



LAWS OF ALASKA

2015

Source
HB 135

Chapter No.

AN ACT

Establishing a Roth contribution program for the public employees' deferred compensation program; and providing for an effective date.

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

THE ACT FOLLOWS ON PAGE 1

AN ACT

1 Establishing a Roth contribution program for the public employees' deferred compensation
2 program; and providing for an effective date.

3 _____
4 * **Section 1.** AS 39.45.050 is repealed and reenacted to read:

5 **Sec. 39.45.050. Tax deferred investments.** (a) The administrator of a deferred
6 compensation program under this chapter shall invest in contracts that

7 (1) allow for deferment of state and federal income tax until benefits
8 are received under the program; and

9 (2) do not provide for deferral of state and federal income tax until the
10 benefits are received under the program.

11 (b) A participating employer may designate that employee contributions
12 consist of deferred tax contributions, Roth contributions, or both. In the absence of an
13 affirmative election to make Roth contributions, an employee's contribution shall be
14 considered to consist entirely of deferred tax contributions.

1 (c) Contributions made on behalf of a participating employee for any calendar
2 year, whether deferred tax contributions or Roth contributions, shall not exceed the
3 dollar limitation set out in 26 U.S.C. 402(g) (Internal Revenue Code) in effect for the
4 calendar year, subject to the provisions of 26 U.S.C. 414(v) (Internal Revenue Code).
5 Contribution amounts in excess of the applicable dollar limits shall be distributed to
6 the participant not later than April 15 after the close of the plan year to which the
7 excess contribution relates. To the extent that a participating employee's contributions
8 are reduced or returned to comply with the limitations of the plan, and the participant
9 has allocated the contributions between deferred tax contributions and Roth
10 contributions, the amount of the reduction or return shall be taken first from deferred
11 tax contributions, to the extent of the contributions for the plan year, and, only after
12 the reduction or return of all the deferred tax contributions, from Roth contributions
13 for the plan year.

14 (d) Deferred tax contributions made on behalf of a participating employee for
15 a plan year shall be allocated to the deferred tax contribution account of the
16 participating employee, as determined by the administrator.

17 (e) Roth contributions made on behalf of a participating employee for a plan
18 year shall be allocated to the Roth contribution account of the participating employee,
19 as determined by the administrator.

20 (f) The administrator may establish additional rules and procedures governing
21 the manner and timing of elections by participating employees to make or change the
22 deferred tax contribution or Roth contribution election, as needed for compliance with
23 federal and state law and as needed for efficiency and effectiveness of plan
24 administration.

25 * **Sec 2.** AS 39.45.060 is amended by adding a new paragraph to read:

26 (3) "Roth contribution" means a contribution under 26 U.S.C. 402A(c)
27 (Internal Revenue Code).

28 * **Sec. 3.** This Act takes effect July 1, 2015.