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Title 22@ Social Security

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Division 1@ Employment Development Department

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Subdivision 1@ Director of Employment Development

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Division 1@ Unemployment and Disability Compensation

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Part 2@ Disability Compensation

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Chapter 6@ VOLUNTARY PLANS

3261-1 Maintenance of Excess Employee Contributions by Voluntary Plans

Section 3261-1@ Maintenance of Excess Employee Contributions by Voluntary Plans

(a)

All employee contributions received by an employer under an approved voluntary plan and income arising from the employee contributions are trust funds. These funds are not part of the employer's assets and must be identified as an asset belonging to the employees covered under the voluntary plan. The employee trust funds shall be maintained in a financial institution as defined in § 4981(a)(2) of the California Financial Code, in an account opened in the name of the voluntary plan employer; the account must show the monies deposited as, "Employee CUIIC 3261 Trust Monies." The term financial institution means a depository institution that can be any one of the following: (1) Any insured bank as defined in § 3 of the Federal Deposit Insurance Act (12 U.S.C. § 1811 et seq.) or any bank which is eligible to make application to become an insured bank under § 5 of the act. (2) A mutual savings bank as defined in § 3 of the Federal Deposit Insurance Act (12 U.S.C. § 1811 et seq.) or any bank which is eligible to make application to become an insured bank under § 5 of the act. (3) A savings bank as defined in § 3 of the Federal Deposit Insurance Act (12 U.S.C. § 1811 et seq.) or any bank which is eligible to make application to become an insured bank under § 5 of the act. (4) An insured credit union as defined in § 101 of the Federal Credit Union Act (12 U.S.C. § 1751 et seq.) or any credit union which is eligible to make applications to become

an insured credit union pursuant to § 201 of that act. (5) Any member as defined in § 2 of the Federal Home Loan Bank Act (12 U.S.C. § 1421 et seq.). (6) Any savings association as defined in § 3 of the Federal Deposit Insurance Act (12 U.S.C. § 1811, et seq.) which is an insured depository institution as defined in the act or is eligible to apply to become an insured depository institution under the act. An insured voluntary plan employer shall only transmit to the admitted disability insurer voluntary plan trust funds, including earned interest or income, in amounts necessary to pay the premiums charged by the admitted disability insurer. Any accumulated excess employee contributions over and above the net cost of premiums, after premium dividends or experience rate credit shall be maintained in a depository institution.

(1)

Any insured bank as defined in § 3 of the Federal Deposit Insurance Act (12 U.S.C. § 1811 et seq.) or any bank which is eligible to make application to become an insured bank under § 5 of the act.

(2)

A mutual savings bank as defined in § 3 of the Federal Deposit Insurance Act (12 U.S.C. § 1811 et seq.) or any bank which is eligible to make application to become an insured bank under § 5 of the act.

(3)

A savings bank as defined in § 3 of the Federal Deposit Insurance Act (12 U.S.C. § 1811 et seq.) or any bank which is eligible to make application to become an insured bank under § 5 of the act.

(4)

An insured credit union as defined in § 101 of the Federal Credit Union Act (12 U.S.C. § 1751 et seq.) or any credit union which is eligible to make applications to become an

insured credit union pursuant to § 201 of that act.

(5)

Any member as defined in § 2 of the Federal Home Loan Bank Act (12 U.S.C. § 1421 et seq.).

(6)

Any savings association as defined in § 3 of the Federal Deposit Insurance Act (12 U.S.C. § 1811, et seq.) which is an insured depository institution as defined in the act or is eligible to apply to become an insured depository institution under the act. An insured voluntary plan employer shall only transmit to the admitted disability insurer voluntary plan trust funds, including earned interest or income, in amounts necessary to pay the premiums charged by the admitted disability insurer. Any accumulated excess employee contributions over and above the net cost of premiums, after premium dividends or experience rate credit shall be maintained in a depository institution.

(b)

All employee contributions received by an employer under an approved voluntary plan shall be deposited in the account described in Section 3261-1(a) by the same date that employee federal personal income tax withholdings are due.