

City of Los Angeles Deferred
Compensation Plan

Public Sector 457 Plan Legislative Priorities

July 2022



NAGDCA 2022 Legislative Priorities

Protect & Enhance Governmental DC Plan Features

- **The National Association of Defined Contribution Administrators (NAGDCA)**

- Represents the interests of public sector DC programs
- Sets legislative priorities that protect and enhance governmental DC plans

- **NAGDCA's 2022 legislative priorities are:**

- Enhance administrative efficiency and promote savings
- Preserve important unique public sector DC plan features
- Improve Roth plans
- Enhance distribution choice
- Support National Retirement Security Month

NAGDCA 2022 Legislative Priorities

Protect & Enhance Governmental DC Plan Features

- **Enhance administrative efficiency and promote savings**

- Permit non-spousal beneficiaries to roll assets to 457(b), 401(k), 401(a) and 403(b) plans
- Eliminate the “first day of the month” requirement in 457(b) plans so participants can more easily change contribution amounts.
- Both provisions are in the 2021 Cardin-Portman bill (S. 1770 117)



NAGDCA 2022 Legislative Priorities

Protect & Enhance Governmental DC Plan Features

- **Enhance Distribution Choice**

- Allow Qualifying Charitable Distributions (QCDs) from 457(b), 401(a), 401(k) and 403(b) plans, as they are from IRAs.



- **Improve Roth plans**

- Allow Roth 457(b), 401(k), 401(a) and 403(b) plan participants to roll Roth IRA assets to their plans.
- Exempt designated Roth contributions from RMD rules, just as Roth IRA assets are exempt.
- *Both provisions are in the 2021 Cardin-Portman bill, S. 1770 (117)*



NAGDCA 2022 Legislative Priorities

Protect & Enhance Governmental DC Plan Features

- **Preserve important unique public sector DC plan features**

- Efforts to “consolidate” or “streamline” retirement plans, replacing existing 401(k), 457(b), and 403(b) plans and/or eliminating unique plan features, could have serious unintended consequences:

- Do not impose “Rothification”
- Protect distribution choice
- Retain “Special Catch-Up”



NAGDCA 2022 Legislative Priorities

Protect & Enhance Governmental DC Plan Features

- **Support National Retirement Security Month**

- To elevate the importance of personal retirement planning, encourage House and Senate to introduce and pass a resolution to support National Retirement Security Month in 2022.
- Benefits of the City's past NRSM activities have been both substantial and effective.

