The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Laura Gail Sullivan.

DIGEST

SB 11 Original | 2018 Regular Session | Peacock

Present federal law (the Internal Revenue Code or "IRC") allows certain eligible distributions from tax-qualified governmental pension plans like the Clerks' of Court Retirement and Relief Fund (Clerks') to be directly rolled over from the governmental plan to an eligible retirement plan specified by the recipient of the distribution (called a "distributee").

Present state law authorizes a distributee of Clerks' to elect to have any portion of an eligible rollover distribution paid directly to an eligible retirement plan specified by the distributee. Provides that an eligible retirement plan is:

(1) An individual retirement account (IRC Section 408(a)).

(2) An individual retirement annuity (IRC Section 408(b)).

(3) A qualified trust (IRC Section 401(a)).

Present law restricts the rollover to an individual retirement account or annuity if the distributee is a surviving spouse.

Proposed law retains present law.

Proposed law provides that an inherited individual retirement account established for a non-spouse beneficiary in accordance with IRC Section 402(c)(11) is an eligible retirement plan. Further provides that any rollover to a non-spouse beneficiary shall be made only to an inherited individual retirement account.

Effective June 30, 2018.

(Amends R.S. 11:1532)