

Deferred Compensation Plan

BOARD REPORT 15-56

Date: December 4, 2015

To: Board of Deferred Compensation Administration

From: Staff

Subject: Request for Proposal – Third Party Administrator

*Board of Deferred
Compensation Administration*
John R. Mumma, Chairperson
Michael Amerian, Vice-Chairperson
Cliff Cannon, First Provisional Chair
Thomas Moutes, Second Provisional Chair
Raymond Ciranna, Third Provisional Chair
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Wendy G. Macy
Robert Schoonover
Don Thomas

Recommendation:

That the Board of Deferred Compensation (a) receive and file this report and update regarding development of the Deferred Compensation Plan Request for Proposal (RFP) for Third-Party-Administration and participant survey results; and (b) review and discuss RFP methods of inquiry, evaluation categories, evaluation process, and a draft Plan Profile & Scope of Services.

Discussion:

At its July 21 and August 18, 2015 meetings, the Board adopted a series of recommendations relative to procuring for Third-Party-Administrative (TPA) services for the City of Los Angeles Deferred Compensation Plan. The contract with the incumbent provider expires on December 31, 2016. Actions taken by the Board at those meetings include:

- Adopting a Master Procurement and Contracting Schedule which includes the TPA search within its five-year search plan;
- Approving the initiation of the TPA procurement in 2015/2016 and calendar for TPA RFP development with a target implementation date for a new service provider contract to be in place by January 1, 2017;
- Approving requesting City Council approval to expand the Board's authority to enter into five-year contracts for Deferred Compensation services to include TPA, consulting and all other administrative services, and authorize the Board Chairperson to sign and submit that report to Council;
- Approving a proposed communications plan for Plan participants;
- Approving/executing a Conflict-of-Interest & Ex-Parte Communication Pledge form for execution by all Board members/City staff involved in the development process for this procurement.

At its September 15, 2015 meeting, the Board received a presentation from staff and the Board's consultant, Segal Consulting, proposing a procurement mission relative to the Plan's mission, reviewing primary service categories and the current defined contribution services landscape, and discussing concepts under development relative to RFP best practices & innovations. At its October 20, 2015 meeting, the Board adopted a participant survey. The survey window was open to Plan participants November 15-29 and addressed the following primary topics:

- ➔ Awareness of current Plan services and features

- Plan services utilization and value
- Plan transaction resources utilization and value
- Potential new services

This report will address participant survey results; proposals for methods of inquiry, evaluation categories, and the evaluation process; and staff’s draft Plan Profile & Scope of Services.

A. Survey Results

There were **1,653** responses to the survey, representing approximately 4% of the eligible population. For a participant population of 41,542, a statistically valid sample is approximately 650 respondents. **Attachment A** to this report provides a summary of participant survey results as generated by the survey tool program. The survey results also include all participant comments. Staff has redacted identifying or contact information that was provided by certain participants. All participants who requested assistance through the survey have been contacted by the Plan.

Following are summary and certain notable highlights from the survey:

- (1) **Demographics** – The ratio of male to female respondents was 61%/39%, respectively. 66% of respondents were Active Civilian, 19% were Active Sworn, 15% were retired, and less than 1% were Active DWP¹. 55% of respondents have been Plan participants for 15 years or less, 45% for more than 15 years. The largest age group responding by percentage was the 41-55 category – 16% were below that range, 38% above that range.
- (2) **Service/Feature Awareness** – The following table summarizes participant awareness of core Plan communication resources and core Plan services/features. The results indicate high levels of awareness for the website and quarterly statements, with somewhat less awareness of the call center and local service center.

Topic	Somewhat or Very		
	Aware	Not Aware	Unsure
Core Communication Resources			
Website	93%	4%	2%
Call Center	82%	15%	3%
Statements	95%	3%	2%
Local Service Center	70%	30%	4%

