
DEPARTMENT OF THE TREASURY
Internal Revenue Service**26 CFR Parts 1 and 602****[TD 9075]****RIN 1545-AX52****Compensation Deferred Under Eligible Deferred Compensation Plans; Correction****AGENCY:** Internal Revenue Service (IRS), Treasury.**ACTION:** Correction to final regulations.

SUMMARY: This document contains final regulations that provide guidance on deferred compensation plans of state and local governments and tax-exempt entities. The regulations reflect the changes made to section 457 by the Tax Reform Act of 1986, the Small Business Job Protection Act of 1996, the Taxpayer Relief Act of 1997, the Economic Growth and Tax Relief Reconciliation Act of 2001, the Job Creation and Worker Assistant Act of 2002, and other legislation. This document was published in the **Federal Register** on July 11, 2003 (68 FR 41230).

EFFECTIVE DATE: These final regulations are effective July 11, 2003.

FOR FURTHER INFORMATION CONTACT: Cheryl Press (202) 622-6060 (not a toll-free number).

SUPPLEMENTARY INFORMATION:**Background**

The final regulations that are the subject of these corrections are under sections 457 by the Tax Reform Act of 1986, the Small Business Job Protection Act of 1996, the Taxpayer Relief Act of 1997, the Economic Growth and Tax Relief Reconciliation Act of 2001, the Job Creation and Worker Assistance Act of 2002, and other legislation.

Need for Correction

As published, the final regulations (TD 9075) contain errors that may prove to be misleading and are in need of clarification.

Correction of Publication

■ Accordingly, the publication of the final regulations (TD 9075), which are the subject of FR Doc. 03-17523, is corrected as follows:

§ 1.457-2 [Corrected]

■ 1. On page 41235, column 2, § 1.457-2, paragraph (k), line 10, the language “treated as agreements or arrangement” is corrected to read “treated as agreements or arrangements”.

■ 2. On page 41235, column 3, § 1.457-2, paragraph (i), line 5, the language “amended by section 1011(e)(6) of” is corrected to read “amended by section 1011(e)(6) of the”.

■ 3. On page 41235, column 3, § 1.457-2, paragraph (ii), line 2, the language “nonelective deferred a compensation” is corrected to read “nonelective deferred compensation”.

§ 1.457-4 [Corrected]

■ 4. On page 41236, column 2, § 1.457-4, paragraph (i), of *Example 1*, line 5, the language “compensation for that year. Participant A is” is corrected to read “compensation for that year. A is”.

■ 5. On page 41236, column 3, § 1.457-4, paragraph (b)(ii), paragraph (i), of *Example 3*, line 3, the language “per year for five years to Participant B’s” is corrected to read “per year for five years to B’s”.

■ 6. On page 41236, column 3, § 1.457-4, paragraph (i), of *Example 3*, lines 3 thru 7, the language “per year for five years to Participant B’s eligible plan account. B’s interest in the account vests in 2006. B has annual compensation of \$50,000 in each of the five years 2002 through 2006. Participant B is 41” is corrected to read “per year for five years to B’s eligible plan account. B’s interest in the account vests in 2006. B has annual compensation of \$50,000 in each of the five years 2002 through 2006. B is 41”.

■ 7. On page 41236, column 3, § 1.457-4, paragraph (ii), of *Example 3*, line 6, the language “amounts deferred, \$17,000, is in excess of the” is corrected to read “amounts deferred, \$17,000, is in excess of”.

§ 1.457-5 [Corrected]

■ 8. On page 41241, column 1, § 1.457-5, paragraph (i), of *Example 2*, the language “four eligible plans during 2006: Plan W” is corrected to read “four eligible plans during 2006 Plan W”.

§ 1.457-6 [Corrected]

■ 9. On page 41242, column 2, § 1.457-6, paragraph (e)(2), third line from the bottom of the paragraph, the language “but allow participants or beneficiary

to” is corrected to read “but allow a participant or beneficiary”.

§ 1.457–7 [Corrected]

■ 10. On page 41244, column 2, § 1.457–7, paragraph (i), of Example 1, line 18, the language “participant K, a calendar year taxpayer, has” is corrected to read “K, a calendar year taxpayer, has”.

§ 1.457–8 [Corrected]

■ 11. On page 41245, column 3, § 1.457–8, paragraph (b)(2), line 2, the language “purposes of a paragraph (b)(1) of this” is corrected to read “purposes of paragraph (b)(1) of this”.

§ 1.457–9 [Corrected]

■ 12. On page 41246, column 1, § 1.457–9, paragraph (a), line 7, the language “1.457–8 or 1.447–10. However, the plan” is corrected to read “§ 1.457–8 or § 1.447–10. However, the plan”.

§ 1.457–10 [Corrected]

■ 13. On page 41246, column 1, § 1.457–10, paragraph (a)(2), line 8, the language “under a paragraph (a)(2)(ii) of this” is corrected to read “under paragraph (a)(2)(ii) of this”.

■ 14. On page 41246, column 3, § 1.457–10, paragraph (b), line 6, the language “the conditions in paragraph (b)(2), (3),” is corrected to read “the conditions in paragraphs (b)(2), (3),”.

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