

ASSEMBLY, No. 2624

STATE OF NEW JERSEY

INTRODUCED DECEMBER 19, 1996

By Assemblyman BAGGER

1 AN ACT concerning certain deferred compensation plans and
2 amending P.L.1977, c.381 and P.L.1978, c.39.

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4 **BE IT ENACTED** *by the Senate and General Assembly of the State*
5 *of New Jersey:*

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7 1. Section 5 of P.L.1977, c.381 (C.43:15B-5) is amended to read
8 as follows:

9 5. All moneys which are deferred and deducted in accordance with
10 the provisions of this act and the plan shall remain assets of the
11 employer and shall be invested in accord with the provisions of this
12 act and the plan. The obligation of the employer to participating
13 employees shall be contractual only and no preferred or special interest
14 in the deferred moneys shall accrue to such employees, except that all
15 assets and income of the plan shall be held in trust for the exclusive
16 benefit of participating employees and their beneficiaries.

17 (cf: P.L.1977, c.381, s.5)

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19 2. Section 8 of P.L.1978, c.39 (C.52:18A-170) is amended to read
20 as follows:

21 8. All moneys which are deferred and deducted in accordance with
22 the provisions of this act and the plan shall remain assets of the State
23 and shall be invested in accord with the provisions of this act and the
24 plan. The obligation of the State to participating employees and
25 contractors shall be contractual only and no preferred or special
26 interest in the deferred moneys shall accrue to such employees or
27 contractors, except that all assets and income of the plan shall be held
28 in trust for the exclusive benefit of participating employees and their
29 beneficiaries.

30 (cf: P.L.1978, c.39, s.8)

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32 3. This act shall take effect immediately.

EXPLANATION - Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and intended to be omitted in the law.

Matter underlined thus is new matter.

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STATEMENT

Any municipality, county, authority created by one or more municipalities or counties, or the State may establish a deferred compensation plan for its employees. The purpose of this bill is to protect the interests of participating employees in a deferred compensation plan and to conform State law with federal law regarding the management of assets and income under these plans. The bill provides that all assets and income of a deferred compensation plan shall be held in trust for the exclusive benefit of participating employees and their beneficiaries.

Provides that deferred compensation plan assets and income shall be held in trust for the exclusive benefit of participating employees and their beneficiaries.