

House Bill 2283
Senate Amendments
Section-by-Section Analysis

HOUSE VERSION

SENATE VERSION

CONFERENCE

SECTION 1. Section 609.006(a), Government Code, is amended to read as follows:

(a) A deferred compensation plan must conform to federal law to provide that deferred amounts and investment income are not includable, for federal income tax purposes, in the gross income of a participating employee until distributed to the employee, subject to the employee's option to designate all or a portion of deferred amounts as Roth contributions under Section 609.5021, the federal income tax treatment of which is governed by Section 402A, Internal Revenue Code of 1986.

Same as House version.

SECTION 2. Subchapter C, Chapter 609, Government Code, is amended by adding Section 609.5021 to read as follows:

Sec. 609.5021. ROTH CONTRIBUTION PROGRAMS.

The board of trustees may:

(1) establish a qualified Roth contribution program in accordance with Section 402A, Internal Revenue Code of 1986, under which an employee may designate all or a portion of the employee's contribution under a 401(k) plan as a Roth contribution at the time the contribution is made; and

(2) if authorized by federal law, establish a program in accordance with the applicable federal law under which an employee may designate all or a portion of the employee's contribution under a 457 plan as a Roth

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contribution at the time the contribution is made.

SECTION 3. Section 609.5025(d), Government Code, is amended to read as follows:

(d) At any time, an employee participating in a 401(k) plan under this section may, in accordance with rules adopted by the board of trustees, elect to end participation in the 401(k) plan, to contribute to a different investment product, ~~or~~ to contribute a different amount to the plan, or to designate all or a portion of the employee's contribution as a Roth contribution subject to the availability of a Roth contribution program under Section 609.5021.

SECTION 4. Subchapter C, Chapter 609, Government Code, is amended by adding Section 609.5026 to read as follows:

Sec. 609.5026. STATE MATCHING CONTRIBUTIONS. (a) Except as provided by Subsection (b) and subject to a separate legislative appropriation for that purpose, the Employees Retirement System of Texas may make matching contributions to a 401(k) plan on behalf of employees participating in the plan solely from, and in an amount specified by, the appropriation.

(b) The Employees Retirement System of Texas may only make a contribution under this section if the trust

Same as House version.

SECTION 4. Subchapter C, Chapter 609, Government Code, is amended by adding Section 609.5026 to read as follows:

Sec. 609.5026. STATE MATCHING CONTRIBUTIONS.

Subject to a separate legislative appropriation for that purpose, the Employees Retirement System of Texas may make matching contributions to a 401(k) plan on behalf of employees participating in the plan solely from, and in an amount specified by, the appropriation.

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fund:

(1) receives amounts sufficient to cover normal cost; and
(2) maintains a funded ratio equal to or greater than 90
percent.

SECTION 5. This Act takes effect September 1, 2009.

Same as House version.