

Enrolled House Bill 3183

Sponsored by Representative MACPHERSON

CHAPTER

AN ACT

Relating to employees of educational institutions; amending ORS 243.820; and repealing ORS 243.810.

Be It Enacted by the People of the State of Oregon:

SECTION 1. ORS 243.820 is amended to read:

243.820. (1) In order to obtain the advantages of *[section 403(b) of title 26, United States Code]* **26 U.S.C. 403(b)**, or any equivalent provision of federal law, an employer *[subject to ORS 243.810 to 243.830]* may agree with an *[individual employed by it,]* **employee** who performs services for an educational institution[,] that:

(a) The employee’s salary will be reduced monthly by a stated amount, or the employee will forgo monthly a salary increase of a stated amount; and

(b) **On behalf of the employee**, the employer *[will]* **shall** contribute monthly an amount equal to the stated amount determined under paragraph (a) of this subsection *[for such month,]* as premiums for an annuity contract or *[for shares of an investment company registered under the federal Investment Act of 1940 for such employee]* **to a custodial account for investment in the stock of regulated investment companies as defined in 26 U.S.C. 403(b)(7)C**. The amount contributed by the employer **under this subsection** *[shall]* **may** not exceed the stated amount.

(2) Notwithstanding any other provision of law, pursuant to an agreement under subsection (1) of this section, the stated amounts shall be forwarded by the employer as annuity premiums to the company or association with which it has entered into an annuity contract or to the **regulated** investment company or its transfer agent for the benefit of *[such]* **the** employee.

(3) **An employer may make nonelective employer contributions on behalf of an employee who performs services for an educational institution as premiums for an annuity contract, or to a custodial account for investment in the stock of regulated investment companies as defined in 26 U.S.C. 403(b)(7)C, for the purpose of obtaining the advantages of 26 U.S.C. 403(b) or any equivalent provision of federal law. Employer contributions under this subsection are in addition to any employee contributions under subsection (1) of this section.**

(4) **As used in this section:**

(a) **“Educational institution”** means an educational institution that normally maintains a regular faculty and curriculum and normally has a regularly organized body of students in attendance at the place where its educational activities are carried on or an education service district.

(b) **“Employer”** means the State Board of Higher Education, any other state agency, a community college district, a school district, the Oregon Health and Science University or an education service district employing an individual who performs services for an educational institution.

SECTION 2. ORS 243.810 is repealed.

Passed by House May 9, 2007

Received by Governor:

Repassed by House June 8, 2007

.....M,....., 2007

.....
Chief Clerk of House

Approved:

.....M,....., 2007

.....
Speaker of House

.....
Governor

Passed by Senate June 7, 2007

Filed in Office of Secretary of State:

.....
President of Senate

.....M,....., 2007

.....
Secretary of State