

1 State of Arkansas
2 90th General Assembly
3 Regular Session, 2015
4

As Engrossed: H3/17/15
A Bill

HOUSE BILL 1902

5 By: Representative Sabin
6

7 **For An Act To Be Entitled**

8 AN ACT TO AMEND THE LAW CONCERNING COMPENSATION AND
9 BENEFITS OF STATE EMPLOYEES; TO ALLOW A STATE
10 EMPLOYEE TO CONTRIBUTE TO CERTAIN COLLEGE SAVINGS
11 PLANS WITH A VOLUNTARY DEDUCTION FROM HIS OR HER PAY;
12 AND FOR OTHER PURPOSES.
13

14 **Subtitle**

15 TO AMEND THE LAW CONCERNING COMPENSATION
16 AND BENEFITS OF STATE EMPLOYEES; AND TO
17 ALLOW A STATE EMPLOYEE TO CONTRIBUTE TO
18 CERTAIN COLLEGE SAVINGS PLANS WITH A
19 VOLUNTARY DEDUCTION FROM HIS OR HER PAY.
20

21
22
23 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
24

25 *SECTION 1. Arkansas Code Title 21, Chapter 5, is amended to add an*
26 *additional subchapter to read as follows:*
27

28 *Subchapter 13 – Deferred Contribution to a Tuition Savings Program*

29
30 *21-5-1301. Definition.*

31 *As used in this subchapter:*

32 *(1) "Administrator" means a state employee designated by the*
33 *Department of Finance and Administration to enter into contractual agreements*
34 *in furtherance of this subchapter;*

35 *(2)(A) "Agency" means a board, commission, department, officer,*
36 *or other authority of the government of the State of Arkansas, whether*



1 within, or subject to review by another agency.

2 (B) "Agency" does not include the General Assembly, the
3 courts, and Governor; and

4 (3) "Tuition savings program" means an account as defined under
5 § 6-84-103(1).

6 21-5-1302. State employee participation.

7 A state employer may agree, by contract with a state employee to defer,
8 in whole or in part, a portion of the state employee's future compensation to
9 a tuition savings program.

10
11 21-5-1303. Authority of Department of Finance and Administration.

12 (a) The Department of Finance and Administration may enter into
13 contractual agreements with state employees on behalf of the state to defer
14 any portion of that state employee's future compensation.

15 (b) The department may designate an administrator within an agency.

16 (c) The Department of Finance and Administration shall adopt rules in
17 furtherance of this subchapter.

18
19 21-5-1304. Taxation of deferred income.

20 A sum deferred under this subchapter is not subject to income taxation
21 until a distribution is made to the state employee or his or her beneficiary
22 from the tuition savings program.

23
24 21-5-1305. Administration of tuition savings program.

25 The administration of the tuition savings program shall be under the
26 direction of the Executive Director of the Employee Benefits Division of the
27 Department of Finance and Administration.

28
29 21-5-1306. Exclusive benefit.

30 All amounts of compensation deferred pursuant to the tuition savings
31 program and income and gains attributed to such amounts shall be held for the
32 exclusive benefit of the employees and their beneficiaries participating in
33 the tuition savings program.

34
35 21-5-1306. Contingent effectiveness of this subchapter.

36 If it is determined by the Department of Finance and Administration by

1 January 1, 2016, that implementation of the provisions of this subchapter
2 will compromise the tax-exempt status of the tuition savings program entered
3 into by a state employee, this subchapter shall not be implemented.

4
5 SECTION 2. This act shall be effective on and after January 1, 2016.

6
7 /s/Sabin
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36