

HOUSE AMENDMENTS TO HOUSE BILL 2397

By COMMITTEE ON BUSINESS AND LABOR

May 10

1 After line 18 of the printed bill, insert:

2 **“SECTION 3. Section 4 of this 2007 Act is added to and made a part of ORS chapter 238.**

3 **“SECTION 4. (1) If a benefit is payable under this chapter to a beneficiary by reason of**
4 **the death of a member of the system, the beneficiary may elect to have all or part of the**
5 **distribution of the death benefit paid in an eligible rollover distribution to an individual re-**
6 **tirement plan described in 26 U.S.C. 408(a), or an individual retirement annuity, other than**
7 **an endowment contract, described in 26 U.S.C. 408(b), if the plan or annuity is:**

8 **“(a) Established for the purpose of receiving the eligible rollover distribution on behalf**
9 **of the designated beneficiary; and**

10 **“(b) Treated as an inherited individual retirement account or individual retirement an-**
11 **nuity for federal tax purposes.**

12 **“(2) Subsection (1) of this section applies to an eligible rollover distribution of death**
13 **benefits to a beneficiary who is not treated as the spouse of the decedent for federal tax**
14 **purposes and who is the decedent’s designated beneficiary for the purposes of the minimum**
15 **required distribution requirements of 26 U.S.C. 401(a)(9). To the extent provided by rules of**
16 **the Public Employees Retirement Board, a trust maintained for the benefit of one or more**
17 **beneficiaries must be treated by the board in the same manner as a trust that is designated**
18 **as a beneficiary for the purposes of the minimum required distribution requirements of 26**
19 **U.S.C. 401(a)(9).**

20 **“(3) As used in this section, ‘eligible rollover distribution’ means a distribution of any**
21 **death benefit payable to the designated beneficiary of a deceased member under this chapter**
22 **by a series of substantially equal periodic payments made at least annually for the life or life**
23 **expectancy of the distributee, or for the joint lives or life expectancies of the distributee and**
24 **a designated beneficiary, that satisfies the requirements of 26 U.S.C. 402(c)(4). To the extent**
25 **consistent with 26 U.S.C. 402(c), the board by rule may specify distributions of death benefits**
26 **that are not eligible rollover contributions for the purposes of this section.**

27 **“SECTION 5. Section 6 of this 2007 Act is added to and made a part of ORS chapter 238A.**

28 **“SECTION 6. (1) If a benefit is payable under this chapter to a beneficiary by reason of**
29 **the death of a member of the system, the beneficiary may elect to have all or part of the**
30 **distribution of the death benefit paid in an eligible rollover distribution to an individual re-**
31 **tirement plan described in 26 U.S.C. 408(a), or an individual retirement annuity, other than**
32 **an endowment contract, described in 26 U.S.C. 408(b), if the plan or annuity is:**

33 **“(a) Established for the purpose of receiving the eligible rollover distribution on behalf**
34 **of the designated beneficiary; and**

35 **“(b) Treated as an inherited individual retirement account or individual retirement an-**

1 nuity for federal tax purposes.

2 “(2) Subsection (1) of this section applies to an eligible rollover distribution of death
3 benefits to a beneficiary who is not treated as the spouse of the decedent for federal tax
4 purposes and who is the decedent’s designated beneficiary for the purposes of the minimum
5 required distribution requirements of 26 U.S.C. section 401(a)(9). To the extent provided by
6 rules of the Public Employees Retirement Board, a trust maintained for the benefit of one
7 or more beneficiaries must be treated by the board in the same manner as a trust that is
8 designated as a beneficiary for the purposes of the minimum required distribution require-
9 ments of 26 U.S.C. 401(a)(9).

10 “(3) As used in this section, ‘eligible rollover distribution’ means a distribution of any
11 death benefit payable to the designated beneficiary of a deceased member under this chapter
12 by a series of substantially equal periodic payments made at least annually for the life or life
13 expectancy of the distributee, or for the joint lives or life expectancies of the distributee and
14 a designated beneficiary, that satisfies the requirements of 26 U.S.C. 402(c)(4). To the extent
15 consistent with 26 U.S.C. 402(c), the board by rule may specify distributions of death benefits
16 that are not eligible rollover contributions for the purposes of this section.

17 “SECTION 7. Section 8 of this 2007 Act is added to and made a part of ORS 243.401 to
18 243.507.

19 “SECTION 8. (1) If a benefit is payable under the state deferred compensation plan de-
20 scribed in ORS 243.401 to 243.507 to a beneficiary by reason of the death of an eligible state
21 employee participating in the plan, the beneficiary may elect to have all or part of the dis-
22 tribution of deferred amounts paid as an eligible rollover distribution to an individual re-
23 tirement plan described in 26 U.S.C. 408(a), or an individual retirement annuity, other than
24 an endowment contract, described in 26 U.S.C. 408(b), if the plan or annuity is:

25 “(a) Established for the purpose of receiving the eligible rollover distribution on behalf
26 of the designated beneficiary; and

27 “(b) Treated as an inherited individual retirement account or individual retirement an-
28 nuity for federal tax purposes.

29 “(2) Subsection (1) of this section applies to an eligible rollover distribution of deferred
30 amounts to a beneficiary who is not treated as the spouse of the decedent for federal tax
31 purposes and who is the decedent’s designated beneficiary for the purposes of the minimum
32 required distribution requirements of 26 U.S.C. 401(a)(9). To the extent provided by rules of
33 the Public Employees Retirement Board, a trust maintained for the benefit of one or more
34 beneficiaries must be treated by the board in the same manner as a trust that is designated
35 as a beneficiary for the purposes of the minimum required distribution requirements of 26
36 U.S.C. 401(a)(9).

37 “(3) As used in this section, ‘eligible rollover distribution’ means a distribution of any
38 deferred amount payable to the designated beneficiary of a deceased member under ORS
39 243.401 to 243.507 by a series of substantially equal periodic payments made at least annually
40 for the life or life expectancy of the distributee, or for the joint lives or life expectancies of
41 the distributee and a designated beneficiary, that satisfies the requirements of 26 U.S.C.
42 402(c)(4). To the extent consistent with 26 U.S.C. 402(c), the board by rule may specify dis-
43 tributions of deferred amounts that are not eligible rollover contributions for the purposes
44 of this section.”