



National Association of Government Defined Contribution
Administrators, Inc.

August 17, 2016

**Re: Department of The Treasury, Internal Revenue Service, REG-147196-07;
Deferred Compensation Plans of State and Local Governments and Tax-Exempt
Entities**

The National Association of Government Defined Contribution Administrators (NAGDCA) is submitting comments on the proposed regulations prescribing rules under section 457 of the Internal Revenue Code for the taxation of compensation deferred under plans established and maintained by state or local governments.

NAGDCA 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 commends and supports the proposed rules as they affect public employer sponsored deferred compensation and defined contribution plans for government employees. NAGDCA appreciates the regulatory guidance for statutory changes made over the past several years.

Qualified Roth Contribution Program

NAGDCA is supportive of the rules to implement the statutory changes to allow eligible government plans to include a Roth contribution plan.

NAGDCA acknowledges that the proposed rules extend the “first day of the month rule” to Roth plans. While NAGDCA continues to believe the “first day of the month rule” is unnecessary, it recognizes that the Treasury believes it is compelled by statute to continue to require its application.

NAGDCA supports the rules that require employee designation and separate accounting.

Rules Related To Qualified Military Service

NAGDCA supports the rules clarifying the entitlements to survivors of a plan participant who dies performing qualified military service.

NAGDCA thanks the Treasury and the Service for the opportunity to share our input on the proposed rule and looks forward to working with Treasury and the Service to address the issues raised in these comments and other issues affecting the retirement savings of state and local government public employees.



Polly Scott
President
NAGDCA