



September 27, 2019

Mr. David R. Bean, Director of Research and Technical Activities
Project No. 3-33
Governmental Accounting Standards Board
401 Merritt 7
P.O. Box 5116
Norwalk, CT 06856-5116

VIA Email: director@gasb.org

Dear Mr. Bean:

On behalf of the Association of Government Accountants (AGA), the Financial Management Standards Board (FMSB) appreciates the opportunity to provide comments to the Government Accounting Standards Board (GASB/Board) on its Exposure Draft, *Internal Revenue Code Section 457 Deferred Compensation Plans That Meet the Definition of a Pension Plan and Supersession of GASB Statement 32* and is respectfully providing feedback on the Board's views.

The FMSB is comprised of 19 members (list attached) with accounting and auditing backgrounds in federal, state and local government, and public accounting. The FMSB reviews and responds to proposed standards and regulations of interest to AGA members. The views of the FMSB do not necessarily represent those of AGA and the local AGA chapters and individual members are also encouraged to comment separately.

We agree with the Board's proposal and agree that due to changes in how employers are contributing to the 457 plans that 457 plans should be accounted consistently with pension plans as described in GASB Statement 67.

We noted a few areas of concern for the Board's consideration. Paragraph B6 of the Basis for Conclusions discusses in detail the determining factor of employer contributions and how such contributions create the employee benefit which then the plan becomes a pension plan under GASB 67. We believe the Board should include in the Scope and Applicability section of the proposed standard the clarification of the limited scope due to the employer contributions instead of including this information in the Basis for Conclusions.

We also discussed whether the Board should include in paragraph B8 a reference to nonemployer contribution 457 plans should also be considered under GASB Statement 84. As the paragraph is currently worded, if there are no employer contributions as a result of this Statement, governments that have a Section 457 plan that meets the definition of a pension plan may need to reconsider the fiduciary reporting of that plan (in accordance with GASB Statement 84). The Board should be more direct in the Standards section in referring practitioners to GASB Statement 84 under these circumstances.

One of our federal members commented that a table showing the actual changes to the various standards would be easier to follow than just the changes to GASB's Codification in Appendix C since there are several GASB Statements that are affected by the proposed standard.

We appreciate the opportunity to comment on this document and will be pleased to discuss this letter with you at your convenience. If there are any questions regarding the comments in this letter, please contact me at (208)383-4756 or Lmiller@eidebailly.com.

Sincerely,



Lealan Miller, CGFM, CPA

Chair- AGA Financial Management Standards Board

cc: Ernest A. Almonte, CGFM, CPA, AGA National President

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