

TOP STORY

NAGDCA Executive Board Slated to Visit Capitol Hill

NAGDCA's first order of business is to conduct its annual "Hill Visits". NAGDCA's Executive Board will meet with influential leaders on Capitol Hill in March, including the House and Senate tax committees and the U.S. Department of the Treasury.

The meetings offer NAGDCA's Executive Board an opportunity to consult on retirement related legislation, offer and seek clarification on recently implemented regulations and provide first-hand information on the current trends within the defined contribution community. Additionally, each year the Executive Board uses the Washington meetings as a venue for kicking off the legislative effort to establish National Save for Retirement Week.

Each year since 2006 NAGDCA has worked closely with the Members of Congress in the Senate to pass resolutions in recognition of National Save for Retirement Week.

The 2012 NAGDCAST Series Begins with a Legislative Update.

As a follow-up to this year's "Hill Visits", NAGDCA will again schedule a NAGDCAST to provide a Legislative Update in April to review the Capitol Hill meetings and provide an overview of the current legislative environment in Washington. Heading up this webcast will be NAGDCA's Legislative Counsel, Susan White, and NAGDCA's Legislative Chair, Gay Lynn Bath.

In addition to enhancing your knowledge of defined contribution plans, NAGDCASTs are worth 1.5 continuing education credits for InFRE CRA and CRC designees as well as CFP and CPE designations.

NAGDCA would like to thank the sponsors of the 2011 NAGDCAST series. Without their support these events would not be able to take place. We need sponsors for the 2012 NAGDCAST series. If you are interested in sponsoring the 2012 NAGDCAST series please click [here](#) or contact Kari Emmons at 859-519-9218 or kemmons@amrms.com.

Please stay tuned for developments concerning the Legislative Update webcast and the Executive Board's visit to Washington DC.

PRESIDENT'S CORNER



Dear NAGDCA Members,

Happy New Year! 2012 is here and our list of things to do is filling up fast.

A quick thank you to those who participated in the Benchmarking Webcast in December (Tara Hagan, Lori Lucas, Pamela Hess and Tom Kmak). The webcast received very high reviews so please view the archived Webcast on the website. I would also like to thank everyone who volunteered to serve on committees and task forces during the upcoming year.

NAGDCA is in the process of setting our annual federal legislative/regulatory agenda and drafting our 2012 Legislative Priorities letter. Once our priorities are set, the Executive Board visits Washington each year to share our priorities with key policymakers in Congress and the Administration.

It is always very helpful to us and to our Legislative Counsel, Susan White, to receive information directly from our members regarding priorities and issues of concern. Therefore, we appreciate your efforts in taking the time to respond to surveys from NAGDCA Headquarters on an array of

issues. Your answers help us to know what is most important to you and we bring many of these concerns to Washington on your behalf.

One of NAGDCA's legislative priorities has been the National Save for Retirement Week resolution and we will continue to advocate for its introduction and passage this year as well. Additionally, Representatives Neal (D-MA) and Gerlach (R-PA)—both members of the House Committee on Ways and Means which has jurisdiction over governmental defined contribution plans—are planning to introduce a resolution expressing the sense of Congress that our current tax incentives for retirement savings provide important benefits to Americans to help plan for a financially secure retirement. NAGDCA is lending its support to Representatives Neal and Gerlach who are aiming to introduce the resolution in the House of Representatives at the end of January.

We are also actively monitoring the Administration and Congress for federal tax reform developments that may affect defined contribution plans and the Executive Board will discuss these issues in Washington when we visit in March. We are prepared to work to defend governmental defined contribution plans as the tax reform debate moves forward.

We are also paying close attention to an IRS issued Advance Notice of Proposed Rulemaking that outlines a definition of governmental plans—both defined contribution plans and defined benefit plans. We are working with many of our other public interest partners in Washington to determine the impact of the proposed rules on our members and we will keep you apprised of these developments.

