

determination or ruling from the Internal Revenue Service that the program qualifies for the tax treatment under § 414(h) of the Internal Revenue Code, as amended.

(D) Amendments to the law submitted by the Board of Trustees under Item (C)(2) or (3) shall include:

(1) appropriate addition modifications and subtraction modifications for State income tax purposes in order to prevent:

(i) the reduction of State income tax revenues through the federal tax treatment of the employer pickup of the contributions of a member of the various State retirement or pension systems; and

(ii) the double State income taxation of retirement or pension contributions of a member of the various State retirement or pension systems that would result from taxation both at the time the contribution is made and at the time a retirement allowance corresponding to the member's contributions is received by the retired employees;

(2) proposed changes to the law relating to employee compensation and benefits that the Board of Trustees deems necessary to protect against the adverse impact of the employer pickup program on any aspect of employee compensation and benefits; and

(3) proposed changes to the law that the Board of Trustees deems necessary to protect against the adverse impact of the employer pickup program on employer costs.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 1986.

Approved May 27, 1986.

-----  
CHAPTER 803

(House Bill 1582)

AN ACT concerning

Health Care Cost Containment - Institution-Specific Component  
of the State Health Plan

FOR the purpose of ~~providing--for---an---institution-specific component--of--the--State--health--plan;--providing--that--the institution-specific component--of--the--State--health--plan shall--terminate--at--a--certain--time--unless--that--provision--is~~