

House Bill 312 (AS PASSED HOUSE AND SENATE)

By: Representatives Maxwell of the 17th, Hawkins of the 27th, Coleman of the 97th, Buckner of the 137th, and Greene of the 151st

A BILL TO BE ENTITLED
AN ACT

1 To amend Article 2 of Chapter 18 of Title 45 of the Official Code of Georgia Annotated,
2 relating to deferred compensation plans, so as to authorize the Board of Trustees of the
3 Employees' Retirement System of Georgia to include a qualified Roth contribution program
4 in state and local deferred compensation plans; to provide for related matters; to provide an
5 effective date; to repeal conflicting laws; and for other purposes.

6 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

7 **SECTION 1.**

8 Article 2 of Chapter 18 of Title 45 of the Official Code of Georgia Annotated, relating to
9 deferred compensation plans, is amended by revising Code Section 45-18-32, relating to
10 administration of plans; participation by employees of county boards of health, school
11 systems, Lake Allatoona Preservation Authority, the Georgia Federal-State Shipping Point
12 Inspection Service, and the Georgia Firefighters' Pension Fund, and provision in plans for
13 income tax deferral benefits, as follows:

14 "45-18-32.

15 (a) The Board of Trustees of the Employees' Retirement System of Georgia shall
16 administer any deferred compensation plan provided for the employees of the state.

17 (b)(1) Employees of the county boards of health receiving financial assistance from the
18 Department of Public Health may, with the approval of the Board of Trustees of the
19 Employees' Retirement System of Georgia and the approval of such organizations,
20 participate in the state plan.

21 (2) Employees of county and independent school systems may, with the approval of the
22 Board of Trustees of the Employees' Retirement System of Georgia and the approval of
23 such systems, participate in the state plan.

24 (3) Employees of the Lake Allatoona Preservation Authority, the Georgia Federal-State
25 Shipping Point Inspection Service, and the Georgia Firefighters' Pension Fund may, with

26 the approval of the Board of Trustees of the Employees' Retirement System of Georgia
27 and the approval of such organizations, participate in the state plan.

28 (c)(1) The Board of Trustees of the Employees' Retirement System of Georgia shall
29 investigate and approve a deferred compensation plan which gives the employees of the
30 state income tax benefits in connection with plans authorized by the United States
31 Internal Revenue Code, so that compensation deferred under such plan shall not be
32 included for purposes of computation of any federal income tax withheld on behalf of any
33 such employee or payable by such employee before any deferred payment date. All
34 contributions to the deferred compensation plan shall also be exempt from state
35 withholding tax as long as such contributions are not includable in gross income for
36 federal income tax purposes.

37 (2) Notwithstanding any conflicting provisions of paragraph (1) of this subsection, for
38 any deferred compensation plan established pursuant to said paragraph, the Board of
39 Trustees of the Employees' Retirement System of Georgia shall be authorized to include
40 as an option for eligible employees a qualified Roth contribution program in accordance
41 with Section 402A of the United States Internal Revenue Code.

42 (d) The governing body of a city, county, or other political subdivision may appoint an
43 administrator for all deferred compensation plans, whose duties shall include the
44 administration of the plan and the investigation and approval of the plan or plans. All such
45 plans shall provide tax deferral benefits for the respective employees in a manner similar
46 to that of the plan for state employees and may provide as an option for eligible employees
47 a qualified Roth contribution program in accordance with Section 402A of the United
48 States Internal Revenue Code."

49 **SECTION 2.**

50 This Act shall become effective on January 1, 2018.

51 **SECTION 3.**

52 All laws and parts of laws in conflict with this Act are repealed.