technical bulletin

Municipal Technical Advisory Service
Institute for Public Service, The University of Tennessee
In cooperation with the Tennessee Municipal League

LIBRARY

March 3, 1980

QUALIFICATIONS OF COMPANIES PROVIDING DEFERRED COMPENSATION PLAN FOR EMPLOYEES OF MUNICIPALITY MUST BE DETERMINED BY SPECIFIED STATE OFFICIALS

The Government Employees Deferred Compensation Plan Act, T.C.A. sections 8-4301 et seq., authorizes the establishment of deferred compensation plans for government employees, including employees of municipalities. A municipality may, by contract, agree with any employee to defer, in whole or in part, any portion of that employee's income. The city may subsequently purchase or contract with any company licensed to do business in the State of Tennessee and qualified, in the opinion of the Commissioner of Finance and Administration, the Chairman of the Finance, Ways and Means Committee of the Senate, and the Chairman of the Finance, Ways and Means Committee of the House of Representatives, to provide a tax-deferred compensation plan as requested by the employee.

This bulletin is issued to inform municipalities of a recent opinion of the Attorney General of Tennessee that under T.C.A. section 8-4303, the Commissioner of Finance and Administration, the Chairman of the Finance, Ways and Means Committee of the Senate, and the Chairman of the Finance, Ways and Means Committee of the House are required to determine the qualifications of each company providing a deferred compensation plan established pursuant to the Government Employees Deferred Compensation Act (T.C.A. sections 8-4301, et seq.), and that this includes deferred compensation plans for municipal employees.

A request for a determination of whether a company is qualified to provide a tax-deferred compensation plan should be sent to each of the specified state officials. A summary of the plan, the name of the carrier, and some comment on the carrier's experience should be included in the request.

Names and addresses of present officials:

Commissioner Lewis R. Donelson, Department of Finance and Administration, State Capitol, Nashville, TN 37219.

Senator Douglas Henry, Jr., Chairman of the Finance, Ways and Means Committee of the Senate, Room 11, Legislative Plaza, Nashville, TN 37219.

Representative John T. Bragg, Chairman of the Finance, Ways and Means Committee of the House of Representatives, Room 33, Legislative Plaza, Nashville, TN 37219.

Municipal Technical Advisory Service
The University of Tennessee
Knoxville, TN 37916

Non-Profit Org.
U.S. POSTAGE
PAID
Knoxville, TN
Permit No. 481