NAGDCA will again sponsor three web casts in 2012, which will include a Legislative Update of all the items discussed in this newsletter, Guaranteed Income Products and Retaining Assets.

Finally, a hearty thank you to all who have volunteered their time and talent to make 2012 another successful year for NAGDCA. As always the NAGDCA Executive Board welcomes your feedback and encourages you to reach out to use throughout the year.

WASHINGTON REPORT

By Susan J. White and Jonah Mainzer, Susan J. White and Associates, Inc.

The State of Congress

Congress spent the bulk of 2011 debating federal budget and deficit policy and making steep reductions to federal programs across the board.

In terms of the ongoing budget and deficit battle in Washington, it appeared, once again, that there might be a government shutdown in December. With just a few days to and only three of the thirteen appropriations bills that fund the government passed and signed into law, a shutdown was averted.

This time, funding the government was held up over a standoff on extending the payroll tax cut and shoring up doctors' rates under the Medicare program. Ultimately, cooler heads prevailed and a two-month extension of the payroll tax and Medicare provision was passed late on December 15th. This opened the door for final approval of the federal fiscal year 2012 appropriations for all government agencies.

Prior to this most recent dust up, this fall Congress debated a massive deficit reduction package. This was done through the creation of a super committee (The Congressional Select Committee on Deficit Reduction), made up of twelve bi-partisan members of Congress, evenly divided between the House and Senate. These members were tasked with reviewing the federal budget and proposing ways to reduce the deficit by at least \$1.5 trillion over ten years.

The Committee's proposals were due and Congress was to act on the recommendations right before Thanksgiving. However, due to partisan gridlock they were not able to reach a conclusion over cuts. Since recommendations were not made, an across the board cut (sequestration) will go into effect, with 50% coming from defense spending and the other 50% from discretionary domestic spending, including everything from education and human services programs to transportation, housing and low income energy assistance.

Much controversy surrounds the pending cuts—due to go into effect at the end of 2012. In fact, members of Congress have already introduced measures to stop the defense cuts from going into effect. President Obama, however, has promised to veto any bill blocking the cuts that reaches his desk because his view is that the original bi-partisan agreement must stand.

Finally, when Congress returns to Washington in January, members will be confronted with the expiring payroll tax cut and the expiring doctors' rates under Medicare. Although these budget concerns remain front and center, there is an active discussion regarding tax reform that is taking place within key congressional committees and among policymakers. Congress has held some hearings on tax reform, but it is not likely that major change will take place until after the 2012 Presidential and congressional elections. Regardless, NAGDCA—along with many others interested in retirement issues—is preparing its advocacy agenda for tax reform, including preservation of numerous key provisions of importance to governmental defined contribution plans.

Legislative Priorities

NAGDCA is currently in the process of drafting its 2012 priorities letter. These priorities will form the basis for NAGDCA's 2012 legislative agenda. During the Executive Board's annual Washington visit the letter is distributed to the Administration and key members of Congress. The letter is a key for NAGDCA as over the past few years, a number of NAGDCA priorities, including a Roth 457 option, have been passed and signed into law. To see the NAGDCA 2011 priorities letter please click [here](#).

Tax Reform

Both the Senate Committee on Finance Chairman Baucus (D-MT) and House Committee on Ways & Means Chairman David Camp (R-MI) have indicated an interest in tax reform—and it appears that if tax reform moves forward, there is interest among all parties in reforming individual, as well as corporate rates. The Senate Committee on Finance and the House Committee on Ways and Means have held hearings and will likely hold hearings at some point on retirement related issues. At this point, given the budget debate it is unknown when a tax reform measure would move through Congress.

National Save for Retirement Week

Although the House of Representatives passed new rules last year banning commemorative resolutions, NAGDCA was pleased that the Senate passed [S. Res 266](#) calling for a National Save for Retirement Week. This is the sixth year that NAGDCA has been successful in working with Congress to have NS4RW introduced and passed. The original Senate resolution was passed in 2006.

