voidness.** If the internal revenue service determines that the prohibition in [section 1] does not comply with federal laws and regulations governing deferred compensation plans sponsored by governmental employers under 26 U.S.C. 457, then [section 1] is void.

NEW SECTION. **Section 5. Effective date.** [This act] is effective July 1, 2015.

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