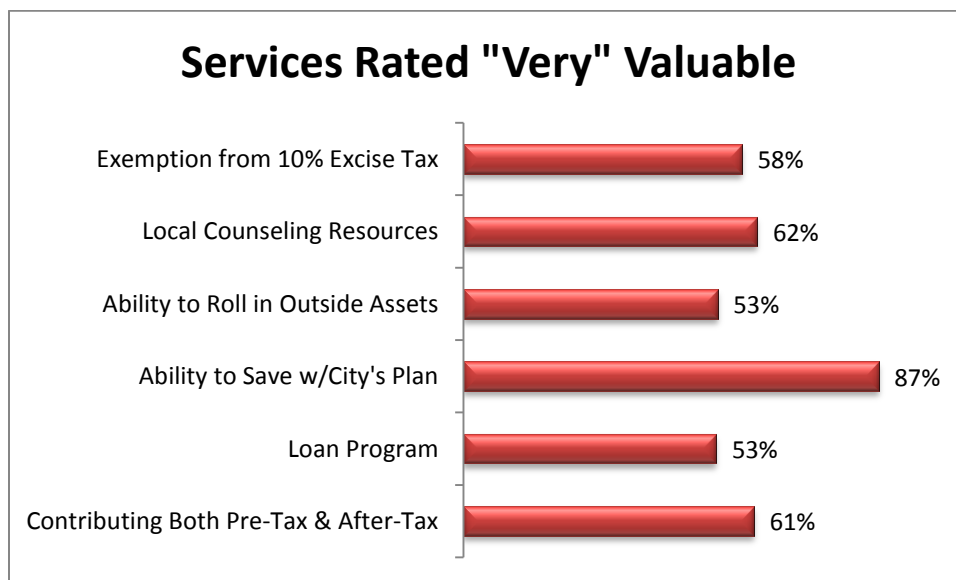
In terms of core features, respondents indicated high levels of awareness of fundamental participant functions such as how to change contribution amounts (91%) or make investment changes (89%). Particularly notable was that fully 84% of

¹ Staff took several steps to reach out to DWP Human Resources to disseminate the survey announcement email to DWP active employees. DWP staff indicated that they had disseminated the survey announcement information to their population, but the actual survey results indicate that the results were ineffective.

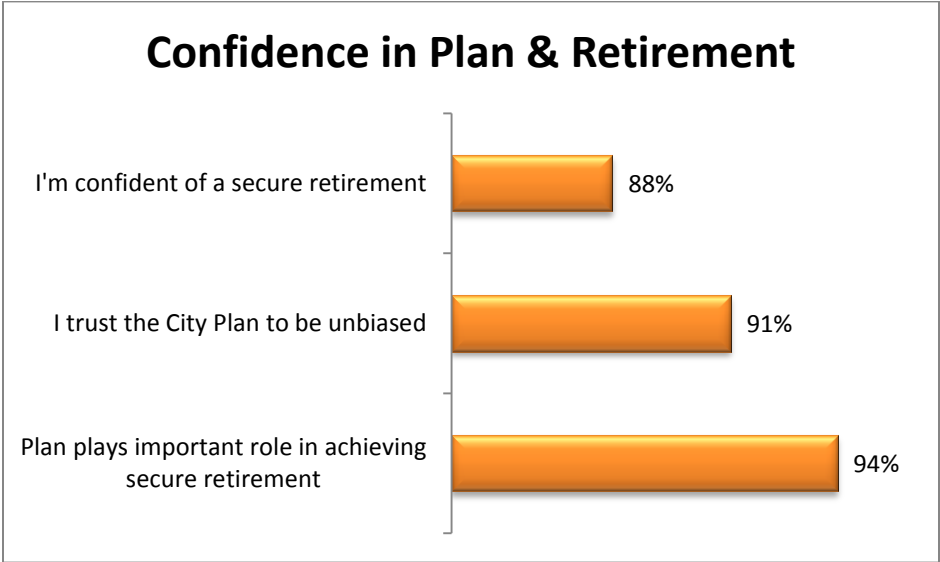
respondents were aware of the Plan’s Retirement Income Projection Calculator. Lesser percentages were aware of features such as the ability to roll in outside assets or defer their accrued leave upon retirement. A surprising majority of participants (54%) were unaware that distributions prior to age 59½ are exempt from the 10% early distribution penalty – in fact only 20% indicated they were “very” aware of this.

Topic	Somewhat or Very Aware	Not Aware	Unsure
Core Plan Features/Services			
How to Change Contributions	91%	6%	4%
How to Change Investments	89%	8%	2%
Different Contribution Limits	85%	12%	3%
Catch-Up	85%	14%	3%
Retirement Income Projection Calculator	84%	14%	3%
Tax-Advantaged Savings Options	83%	14%	4%
Active Loans	77%	17%	6%
Distribution Options	61%	35%	4%
Ability to Roll In Outside Assets	56%	40%	5%
Retired Loans	44%	46%	10%
Ability to Defer Accrued Leave	42%	53%	5%
Exemption from 10% Excise Tax	41%	54%	5%

(3) **Valuing Plan Services/Features** – In terms of how participants value various services, the mere ability to save in the City’s Plan was ranked highest (87%). Despite a majority not being aware of the 10% excise tax exemption before taking the survey, 58% rated it “very valuable” once the survey made them aware.

