

MAINE STATE LEGISLATURE

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L.D. 1678

(Filing No. H- 550)

STATE OF MAINE
HOUSE OF REPRESENTATIVES
112TH LEGISLATURE
SECOND REGULAR SESSION

COMMITTEE AMENDMENT "A" to H.P. 1181, L.D. 1678, Bill, "AN ACT to Provide Parity to State-chartered Institutions by Allowing them to Offer Self-directed Individual Retirement Accounts."

Amend the bill by inserting after the title and before the enacting clause the following:

'Emergency preamble. Whereas, Acts of the Legislature do not become effective until 90 days after adjournment unless enacted as emergencies; and

Whereas, currently individuals are not able to direct their own individual retirement accounts in savings banks and savings and loan associations; and

Whereas, this type of account will not otherwise be available to customers during this tax season; and

Whereas, in the judgment of the Legislature, these facts create an emergency within the meaning of the Constitution of Maine and require the following legislation as immediately necessary for the preservation of the public peace, health and safety; now, therefore, '

Further amend the bill by inserting at the beginning of the first line after the enacting clause (page 1, line 24 in L.D.) the following: 'Sec. 1.'

Further amend the bill in subsection 1, in the 6th line (page 1, line 31 in L.D.) by striking out the following: ", or" and inserting in its place the following: '7 or 1'

Further amend the bill in subsection 1, in the 11th line (page 1, line 36 of L.D.) by inserting af-

COMMITTEE AMENDMENT "A" to H.P. 1181, L.D. 1678

1 ter "~~institution~~" the following: '; a simplified em-
2 ployee pension plan pursuant to the "Revenue Act of
3 1978" as amended; or any similar qualified retirement
4 plan pursuant to federal law'

5 Further amend the bill by inserting after subsec-
6 tion 1 the following:

7 'Sec. 2. 9-B MRSA §442, sub-§2, as enacted by PL
8 1975, c. 500, §1, is amended to read:

9 2. Loss of status as qualified plan. In the
10 event that any such retirement plan, which in the
11 judgment of the institution constitutes a qualified
12 plan under either said Self-employed Individuals Re-
13 tirement Act of 1962 ~~or~~; the Employee Retirement In-
14 come Security Act of 1974; a simplified employee pen-
15 sion plan pursuant to the "Revenue Act of 1978" as
16 amended; or any similar qualified retirement plan
17 pursuant to federal law, and the regulations promul-
18 gated thereunder at the time the trust or account was
19 established and accepted by the institution, is de-
20 termined subsequently not to be such a qualified plan
21 or ceases subsequently to be such a qualified plan,
22 in whole or in part, the institution may nevertheless
23 continue to act as trustee of any deposit theretofore
24 made under such plan and to dispose of the same in
25 accordance with the directions of the depositor and
26 the beneficiaries thereof.

27 Sec. 3. 9-B MRSA §823, sub-§5, as enacted by PL
28 1975, c. 500, §1, is amended to read:

29 5. Trustee, self-employment retirement plans. A
30 credit union shall have the power to act as trustee
31 for a member under a retirement plan established pur-
32 suant to the "Self-employed Individuals Retirement
33 Act of 1962", as amended, or the "Employee Retirement
34 Income Security Act of 1974", as amended, subject to
35 the conditions and limitations set forth in section
36 442.'

COMMITTEE AMENDMENT "A" to H.P. 1181, L.D. 1678

1 Further amend the bill by inserting before the
2 Statement of Fact the following:

3 'Emergency clause. In view of the emergency cited
4 in the preamble, this Act shall take effect when ap-
5 proved.'

6 STATEMENT OF FACT

7 This amendment authorizes credit unions to offer
8 self-directed individual retirement accounts. Cur-
9 rently, state chartered thrifts and credit unions are
10 unable to offer this service, but federally chartered
11 institutions may offer this service to their custom-
12 ers or members.

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Reported by the Committee on Business and Commerce
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