



Board Report 23-30

Date: August 15, 2023

To: Board of Deferred Compensation Administration (Board)

From: Staff

Subject: 2023 Participant Outcome Goals and Strategies Mid-year Update

Board of Deferred Compensation Administration
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Discussion:

The Board approved of the DCP's 2023 Participant Outcome Goals and Strategies at its meeting on September 29, 2022. The objectives approved by the Board were provided in [Board Report 22-51](#). This report provides a mid-year update to the Board. In early 2024, staff will provide a report for the full year's results.

A. Baseline Data and Objectives Table

As reported to the Board on February 21, 2023 in [Board Report 23-11](#), data was pulled as of July 3, 2023 to determine the following mid-year metrics and corresponding target goals for calendar year 2023.

Participation	Increase the participation rate among full-time employees hired in 2022.	
Baseline Metric:	Participation rate for employees hired in 2022 as of January 1, 2023.	29%
Mid-Year Metric:	Participation rate for employees hired in 2022 as of July 1, 2023.	37% (+8%)
Target Metric:	Objective will be to bring the participation for employees hired in 2022 to 55%.	55%

The DCP expects to meet the target metric by the end of the year, with the use of targeted enrollment campaigns and the upcoming National Retirement Security Month campaign. Departments with greater than 50 new employees with the lowest participation rates are Recreation and Parks (6%), Council (11%), Library (19%), and GSD Fleet Services (31%). Staff has already completed one enrollment campaign targeting Recreation and Parks, Council and

GSD in April of 2023. A new enrollment campaign focusing on the Library Department will be added to the communications calendar.

Contribution		
Increase the number of flat-dollar to percent-of-pay contributions.		
Baseline Metric:	Percentage of active participants as of January 1, 2023 contributing via dollar amount versus percent-of-pay.	14%
Mid-Year Metric:	Percentage of active participants as of July 1, 2023 contributing via dollar amount versus percent-of-pay.	16% (+2%)
Measuring Success:	Increase percentage by 3% compared to the baseline. Measure results as of December 31, 2023.	17%

The DCP has seen an increase of 505 participants contributing via percent-of-pay since January, resulting in a total of 16% of active participants. This campaign was completed in May 2023.

Asset Retention		
Reduce the rate of separated participants (separated during 2023) initiating an outgoing rollover.		
Baseline Metric:	The number of rollovers of separated participants in 2022, 2021, and 2020 as of January 1, 2023 to identify an average rate of rollovers for those at or near retirement.	4.7%
Mid-Year Metric:	The number of rollovers of separated participants in 2023 as of July 1, 2023.	3.2%
Measuring Success:	Rollover rate as of December 31, 2023. Goal will be to have the 2023 rollover rate be lower than the average rate of 2020-2022.	< 4.7%


There were a total of 40 rollovers from 1,262 separated participants in 2023. This “Stay in the DCP” campaign was accomplished in June of 2023.

Distribution		
Increase the rate of separated participants taking installment distributions.		
Baseline Metric:	The rate of separated participants taking installment distributions in 2022.	9%
Mid-Year Metric:	The rate of separated participants taking installment distributions in 2023 as of July 1, 2023.	9% (+0%)
Measuring Success:	The rate of separated participants taking installment distributions in 2023. Goal will be to have the 2023 rate of separated participants taking installment distributions be 3% higher than the same population in 2022.	12%

In March of 2023, the DCP launched a campaign highlighting the importance and usefulness of installment distributions. The number of separated participants taking installment distributions in 2023 matches the baseline metric. Staff will put greater emphasis on installment distributions in future campaigns to further encourage healthy distribution behaviors in retirement.

Staff will continue progressing towards the objectives measuring success via the communications projects on the updated Communications Calendar provided in **Attachment A**.