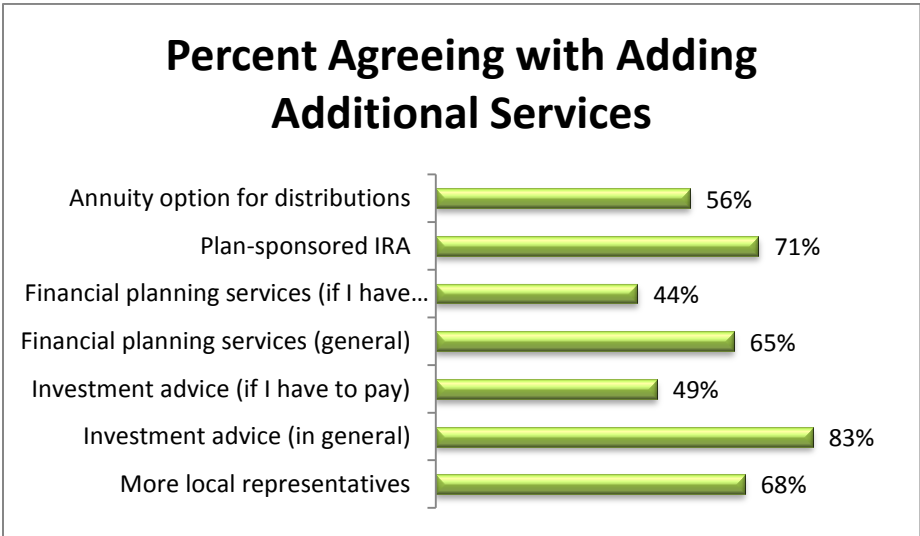


(4) **Confidence** – High percentages of participants agreed with statements regarding their confidence in the Plan and in achieving a secure retirement:



(5) **Utilization** - In terms of utilization of Plan services, responses indicated the most activity occurring with the website and quarterly statements, and the lowest occurring with local counselors and the call center. Consistent with that result, participants valued those resources, although they overwhelmingly ranked all the services as very or somewhat valuable.

(6) **Additional Services** - With respect to the prospect of adding additional services, the survey results indicated an interest in investment advice in particular and to a lesser degree financial planning services, but markedly reduced interest in those services if a participant would be required to pay for it.



- (7) **Participant Comments** - The comments received from Plan participants were wide-ranging. Some general observations may be made, however. A number of comments centered around an interest in greater personalized assistance or receiving advisory services. A number also expressed comments about recent changes to the Plan's investment menu or preferences for certain types of investments. Finally, many participants had positive comments of gratitude and indicating the value the Plan has brought to them personally in their own retirement readiness.

Relative to the Plan's TPA RFP, the survey feedback suggested that the Plan closely evaluate current and potentially expanded resources for personalized support, including local counseling as well as investment advice and financial planning services. The feedback also indicated that the Plan website and quarterly statements are important and frequently used communication tools, and that the Plan should place particular emphasis on these in evaluating TPA capabilities. Thus, both personalized and electronic means of communication appear to be highly valued.

In addition, it should be noted that the Plan received high marks in perhaps the most significant questions posed in the survey around participant confidence in the City's Plan as well as in achieving a secure retirement. Relative to the latter, the awareness levels of the Retirement Income Projection Calculator suggest that the Plan has been successful in promoting awareness of not only its existence but more importantly of its underlying objective of engaging participants on the question of their own retirement readiness. Notwithstanding those results, more work appears needed relative to participant engagement with distribution options, as decumulation elections are a vital part of maintaining retirement income security post-retirement.

B. Proposed Methods of Inquiry, Evaluation Categories, Evaluation Process, and Plan Profile/Scope of Services

As stated at the Board's September 15th meeting, the mission of the TPA RFP is to identify the service provider who can best support the City's Plan in (a) enrolling employees into the Plan and providing them exceptional service; (b) promoting/supporting participant accumulation consistent with achieving retirement income security; and (c) promoting/supporting participant decumulation consistent with maintaining retirement income security. Success is measured by the degree to which participants are enrolled into the Plan and provided with exceptional customer service; and are supported in those actions which help them to achieve and maintain retirement income security.

