

Assembly Bill No. 125--Committee on Government Affairs

CHAPTER.....

AN ACT relating to public employees; revising the provisions governing the manner in which the compensation deferred pursuant to the public employees' deferred compensation program and all property, rights and income relating thereto are held by the state to comply with federal law; and providing other matters properly relating thereto.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. NRS 287.320 is hereby amended to read as follows:

287.320 1. The state may agree with any of its employees, and the board of regents of the University of Nevada may agree with any of its employees, to defer the compensation due to them in accordance with a program approved by the committee and as authorized by 26 U.S.C. § 401(k), 403(b) or 457. The board of regents may agree with any of its employees to defer the compensation due to them as authorized by 26 U.S.C. § 403(b) without submitting the program to the committee for its approval.

2. The employer shall withhold the amount of compensation which an employee has, by such an agreement, directed the employer to defer.

3. The employer may invest the withheld money in any investment approved by the committee or, in the case of deferred compensation under 26 U.S.C. § 403(b) for employees of the University and Community College System of Nevada by the board of regents of the University of Nevada.

4. The investments must be underwritten and offered in compliance with all applicable federal and state laws and regulations, and may be offered only by persons who are authorized and licensed under all applicable state and federal regulations.

5. All amounts of compensation deferred pursuant to the program, all property and all rights purchased with those amounts and all income attributable to those amounts, property or rights ~~remain solely the property and rights of the state or the University and Community College System of Nevada, subject only to the claims of its general creditors, until made available to the participants in the program or their beneficiaries. This subsection does not apply to any part of the program for which the property and rights may be, according to federal law, vested with the employee without loss of the tax benefit of the deferral.]~~ ***must, in accordance with 26 U.S.C. § 457(g), be held in trust for the exclusive benefit of the participants in the program and their beneficiaries.***

Sec. 2. This act becomes effective upon passage and approval and applies retroactively to January 1, 1999.

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