

**Proposed Substitute
Bill No. 6772**

LCO No. 5366

AN ACT REQUIRING DISCLOSURES UPON THE PURCHASE OF AN ANNUITY TO FUND PENSION BENEFITS AND EXTENDING CREDITOR PROTECTION TO AMOUNTS PAYABLE TO A PARTICIPANT OF OR BENEFICIARY UNDER SUCH ANNUITY.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Subsection (a) of section 52-321a of the general statutes is
2 repealed and the following is substituted in lieu thereof (*Effective*
3 *October 1, 2015*):

4 (a) ~~(1)~~ Except as provided in subsection (b) of this section, any
5 interest in or amounts payable to a participant or beneficiary from the
6 following shall be exempt from the claims of all creditors of such
7 participant or beneficiary: [(1) any] (A) Any trust, custodial account,
8 annuity or insurance contract established as part of a Keogh plan or a
9 retirement plan established by a corporation which is qualified under
10 Section 401, 403, 404 or 409 of the Internal Revenue Code of 1986, or
11 any subsequent corresponding internal revenue code of the United
12 States, as from time to time amended; [, (2)] ~~(B)~~ any individual
13 retirement account which is qualified under Section 408 of said
14 internal revenue code to the extent funded, including income and
15 appreciation, ~~[(A)] (i)~~ as a roll-over from a qualified retirement plan, as
16 provided in [subdivision (1) of this section] subparagraph (A) of this
17 subdivision, pursuant to Section 402(a)(5), 403(a) or 408(d)(3) of said

18 internal revenue code, or [(B)] (ii) by annual contributions which do
19 not exceed the maximum annual limits set forth in Section 219(b) of
20 said internal revenue code, determined without regard to any
21 reduction or limitation for active participants required by Section
22 219(g) of said internal revenue code; [, (3) (A)] (C) (i) any simple
23 retirement account established and funded pursuant to Section 408(p)
24 of said internal revenue code, [(B)] (ii) any simple plan established and
25 funded pursuant to Section 401(k)(11) of said internal revenue code,
26 [(C)] (iii) any Roth IRA established and funded pursuant to Section
27 408A of said internal revenue code, [(D)] (iv) any education individual
28 retirement account established and funded pursuant to Section 530 of
29 said internal revenue code, [(E)] (v) any account established pursuant
30 to any qualified tuition program, as defined in Section 529(b) of the
31 Internal Revenue Code, or [(F)] (vi) any simplified employee pension
32 established under Section 408(k) of said internal revenue code to the
33 extent such pension is funded by annual contributions within the
34 limits of Section 408(j) of said internal revenue code or roll-over
35 contributions from a qualified plan, as provided in [subdivision (1) of
36 this subsection] subparagraph (A) of this subdivision, pursuant to
37 Section 402(a)(5), 403(a) or 408(d)(3) of said internal revenue code; [,
38 (4)] (D) any medical savings account established under Section 220 of
39 said internal revenue code, to the extent such account is funded by
40 annual deductible contributions or a roll-over from any other medical
41 savings account as provided in Section 220(f)(5) of said internal
42 revenue code; [, or (5)] (E) any pension plan, annuity or insurance
43 contract or similar arrangement not described in [subdivision (1) or (2)
44 of this subsection] subparagraph (A) or (B) of this subdivision,
45 established by federal or state statute for federal, state or municipal
46 employees for the primary purpose of providing benefits upon
47 retirement by reason of age, health or length of service; [, shall be
48 exempt from the claims of all creditors of such participant or
49 beneficiary] or (F) any allocated or unallocated group annuity contract
50 issued to an employer or a pension plan for the purpose of providing
51 retirement benefits to employees or retirees of such employer under a
52 defined benefit plan, which retirement benefits were protected under

53 the Employee Retirement Income Security Act of 1974 or the federal
54 Pension Benefit Guaranty Corporation prior to the effective date of the
55 group annuity contract and which group annuity contract benefits will
56 not be protected under the Employee Retirement Income Security Act
57 of 1974 or the federal Pension Benefit Guaranty Corporation on and
58 after the effective date of the group annuity contract.

59 (2) Any such trust, account, contract, plan or other arrangement
60 under subdivision (1) of this subsection shall be (A) conclusively
61 presumed to be a restriction on the transfer of a beneficial interest of
62 the debtor in a trust that is enforceable under the laws of this state, and
63 (B) considered a trust which has been created by or which has
64 proceeded from a person other than such participant or beneficiary,
65 even if such participant or beneficiary is a self-employed individual, a
66 partner of the entity sponsoring the Keogh plan or a shareholder of the
67 corporation sponsoring the retirement plan.

This act shall take effect as follows and shall amend the following sections:		
Section 1	October 1, 2015	52-321a(a)