The TPA plays a vital role in helping the City fulfill its mission of helping employees achieve retirement income security because it supports all of the participant awareness and decision-making which impacts final outcomes. Staff's objective is to frame these procurements from a "member-based" perspective focused first and foremost on addressing the features and services which Plan participants most utilize and value. That member-based perspective is informed by the focus groups, survey, and staff's assessment of participant service needs based on its day-to-day administration of the Plan.

Based on these inputs, staff has developed a Plan Profile and Scope of Services for the RFP; as well as proposed methods of inquiry, proposed evaluation categories/weightings, and a proposed evaluation process.

(1) Plan Profile & Scope of Services

As previously discussed with the Board, it is to the benefit of the City's Plan to be as transparent as possible with prospective RFP respondents as to what it values and its current services and features. Towards that end, staff has developed a detailed draft Plan Profile & Scope of Services. This material goes into much higher levels of specificity, detail and exploration than has been the case in prior TPA procurements. It is intended to reflect the evolving and sharper focus the Plan has created in recent years around its core mission, how it measures success, and how to best meet the needs of Plan participants. That document is provided as **Attachment B**.

(2) Methods of Inquiry

(a) Written Questionnaire

The written questionnaire is a necessary and important part of the exchange of information with prospective vendors that takes place within an RFP. The draft questionnaire to be submitted to the Board in January will request information in various narrative and data-driven formats and represents the most substantial portion of the inquiries and means by which the City's Plan will compare and assess, qualitatively and quantitatively, each provider's services and capabilities.

(b) Performance Exams

Performance exams provide opportunities to assess a vendor's resources, philosophy, and skills on specific topics. Because they are narrowly focused, they provide for a "deeper dive" on a variety of subjects to a degree which is not available in either standard narrative responses to a written questionnaire, nor in "finalist presentations." Performance exams have been utilized and proven their value in consulting services RFPs. Staff believes that they provide for a more neutral and disciplined means of evaluating service provider capabilities as compared to "finalist presentations," since the exams are separately scored and that scoring is precluded from influencing scoring of the written proposals. Staff intends to incorporate performance exams on a variety of primary topics included within the draft RFP to be submitted to the Board in January.

(c) Problem Resolution Essay Questions

Problem resolution essay questions ask providers how they would address or resolve specific problems or challenges that are situational in nature and written from the member perspective. For example, a service provider could be asked a question related to how it would resolve a specific administrative or processing error, its interpretation and/or application of a specific regulatory provision, etc. These questions are designed to provide greater illumination as to how vendors respond to issues which may represent common sources of member confusion or interest.

(3) Evaluation Categories

Tentative proposed primary evaluation and item categories for the Third Party Administrator RFP are provided in **Attachment C**. These categories and proposed weightings are provided to the Board for discussion and feedback. As noted previously, staff's intent in designing the broad structure of the RFP is to incorporate a greater member-based perspective focused on addressing Plan features and services which Plan participants most utilize and value. Throughout these categories it is staff's intent to explore vendor capabilities and services relative to their commitment to support the City's core mission of assisting City employees in achieving retirement income security.

(4) Evaluation Panel and Process

Evaluation of the proposals will involve a substantial amount of time and analysis. The review panel should include the necessary subject matter expertise and member-based orientation that will be necessary to fulfill the procurement mission. The evaluation panel should include a combination of consultant and staff members most familiar with the Plan and its needs. The specific proposed composition will be defined with greater specificity closer to the RFP release date. The evaluation panel would be charged with evaluating, scoring and summarizing all of the vendor responses for subsequent review by the Board. The evaluation panel would also be charged with conducting all of the individual performance exams. Upon completion of their review and analysis, the review panel would present a report to the Board with its findings and recommendations for action.

C. Updates & Next Steps

- 1. 5-Year Contracting Authority** – On behalf of the Board, staff transmitted a report to City Council requesting that the Council expand the Board's authority to enter into five-year contracts for Deferred Compensation services to include TPA, consulting and all other administrative services. Personnel and Animal Welfare (PAW) Committee approved this item at its meeting on November 18, 2015; the City Council approved it at its meeting on Wednesday, November 25, 2015. Next, the City Attorney will need to draft and submit the necessary ordinance to amend the Administrative Code in order to make this change effective, and this will provide the Board to enter into a five-year contract pursuant to this RFP.
- 2. Pension Savings Plan Request for Information** - The Personnel Department released its Request for Information (RFI) relative to the City's Pension Savings Plan (PSP), the retirement program for the City's part-time, temporary and seasonal employees on October 14, 2015. The response deadline was November 18, 2015. A total of eight responses were received. Five of the eight respondents indicated that they would be interested in submitting a proposal for the PSP on a stand-alone basis, without tying it to administration of the City's Deferred Compensation Plan. This result is regarded positively, as separate procurements for the two plans help to maintain bright lines around the service provider contracts.

