



Washington Court Hotel
 525 New Jersey Avenue
 NW Washington DC 20001
 ph. 202-628-2100

Industry Roundtable Meeting

April 19 – 20, 2006

Team: Della Williamson, NAGDCA President
 Anthony Hines, Past NAGDCA President, Chair of Legislative Committee

NAGDCA Industry Committee and Position

Mathew Abraham, MassMutual Retirement Services, President
 Brian McCleave, , Vice President
 Tim Rouse, Fidelity, Secretary
 Janet Kendall, ING Financial Advisers, Treasurer
 Kurt Walten, ICMA, Member-at-Large
 Michael Studebaker, Nationwide Retirement Solutions, Member-at-Large
 Cathie Eitelberg, The Segal Company, Past President

Susan White, Washington Counsel
 Tracy Tucker, Association Director
 Robert Hansel, Project Coordinator

DAY ONE – April 19th

2:00p.m. **Welcoming Remarks**

2:15p.m. – 2:30p.m. **Update on Actions from the 2005 Industry Roundtable**
 2:30p.m. – 3:00p.m. *NAGDCA Automatic Enrollment Taskforce*
NAGDCA Redemption Fee/Hard Close Taskforce

3:00p.m. – 4:00p.m. **Legislative Update:**

4:00p.m. – 4:15p.m. **Break**

4:15p.m. – 5:45p.m. **William Thomas Reeder**, Associate Benefit Tax Counsel,
 US Department of Treasury

Mildeen Worrell, Tax Counsel, Minority Staff, House Committee on Ways and Means

5:45p.m. **Adjourn**

6:00p.m. – 7:00p.m. **Networking Reception Hour** – Open Bar - Drinks and Light hors d'oeuvres

7:15p.m. – 9:45p.m. **Dine Around** (Approx. 3-4 pre-organized groups will attend separate restaurants for dinner)

Montpelier Rm

Moderator: Matt Abraham

Brian McCleave/Matt Abraham
 John Kalamarides
 Tim Rouse

Susan White

DAY TWO – April 20th

8:00a.m. - 8:30 a.m. **Morning Coffee**

8:30a.m. - 9:45a.m. **View of DOL/SEC**

9:45a.m. - 10:00 a.m. **Break**

10:00a.m. - 10:30a.m. **Operational Update:** Other Issues

10:30a.m. - 12:00 Noon **Discussion Groups:**

Montpelier Rm

Moderator: Cathie Eitelberg
 Speakers: Jeffrey Rouch and
 Bridget Flynn, Nationwide

- Moderator: Mathew Abraham
1. Automatic Enrollment – We will be discussing automatic enrollment, the status of the current Pension Reform legislation, and a path forward. What are the factors that public entities should consider for adoption of Automatic Enrollment? What steps do public entities have to make to implement Automatic Enrollment? How the TPA work with public entities to implement? Where do public entities stand on adoption?
Leader: John Kalamarides
 2. Managed Account – A growing number of defined contribution plan sponsors, concerned that their plan participants are not adequately saving and investing for retirement, are

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increasingly offering the option of having a professional take over the management of their employee's retirement accounts. Although these types of retirement plan "managed accounts" have only explicitly been permitted since December 2001, they have experienced tremendous growth over the last few years. Will managed accounts become a required service that plan providers must offer in order to win public sector business? Proposed legislation would allow investment firms to directly offer "advice" without the use of a third party independent financial expert even if the firms' mutual funds are among employees' investment choices. If this option were to become law, will financial services organizations seriously consider providing managed accounts services directly to their plan participants? Will public sector employees actually enroll in managed accounts or will this end up the "latest flavor of month" of prior underutilized advice tools (e.g., online advice and guidance)? Would the public sector follow the increasing private sector trend of offering managed accounts as the plan specified "default" investment option?

Leader: Kurt Walten

3. Upcoming 403b legislation and the impact on recordkeeping and administration of 403b plans coordinated with 457 - EGTRRA (the Economic Growth and Tax Relief Reconciliation Act of 2001) has had a great impact on Governmental 457 plan sponsors and their vendors. This act essentially modernized the treatment of 457 deferred compensation plans. 457 Coordination Requirements were repealed. 457 contributions were no longer limited by 401(k) or 403(b) contributions. Annual Limits were increased. Portability of retirement assets between plans was allowed (with separate accountability administratively). Changes to 403(b) regulations will now have a greater impact on 457 plan sponsors and vendors than ever before. If additional 403(b) plan legislation is passed, what affect could this have on the public sector retirement plan market? What provisions in the pending pension reform bill affect 403(b)/457coordination? How does EGTRRA permanency (or lack of) affect 457 plans? What are the advantages/disadvantages of the recent (or probable) legislative changes for Plan Sponsors and Vendors? What is the impact to automatic enrollment with regard to 403(b) s and 457s? How is the ability to defer from accumulated leave payments affected? How will Roth 403(b) guidance be handled?

Leader: Janet Kendall

4. Discussion on Increase in Fiduciary Responsibilities - This session will focus upon issues of fiduciary responsibility for public plans in general, but also with specific emphasis upon some of the newer trends in the industry. Some of the questions to be discussed will include, but not be limited to, the potential impact upon fiduciaries of the following developments: Automatic enrollment, Investment advice, and Managed accounts. The session will include discussion of these topics both from a common law/state statutory perspective, but also include what, if any federal regulatory "safe harbors" might exist or be proposed. The discussion will also be designed to include general requirements and considerations of fiduciary responsibility as it relates to public sector plans.

Leader: Michael Studebaker

After the Operational Update, attendees will work in discussion groups to identify the positions of industry member companies.

12:00p.m. – 1:30p.m.

Lunch – Parry Young, Director, Standard & Poor's:

Capitol Rm

Rising U.S. State Unfunded Pension Liabilities Are Causing Budgetary Stress.

1:30p.m. – 3:00p.m.

Operational Issues -

NAGDCA Industry Members, based on the discussion groups findings, will identify areas of general consensus, disagreement and additional future issues for the Industry Committee to review. The intent of this session is to provide a forum for Industry Members to discuss, debate and find common ground on administrative issues of importance. The outcomes of this discussion will be provided to the NAGDCA Board for review and comment.

3:00p.m.

Wrap Up and Adjourn