



Deferred Compensation Board

December 14, 2001

The Honorable Common Council
Committee of Judiciary & Legislation

Dear Committee Members:

Earlier this year, Congress enacted legislation Economic Growth and Tax Relief Reconciliation Act of 2001 (EGTRRA) liberalizing many of the rules covering participation in the City of Milwaukee Deferred Compensation Plan, effective in 2002. However, the Wisconsin legislature failed to amend the Wisconsin State income tax law to conform to this federal legislation.

We are therefore requesting permission of Judiciary & Legislation Committee and the Common Council to have the Intergovernmental Relations Division lobby our state legislatures to conform to the new EGTRRA laws, when they reconvene in January.

We believe that the implications are enormous as it relates to:

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|-----------------------|-----------------------------|
| 1. Tax Forms | 5. Other Plan Sponsors |
| 2. W-2 Wage Forms | 6. Investment in America |
| 3. Software | 7. Retirement Savings |
| 4. Dual Recordkeeping | 8. Low income worker credit |

If you have any questions, please contact Mr. William Thompson, Executive Director at 286-5563.

Very truly yours,

W. MARTIN MORICS
Chairman
Deferred Compensation Board

WCT:dd