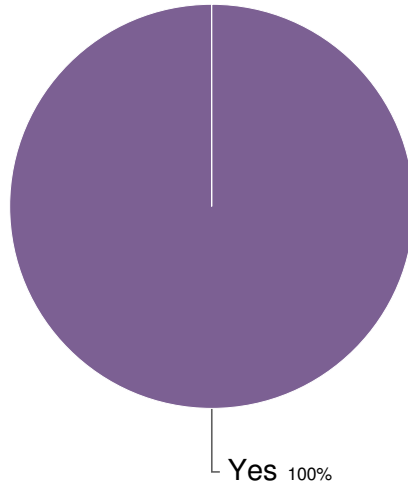
Given this response, the Personnel Department is separately preparing to develop a separate procurement for Pension Savings Plan administration.

3. RFP Development Update – The following calendar provides an update of action items and staff’s progress relative to development of the RFP:

Month(s)	Action	
Jul-15	Approve staff proposals related to moving forward with the TPA RFP, 5-year contracting, and related items	Completed
Aug-15	(1) Review/approve staff proposals for participant outreach and communications during selection process; (2) Submit approved report to City Council regarding 5-year contracting	(1) Completed (2) Completed - report to City Council tentatively scheduled for review by Personnel and Animal Welfare Committee on 10/21/15.
Sep-15	(1) Staff/consultant overview of RFP development process and key evaluation categories (2) Conduct focus groups of Plan participants	(1) Completed (2) One completed; balance in process of being scheduled
Oct-15	(1) Board review/approve proposed participant survey (2) Discussion of RFP development	(1) Completed (2) Completed
Nov-15	(1) Proposed evaluation categories/weightings and evaluation process (2) Issue Plan participant survey	(1) Deferred to December meeting due to canceled Board meeting (2) Completed
Dec-15	(1) Review RFP evaluation categories/weighting/process and Profile/Scope of services (2) Review participant survey results	
Jan-16	(1) Review first draft of RFP	
Feb-16	(1) Finalize and release RFP	
Apr-16	Response Due Date	
Apr:May-16	Response Evaluation	
Jun/Jul-16	Board selection of provider	
Dec-16	Execute contract	

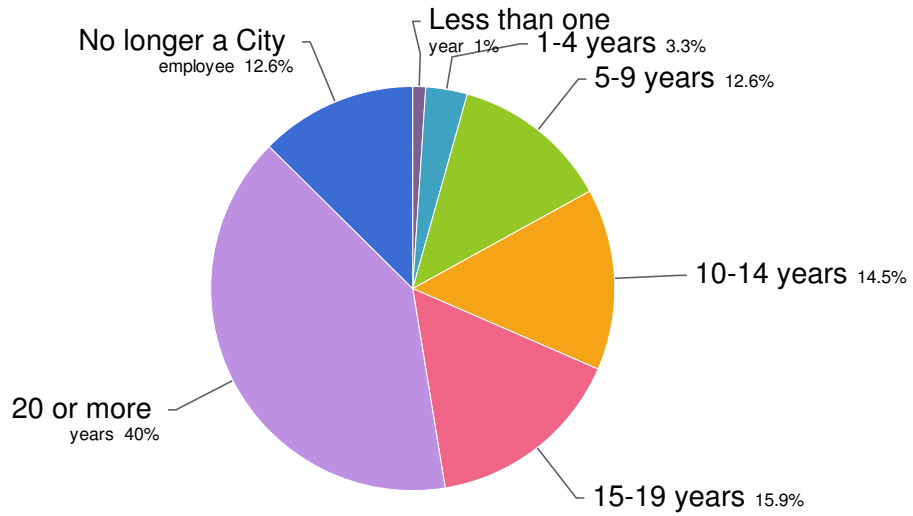
Submitted by: _____
Steven Montagna

I am a current participant (meaning I have an account balance) in the City's Deferred Compensation Plan:



