
A BILL FOR AN ACT

RELATING TO ADDING THE ROTH OPTION FOR THE DEFERRED COMPENSATION PLAN.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The purpose of this Act is to allow
2 participants to deposit money in the deferred compensation plan
3 on an after-tax basis in addition to a pre-tax basis; thereby
4 affording them the opportunity for tax diversification.

5 SECTION 2. Section 88E-12, Hawaii Revised Statutes, is
6 amended to read as follows:

7 "~~[H]~~ §88E-12 ~~[H]~~ Deferred amounts as compensation. Any
8 compensation deferred pursuant to a plan established under this
9 chapter shall be deemed regular compensation for the purpose of
10 computing contributions or benefits under existing retirement,
11 pension, or social security systems applicable to participating
12 employees ~~[but shall not be included in the computation of~~
13 ~~federal income taxes withheld on behalf of any participating~~
14 ~~employee.]~~; provided that, at the participating employee's
15 option, all or part of such deferred compensation may be
16 included or excluded in the computation of federal income taxes



1 withheld on behalf of such participating employee, allowing for
2 both a traditional contribution and a Roth contribution under
3 Internal Revenue Code section 457(b)."

4 SECTION 3. Statutory material to be repealed is bracketed
5 and stricken. New statutory material is underscored.

6 SECTION 4. This Act shall take effect upon its approval.



Report Title:

State of Hawaii Deferred Compensation Plan; Roth Option

Description:

Amends section 88E-12, Hawaii Revised Statutes, to allow participants to make both pre-tax contributions and post-tax contributions to the State Deferred Compensation Plan. (SD1)

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