

**Introduced by Senator Kehoe**

April 7, 2010

---

Senate Joint Resolution No. 30—Relative to deferred compensation plans.

LEGISLATIVE COUNSEL’S DIGEST

SJR 30, as introduced, Kehoe. Deferred compensation plans.

This measure would declare California’s support of legislative action by Congress to extend to participants in 457(b) plans the option to treat elective deferrals as Roth IRA contributions and to provide 457(b) plan participants with savings options similar to participants in 401(k) and federal Thrift Savings Plans.

Fiscal committee: no.

- 1 WHEREAS, On June 7, 2001, the Economic Growth and Tax
- 2 Reconciliation Act of 2001 was signed into law by President
- 3 George W. Bush, granting section 401(k) retirement plan
- 4 participants the option to treat elective deferrals as Roth IRA
- 5 contributions; and
- 6 WHEREAS, On June 22, 2009, the Federal Retirement Reform
- 7 Act of 2009 was signed into law by President Barack Obama,
- 8 granting participants in the federal government’s Thrift Savings
- 9 Plan the option to treat elective deferrals as Roth IRA contributions;
- 10 and
- 11 WHEREAS, There is presently no option for 457(b) plan
- 12 participants to create elective deferrals as Roth IRA contributions;
- 13 and
- 14 WHEREAS, The State of California would benefit from granting
- 15 state and local government employees the ability to use a 457(b)

1 plan by receiving immediate tax revenue based on the contributions  
2 to the plan and the employees will benefit from the ability to  
3 withdraw their retirement money tax free when they retire; and

4 WHEREAS, There are more than 269,000 state employees who  
5 are eligible to enroll in a 457(b) plan; and

6 WHEREAS, There are more than 1.08 million local government  
7 employees who are eligible to enroll in a 457(b) plan; now,  
8 therefore, be it

9 *Resolved by the Senate and the Assembly of the State of*  
10 *California, jointly,* That the California State Legislature strongly  
11 supports legislative action by Congress to extend to participants  
12 in 457(b) plans the option to treat elective deferrals as Roth IRA  
13 contributions and to provide 457(b) plan participants with savings  
14 options similar to participants in 401(k) and federal Thrift Savings  
15 Plans; and be it further

16 *Resolved,* That the Secretary of the Senate transmit copies of  
17 this resolution to the author for appropriate distribution.