IRS Rules Defining Governmental Plans

The IRS recently released an Advanced Notice of Proposed Rulemaking (ANPRM) to define a governmental plan. NAGDCA has been working with our public interest partners in Washington and discussing whether to submit comments relating to this rule.

Comments are due by February 6, 2012. The IRS also plans to “conduct outreach including listening meetings with interested taxpayers in different geographic locations.” We will apprise you of these meeting locations and dates when they become available.

To see the IRS summary, which contains links to the actual notices themselves, please click [here](#).

Draft Congressional Resolution

NAGDCA strongly supports a draft resolution sponsored on a bipartisan basis by Representative Gerlach (R-PA) and Ranking Member, House Committee on Ways & Means Richard Neal (D-MA). The draft Resolution currently has 47 cosponsors including Representatives Allyson Schwartz (D-PA) and Sam Johnson (R-TX) who have sponsored the National Save for Retirement Resolution in the House in the past.

The number of bipartisan sponsors show that there is significant support for defined contribution plans and it is the sponsors hope that this will provide a foundation of support for the upcoming tax reform debate where tax deferral arrangements are sure to be scrutinized.

Around the Country

State of California to Issue Request for Transition Management Services

The State of California will solicit bids for transition management services for the Savings Plus Program (Savings Plus). All successful candidates will be placed in a pool of transition managers from which Savings Plus may select when actual transition events arise. Since August 2007, Savings Plus has used transition management services in seven events totaling approximately \$3.9 billion in domestic and non-U.S. equities and fixed income assets.

To obtain the RFP bid package, visit **bidsync.com** on or after January 11, 2012. You must register with Bidsync to view the RFP bid package (registration is free on the Bidsync website). Once registered, select the "Search Bids" link. In the Current Bids "SEARCH" box, type "700-11-04" and click the *Search* button.

Please be aware of the minimum qualifications listed in the RFP and the non-negotiable contracting terms and proposal requirements.

DPA cannot answer questions about the needed services or RFP process except questions submitted in accordance with the RFP instructions. Once we release the RFP, we'll post any addendums online at **bidsync.com** and on the DPA website at **dpa.ca.gov** under "Public Notices."

Proposals are due by 4:00 p.m. (PT) on Tuesday, February 28, 2012.

Visit **sppforu.com** for more information about Savings Plus.

New Members

Please visit the NAGDCA on-line directory for member's full contact information. You will need a username and password to access the information. Join me in welcoming our new members!!!

Primary Industry Member

Fiduciary Benchmarks
UBS Global Asset Management

NAGDCA Member Benefit Spotlight

To remind members of benefits they receive throughout the year, NAGDCA spotlights a benefit of membership in each edition of *The Contributor*. For more information on this or any benefits of membership, please visit our website at <http://www.nagdca.org/> or contact NAGDCA staff at (859) 514-9161.

Information

- Career Center - Post job openings and review resumes
- The Contributor, NAGDCA's quarterly newsletter that provides the latest information on association issues, members and legislative matters
- Free or discounted participation in NAGDCASTs. NAGDCA's interactive, web-based educational programs.
- An interactive Website at www.nagdca.org that provides current information on federal activities, meetings, members, RFPs, presentations and more!
- An electronic clearinghouse with resources that offer answers and perspectives on various issues by showing actual practices used by members across the country
- Legislative representation in Washington, DC

ABOUT THE CONTRIBUTOR

The Contributor is published quarterly by the National Association of Government Defined Contribution Administrators, Inc. (NAGDCA). NAGDCA encourages the submission of articles on topics relating to defined contribution/deferred compensation retirement savings/plans. Articles that appear under the by-line of an individual express the opinions of the author and not those of NAGDCA as an organization.

Articles should be approximately two pages in length and should be submitted in Word format. Please direct all newsletter items and questions to NAGDCA, 201 East Main Street, Ste. 1405, Lexington, KY 40507. You may also e-mail submissions to Kari Emmons at kemmons@AMRms.com or contact her at 859-514-9161 with any questions or comments.

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