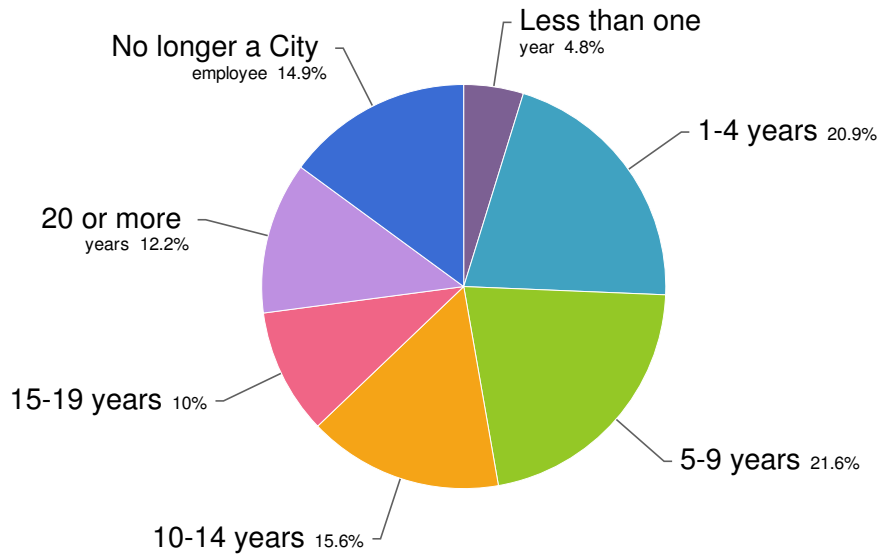
Value	Percent	Count
Yes	100.0%	1,653
No	0.0%	0
Unsure	0.0%	0
Total		1,653

1. How long have you worked for the City of Los Angeles?



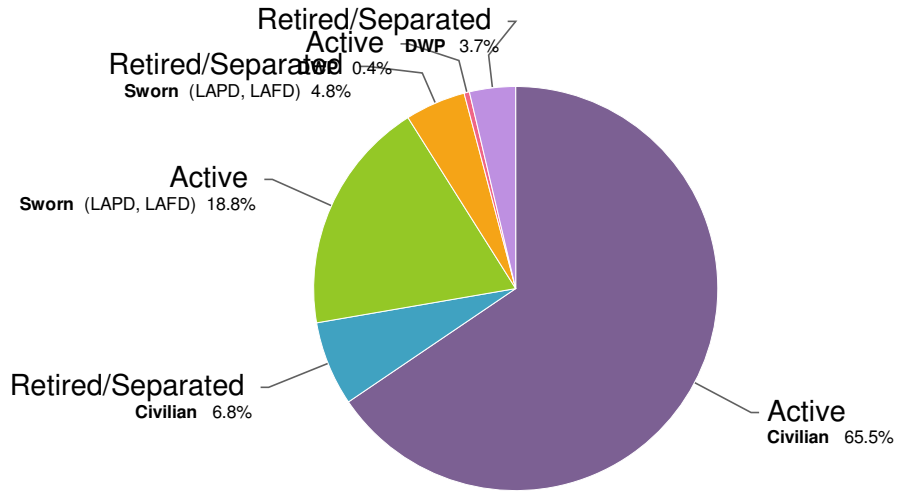
Value	Percent	Count
Less than one year	1.0%	17
1-4 years	3.3%	55
5-9 years	12.6%	209
10-14 years	14.5%	240
15-19 years	15.9%	263
20 or more years	40.0%	661
No longer a City employee	12.6%	208
Total		1,653

