

By: Truitt (Senate Sponsor - Watson) H.B. No. 3322
(In the Senate - Received from the House April 27, 2007;
May 1, 2007, read first time and referred to Committee on State
Affairs; May 11, 2007, reported favorably by the following vote:
Yeas 9, Nays 0; May 11, 2007, sent to printer.)

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

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

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

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