
ASSEMBLY BILL NO. 360—ASSEMBLYMAN GARDNER

MARCH 17, 2015

Referred to Committee on Government Affairs

SUMMARY—Revises provisions relating to deferred compensation plans. (BDR 23-906)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State: No.

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EXPLANATION – Matter in *bolded italics* is new; matter between brackets ~~omitted material~~ is material to be omitted.

AN ACT relating to deferred compensation plans; revising provisions governing a deferred compensation plan offered by this State or the Board of Regents of the University of Nevada to employees of the State or the Nevada System of Higher Education; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

1 Existing law allows the State and the Board of Regents of the University
2 of Nevada to offer their respective employees the opportunity to defer
3 compensation using a deferred compensation program. The program may consist of
4 one or more plans authorized by 26 U.S.C. § 401(a), 401(k), 403(b), 457 or 3121.
5 (NRS 287.320)

6 This bill: (1) requires a program for deferred compensation that is made
7 available by the State or the Board of Regents to offer an employee at least five
8 investment options to choose from; (2) provides that any plan authorized by 26
9 U.S.C. § 403(b) or 457 must offer at least two investment options consisting of
10 fixed or fixed index annuities and at least two securities investment options offered
11 by different investment management companies; and (3) provides that a third-party
12 administrator of a program for deferred compensation must use an open and
13 competitive request for proposals process when selecting investment options for the
14 program.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

1 **Section 1.** NRS 287.320 is hereby amended to read as follows:
2 287.320 1. The State may agree with any of its employees,
3 and the Board of Regents of the University of Nevada may agree



1 with any of its employees, to defer the compensation due to them in
2 accordance with a program approved by the Committee which may
3 consist of one or more plans authorized by 26 U.S.C. § 401(a),
4 401(k), 403(b), 457 or 3121, including, without limitation, a FICA
5 alternative plan, or any other plan authorized by any federal law to
6 reduce taxable compensation or other forms of compensation. The
7 Board of Regents may agree with any of its employees to defer the
8 compensation due to them as authorized by 26 U.S.C. § 403(b)
9 without submitting the program to the Committee for its approval.
10 An employee may defer compensation under one or more plans in
11 the Program.

12 2. *A program for deferred compensation that is made*
13 *available by the State or the Board of Regents pursuant to*
14 *subsection 1 must offer an employee a minimum of five investment*
15 *options from which the employee may choose. Any plan*
16 *authorized by 26 U.S.C. § 403(b) or 457 must offer at least two*
17 *investment options consisting of fixed or fixed indexed annuities*
18 *and at least two securities investment options offered by different*
19 *investment management companies.*

20 3. *When selecting the investment options for the program as*
21 *described in subsection 2, a third-party administrator of a program*
22 *for deferred compensation must use a process to request proposals*
23 *and choose among proposals that is open and competitive.*

24 4. The employer shall withhold the amount of compensation
25 which an employee has, by such an agreement, directed the
26 employer to defer.

27 ~~[3.]~~ 5. The employer may invest the withheld money in any
28 investment approved by the Committee or, in the case of deferred
29 compensation under 26 U.S.C. § 403(b) for employees of the
30 Nevada System of Higher Education by the Board of Regents of the
31 University of Nevada.

32 ~~[4.]~~ 6. The investments must be underwritten and offered in
33 compliance with all applicable federal and state laws and
34 regulations, and may be offered only by persons who are authorized
35 and licensed under all applicable state and federal regulations.

36 ~~[5.]~~ 7. All amounts of compensation deferred pursuant to the
37 Program, all property and all rights purchased with those amounts
38 and all income attributable to those amounts, property or rights
39 must, in accordance with 26 U.S.C. § 401(a), 401K, 403(b), 457(g)
40 or 3121, including, without limitation, a FICA alternative plan, or
41 any other federal law authorizing a plan to reduce taxable
42 compensation or other forms of compensation, as applicable, be held
43 in trust for the exclusive benefit of the participants in the Program
44 and their beneficiaries.



1 **Sec. 2.** This act becomes effective on July 1, 2015.

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