Submitted by: 
Eric Lan, Benefits Analyst

Approved by: 
Esther Chang, Defined Contribution Plan Manager

DCP Communications 2023 Calendar

	Quarter 1		
	January	February	March
Broad Messaging Themes	New Years Resolutions, Starting the Year off Right, Healthy Financial Habits, New Beginnings		
Goal/Area of Focus	Participation	Contributions	Distributions
Targeted Segment	All eligible Not Enrolled	Increased limits for age 50+	Installment withdrawals for those at or in retirement
Targeted Emails	Yes	Yes	Yes
Targeted Mailings	No	Yes	To only those separated
Operational Communications			
Other notes	Mailer will come from City		
LA457.com Blog Posts	Is the DCP right for me?	Contribution Limits - Catch Up	Installment Distributions
Money Matters	Enrollment/Participation	Pre-tax vs After Tax (Roth)	Retirement Readiness
NRSM Planning/Activities			
Newsletters	Voya Quarterly Newsletter Monthly Personnel Newsletter	Monthly Personnel Newsletter	Monthly Personnel Newsletter

	Quarter 2		
	April	May	June
Personal Improvement, Looking Ahead, Long Term Planning			
Goal/Area of Focus	Participation	Contributions	Asset Retention
Targeted Segment	5 Departments with most not enrolled	Contributing flat dollar	Group 1: Separated from service who transact an outgoing rollover
Targeted Emails	Yes, custom email to these departments	Yes	Yes
Targeted Mailings	GSD, Rec and Parks, Mayor, Council, Public Works Street Services		Yes
Operational Communications			
Other notes	Mailer will come from City		
LA457.com Blog Posts	You keep our City working. Reward yourself!	Percent of Pay Contributions	
Money Matters	Website Tutorial Series: Retirement Calc	Website Tutorial Series: How to change Contribution	Website Tutorial Series: How to Change Investments
NRSM Planning/Activities	Planning	Planning	Planning/Content Creation
Newsletters	Voya Quarterly Newsletter Monthly Personnel Newsletter	Monthly Personnel Newsletter	Monthly Personnel Newsletter

	Quarter 3		
	July	August	September
Broad Messaging Themes	Summer Leisure, Vacation, Fun		
Goal/Area of Focus	Summer Checklist - Retiree and Active	Asset Retention	Participation
Targeted Segment	Active and Retirees	Group 2: Active participants nearing retirement sworn vs. non-sworn	All eligible not enrolled
Targeted Emails		Yes	Yes
Targeted Mailings			Library, Sworn - AutoEnrollment
Operational Communications	Citywide HRP Contributions Campaign - up to amounts, deferrals in voya Citywide SECURE Act 2.0 Campaign - RMDs, >145K Roth contributions		
Other notes	Citywide Email	Newly separated from service (in 2023)	Mailer would come from City
LA457.com Blog Posts	DCP Summer Checklist Blog		
Money Matters	Website Tutorial Series: Retirement Calculator	Retiree Distributions/RMDs/Beneficiaries	Market Volatility
NRSM Planning/Activities	Content Creation	Content Completion	Execute
Newsletters	Voya Quarterly Newsletter Monthly Personnel Newsletter	Monthly Personnel Newsletter	Monthly Personnel Newsletter

	Quarter 4		
	October	November	December
Budgeting, Financial Wellness, Holidays, Family, Friends			
Goal/Area of Focus	NRSM - DCP City Fair	Participation	Asset Retention
Targeted Segment	Hired before 2022: Contributing flat dollar	5 departments with most not enrolled	Group 1: Separated from service who transact an outgoing rollover
Targeted Emails	Yes	Yes	Yes
Targeted Mailings	Yes	Yes	
Operational Communications			Citywide HRP Contributions Campaign - up to amounts, deferrals in voya
Other notes	Citywide email, campaigns	Did you forget something with your benefits? NRSM "thanks for playing"	
LA457.com Blog Posts	See NRSM Campaign details		
Money Matters	Enrollment Financial Wellness	Retirement Readiness	Contributions
NRSM Planning/Activities	Include Contributions in NRSM campaign		
Newsletters	Voya Quarterly Newsletter Monthly Personnel Newsletter	Monthly Personnel Newsletter	Monthly Personnel Newsletter