2. How much longer do you expect to work for the City of Los Angeles?



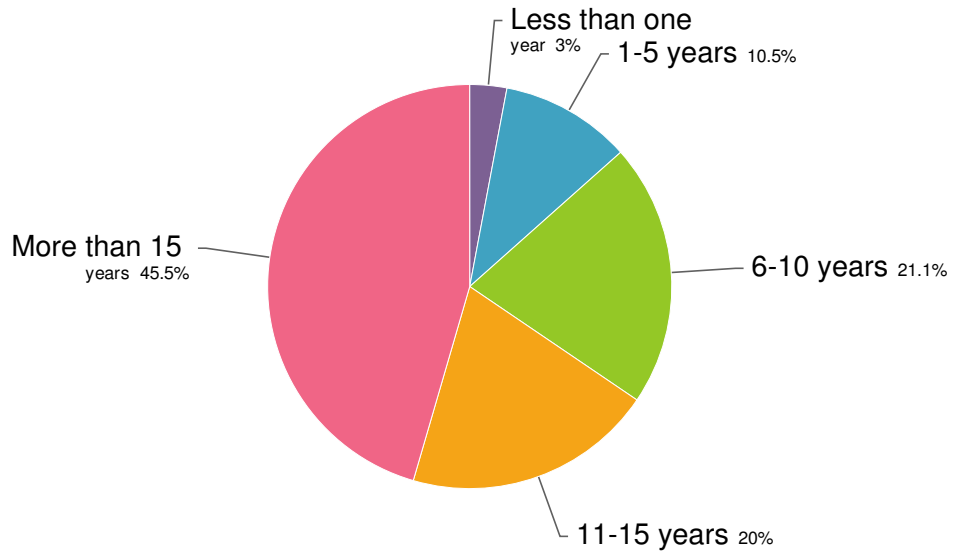
Value	Percent	Count
Less than one year	4.8%	79
1-4 years	20.9%	345
5-9 years	21.6%	357
10-14 years	15.6%	258
15-19 years	10.0%	166
20 or more years	12.2%	201
No longer a City employee	14.9%	247
Total		1,653

3. Which status best describes you?



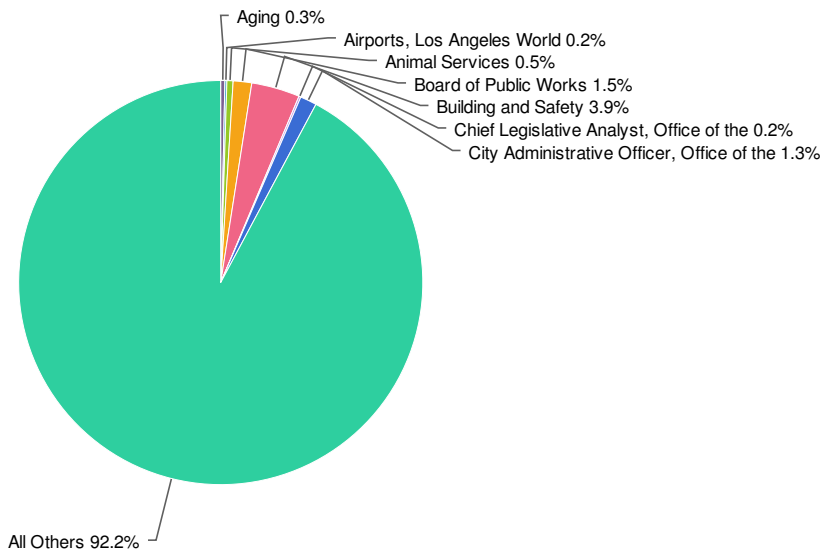
Value	Percent	Count
Active Civilian	65.5%	1,083
Retired/Separated Civilian	6.8%	112
Active Sworn (LAPD, LAFD)	18.8%	310
Retired/Separated Sworn (LAPD, LAFD)	4.8%	80
Active DWP	0.4%	7
Retired/Separated DWP	3.7%	61
	Total	1,653

4. Approximately how long have you been a participant in the City's Deferred Compensation Plan?



Value	Percent	Count
Less than one year	3.0%	49
1-5 years	10.5%	173
6-10 years	21.1%	348
11-15 years	20.0%	331
More than 15 years	45.5%	752
Total		1,653

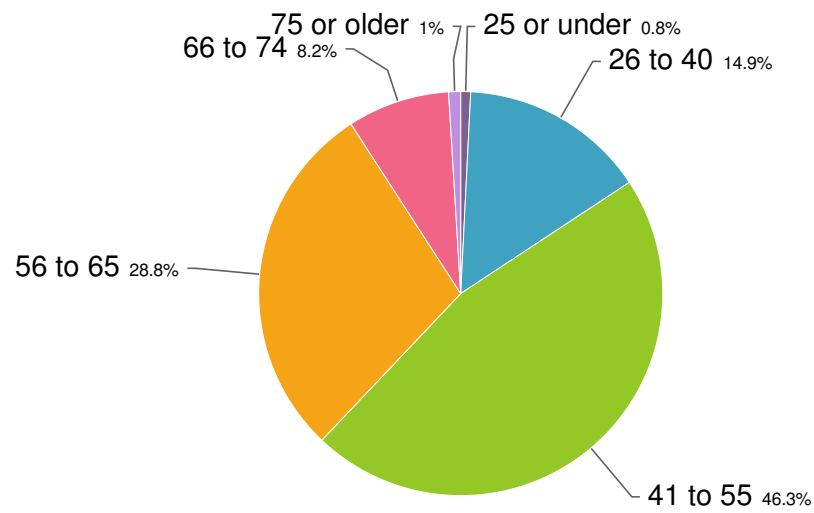
5. If you're still employed, what City Department do you presently work for?



