

SENATE BILL NO. 367—COMMITTEE ON GOVERNMENT AFFAIRS

(ON BEHALF OF WASHOE COUNTY)

MARCH 11, 1999

Referred to Committee on Government Affairs

SUMMARY—Revises provisions governing deferred compensation program for employees of political subdivisions to comply with federal law. (BDR 23-558)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State or on Industrial Insurance: No.

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EXPLANATION – Matter in ***bolded italics*** is new; matter between brackets ~~for omitted material~~ is material to be omitted.

AN ACT relating to deferred compensation; providing, in compliance with federal law, that all amounts of compensation deferred pursuant to the deferred compensation program for employees of political subdivisions and all property, rights and income relating thereto must be held in trust for the exclusive benefit of the participants in the program and their beneficiaries; and providing other matters properly relating thereto.

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

- 1 **Section 1.** NRS 287.430 is hereby amended to read as follows:
2 287.430 1. The governing body of a political subdivision may create
3 an appropriate fund for administration of money and other assets resulting
4 from compensation deferred under the program.
5 2. All amounts of compensation deferred pursuant to the program, all
6 property and rights purchased with those amounts, and all income
7 attributable to those amounts, property or rights ~~remain solely the property~~
8 ~~and rights of the political subdivision, subject only to the claims of its~~
9 ~~general creditors, until made available to the participants or~~ **must, in**
10 **accordance with 26 U.S.C. § 457(g), be held in trust for the exclusive**
11 **benefit of the participants in the program and** their beneficiaries.

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

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