

UNITED STATES SENATE COMMITTEE ON HOMELAND SECURITY AND
GOVERNMENTAL AFFAIRS

EXAMINING CONFERENCE AND TRAVEL SPENDING ACROSS THE FEDERAL
GOVERNMENT

STATEMENT OF

THE NATIONAL ASSOCIATION OF GOVERNMENT DEFINED CONTRIBUTION
ADMINISTRATORS

JANUARY 14, 2014

The National Association of Government Defined Contribution Administrators (NAGDCA)*, wishes to make the Committee and its members aware of the benefits of relevant federal employee participation in the Association's meetings throughout the nation.

NAGDCA's experience is that the attendance at its meetings of key government officials with responsibility for the regulation of various aspects of state and local government employee's defined contribution retirement plans is invaluable for both its members and for the Federal Government and those officials who participate in these meetings.

Intergovernmental coordination and communication between all three levels of government contributes greatly to ensuring compliance of plans with federal regulation and in meeting mutual interests regarding best practices, outreach and education on the importance of saving for retirement.

The administration of defined contribution plans for state and local government employees requires strict adherence to several provisions of the Internal Revenue Code and securities laws. Although government defined contribution plans are not subject to ERISA, NAGDCA members, in many cases, follow its rules affecting the fairness and security of the defined contribution plans they administer.

NAGDCA's conferences, attended by over 800 people, allow for efficiency of information exchange and communication. Having federal government officials at our meetings where they can address broad issues applicable to numerous state and local agencies is much more efficient than having those entities pursue guidance and information on a case-by-case basis.

Therefore, over the years NAGDCA has invited key officials of the Internal Revenue Service, the Securities and Exchange Commission, and the Department of Labor to speak and participate at its annual meeting and several regional conferences. The participation of these officials has provided important information and perspective for NAGDCA members. NAGDCA believes it has also provides invaluable feedback for those federal officials who are participating at our conferences.

*NAGDCA was founded in 1980 and is the leading professional public employer-sponsored organization of deferred compensation and defined contribution plan administrators. NAGDCA represents administrators from the 50 states and over 200 local governmental entities, as well as private industry plan providers. NAGDCA is an organization in which its members work together to improve state and local government defined contribution plans including §457(b), §401(k), §401(a), and §403(b) through a sharing of information on investments, marketing, administration and laws relating to such plans. Altogether the public sector defined contribution retirement plan market consists of approximately 12 million state and local government employees and 5.6 million public school district employees and administer approximately three trillion dollars in assets.

It has always been NAGDCA's intention to be modest in its hospitality extended to these officials. NAGDCA's intention is to benefit from the knowledge and developments these officials have to offer and not to influence them in their official duties other than to make them aware of developments for defined contribution plans.

NAGDCA believes that Congress should encourage these dialogues, with appropriate restrictions, as an essential part of the relationship between all levels of government.