

By: Truitt

H.B. No. 3322

Substitute the following for H.B. No. 3322:

By: McClendon

C.S.H.B. No. 3322

A BILL TO BE ENTITLED

AN ACT

relating to a plan-to-plan transfer of certain assets from the TexaSaver 457 plan administered by the Employees Retirement System of Texas to a 457 plan created by an institution of higher education.

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

SECTION 1. Subchapter C, Chapter 609, Government Code, is amended by adding Section 609.515 to read as follows:

Sec. 609.515. TRANSFER TO 457 PLAN OF INSTITUTION OF HIGHER EDUCATION. (a) The board of trustees, as authorized by 26 C.F.R. Section 1.457-10(b)(1) and (3), shall allow the transfer from its TexaSaver 457 plan to the plan administrator of a 457 plan created by an institution of higher education under Subchapter D of all deferred amounts and investment income administered by the TexaSaver 457 plan for employees of the institution of higher education who are participating in or eligible to participate in the institution's 457 plan at the time of the transfer.

(b) The institution of higher education must make a request to the board of trustees to begin a transfer under this section.

(c) The board of trustees and the institution of higher education requesting the transfer under this section shall cooperate to ensure that the transfer is accomplished as expeditiously as possible.

(d) After the transfer:

1 (1) the plan administrator for the 457 plan created by
2 an institution of higher education is responsible for all fiduciary
3 duties, plan administration duties, and other responsibilities
4 regarding the deferred amounts and investment income transferred;
5 and

6 (2) the board of trustees is relieved of all fiduciary
7 duties, plan administration duties, and any other responsibility or
8 liability regarding the deferred amounts and investment income
9 transferred.

10 SECTION 2. This Act takes effect immediately if it receives
11 a vote of two-thirds of all the members elected to each house, as
12 provided by Section 39, Article III, Texas Constitution. If this
13 Act does not receive the vote necessary for immediate effect, this
14 Act takes effect September 1, 2007.