

SENATE BILL NO. 11

BY SENATOR PEACOCK

1 AN ACT

2 To amend and reenact R.S. 11:1532, relative to the Clerks' of Court Retirement and Relief
3 Fund; to provide for eligible rollover distributions to certain persons; to provide for
4 an effective date; and to provide for related matters.

5 Notice of intention to introduce this Act has been published.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 11:1532 is hereby amended and reenacted to read as follows:

8 §1532. Direct rollover of eligible rollover distributions

9 A. Notwithstanding any provision of this pension plan to the contrary that
10 would otherwise limit a distributee's election under this Section, a distributee may
11 elect, at the time and in the manner prescribed by the board of trustees, to have any
12 portion of an eligible rollover distribution paid directly to an eligible retirement plan
13 specified by the distributee in a direct rollover.

14 **B.** For ~~this purpose, an eligible~~ **purposes of this Section:**

15 **(1) "Eligible rollover distribution"** is **means** any distribution made on or
16 after December 1, 1994, of all or any portion of the balance to the credit of the
17 distributee, except that an "eligible rollover distribution" does not include: any equal
18 periodic payments (not less frequently than annually) made for the life (or life
19 expectancy) of the distributee or the joint lives (or joint life expectancies) of the
20 distributee and the distributee's designated beneficiary or for a specified period of ten
21 years or more; any distribution to the extent such distribution is required under
22 Section 401(a)(9) of the Internal Revenue Code, hereinafter referred to in this
23 Section as "the Code"; and the portion of any distribution that is not includable in
24 gross income. ~~An eligible~~

25 **(2)(a) "Eligible retirement plan"** is **means** an individual retirement account
26 described in Section 408(a) of the Code, an individual retirement annuity described

1 in Section 408(b) of the Code, ~~or~~ a qualified trust described in Section 401(a) of the
 2 Code, **or, for a distribution elected by a non-spouse beneficiary, an inherited**
 3 **individual retirement account described in Section 402(c)(11) of the Code,** that
 4 accepts the distributee's eligible rollover distribution.

5 **(b)** In the case of an eligible rollover distribution to a surviving spouse,
 6 however, an "eligible retirement plan" is only an individual retirement account or
 7 individual retirement annuity. ~~A distributee includes~~

8 **(c) In the case of an eligible rollover distribution to a non-spouse**
 9 **beneficiary, an "eligible retirement plan" is only an inherited individual**
 10 **retirement account established for that non-spouse beneficiary in accordance**
 11 **with Section 402(c)(11) of the Code.**

12 **(3)(a) "Distributee" means** a member or former member.

13 **(b)** In addition, the member's or former member's surviving spouse ~~and~~ **or** the
 14 member's or former member's spouse or former spouse who is an alternate payee
 15 under a qualified domestic relations order, as defined in Section 414(p) of the Code,
 16 ~~are distributees~~ **is a "distributee"** with regard to the interest of the spouse or former
 17 spouse. ~~A direct rollover is~~

18 **(c) The member's or former member's non-spouse beneficiary is also a**
 19 **distributee.**

20 **(4) "Direct rollover" means a** payment by the plan to the eligible retirement
 21 plan specified by the distributee.

22 ~~B. C.~~(1) The fund shall, within a reasonable period of time before making an eligible
 23 rollover distribution as provided for in Subsection A of this Section, provide a written
 24 explanation of the following to the recipient of such distribution:

25 (a) The provisions under which the recipient may have the distribution directly
 26 transferred to an eligible retirement plan and that the automatic distribution by direct transfer
 27 applies to certain distributions in accordance with ~~26 U.S.C. 401(a)(31)(B)~~ **Section**
 28 **401(a)(31)(B) of the Code.**

29 (b) The provision which requires the withholding of tax on the distribution if it is not
 30 directly transferred to an eligible retirement plan.

1 (c) The provisions under which the distribution will not be subject to tax if
2 transferred to an eligible retirement plan within sixty days after the date on which the
3 recipient received the distribution.

4 (d) The provisions under which distributions from the eligible retirement plan
5 receiving the distribution may be subject to restrictions and tax consequences that are
6 different from those applicable to distributions from the plan making such distribution.

7 (2) For the purposes of this Subsection, the term "reasonable period of time" shall
8 have the meaning assigned to it by ~~26 U.S.C. 401(a)(31)~~ **Section 401(a)(31) of the Code** and
9 the regulations thereunder.

10 Section 2. This Act shall become effective on June 30, 2018; if vetoed by the
11 governor and subsequently approved by the legislature, this Act shall become effective on
12 June 30, 2018, or on the day following such approval by the legislature, whichever is later.

PRESIDENT OF THE SENATE

SPEAKER OF THE HOUSE OF REPRESENTATIVES

GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: _____