

ACT 171

H.B. NO. 1619

A Bill for an Act Relating to the Creation of Trusts for the Deferred Compensation Plans.

Be It Enacted by the Legislature of the State of Hawaii:

SECTION 1. Section 88E-8, Hawaii Revised Statutes, is amended to read as follows:

“~~[[§88E-8]]~~ **Deferred funds.** Sums deferred under the plan, as well as property and rights purchased with such amounts and income attributable to such amounts, shall [remain an unrestricted asset of the respective state or county jurisdiction.] be held in trust in accordance with section 457 of the Internal Revenue Code of 1986, as amended, for the exclusive benefit of participants and their beneficiaries.”

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

“~~[[§88F-6]]~~ **Deferred funds.** Sums deferred under the plan, as well as property and rights purchased with the amounts and income attributable to the amounts, shall [remain an unrestricted asset of the respective state or county jurisdiction.] be held in trust in accordance with section 457 of the Internal Revenue

Code of 1986, as amended, for the exclusive benefit of participants and their beneficiaries.”

SECTION 3. Statutory material to be repealed is bracketed. New statutory material is underscored.

SECTION 4. This Act shall take effect on July 1, 1997.

(Approved June 16, 1997.)