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An Act To Require the State To Transfer Employee Pension Premium Payments to the Employee's Pension Plan within 2 Business Days

Be it enacted by the People of the State of Maine as follows:

Sec. 1. 5 MRSA §883, as amended by PL 1997, c. 204, §4, is further amended to read:

§ 883.Administration

Administration of tax-deferred arrangements under this chapter, within state agencies, departments, boards, commissions or institutions, is under the direction of the Department of Administrative and Financial Services. Each county, city, town or other political subdivision may designate an officer to administer tax-deferred arrangements. Payroll deductions must be made in each instance by the appropriate payroll officer. The appropriate payroll officer for payroll deductions for tax-deferred arrangements under this chapter shall transfer the deductions into the tax-deferred arrangement account within 2 business days of the deduction.

Sec. 2. 5 MRSA §893, as amended by PL 1991, c. 780, Pt. Y, §34, is further amended to read:

§ 893.Administration

Payroll deductions must be made by the appropriate payroll officer of each county, municipality or other political subdivision. The Commissioner of Administrative and Financial Services is responsible for the administration of this chapter as it applies to state employees. The appropriate payroll officer for payroll deductions for individual retirement accounts and simplified employee pension plans shall transfer the deductions permitted for state employees as established under this Part into the individual retirement account and simplified employee pension plan within 2 business days of the deduction. Any costs incurred by the Commissioner of Administrative and Financial Services to administer the state program must be borne equally by state employee participants, and these costs may be compensated by means of payroll deductions.

SUMMARY

This bill provides the requirement that payroll deductions for individual retirement accounts, simplified employee pension plans and tax-deferred arrangements for state employees must be transferred into the accounts within 2 business days of the deduction.