Value	Percent	Count
Aging	0.3%	4
Airports, Los Angeles World	0.2%	2
Animal Services	0.5%	6
Board of Public Works	1.5%	18
Building and Safety	3.9%	47
Chief Legislative Analyst, Office of the	0.2%	2
City Administrative Officer, Office of the	1.3%	16
City Attorney, Office of the	3.2%	39
City Clerk, Office of the	0.4%	5
City Council Offices: Districts 1-15	0.9%	11
Contract Administration, Bureau of Public Works	0.9%	11
Controller, Office of the	0.9%	11
Cultural Affairs	0.3%	3
Disability, Department on	0.2%	2
Economic and Workforce Development	0.6%	7
El Pubelo	0.1%	1
Emergency Management	0.3%	4
Employee Relations Board	0.1%	1
Engineering, Bureau of Public Works	6.2%	75
Total		1,217

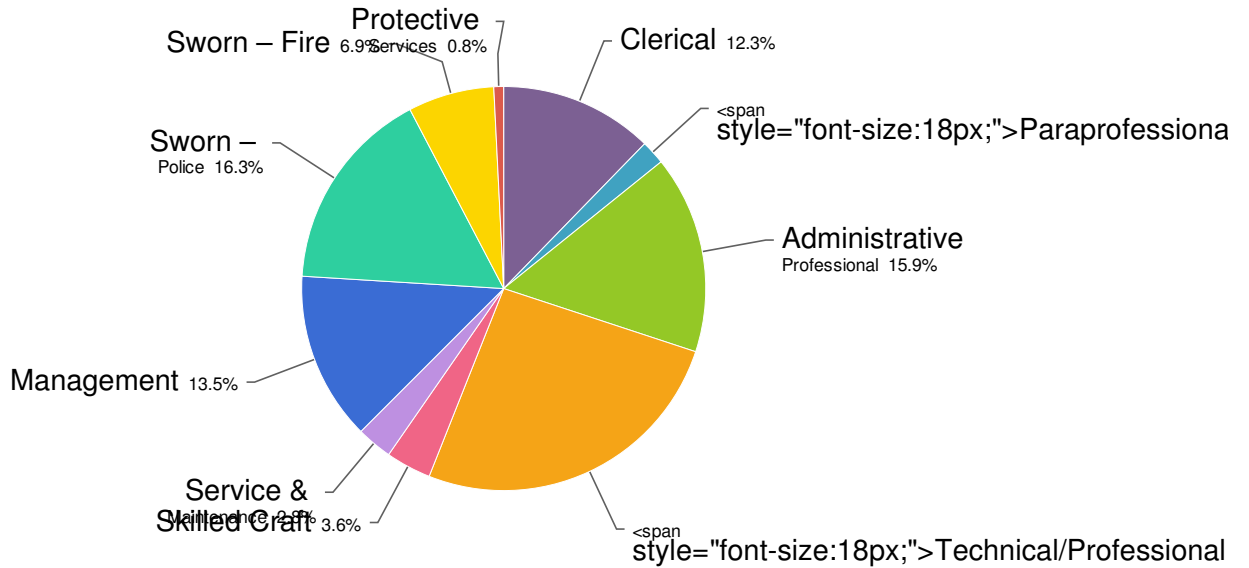
Value	Percent	Count
Ethics Commission	0.3%	3
Fire Department	8.3%	101
Finance, Office of	1.8%	22
General Services Department	2.8%	34
Harbor Department	0.3%	4
Housing and Community Investment Development	4.3%	52
Information Technology Agency	2.9%	35
LACERS	1.1%	13
Library	6.2%	76
Los Angeles Convention Center	0.0%	0
Mayor, Office of the	0.3%	3
Neighborhood Empowerment	0.1%	1
Pensions, Fire and Police	1.6%	19
Personnel Department	3.6%	44
Planning	2.1%	26
Police Department	22.5%	274
Recreation and Parks	5.7%	69
Sanitation, Bureau of Public Works	6.5%	79
Street Lighting, Bureau of Public Works	0.4%	5
Street Services, Bureau of Public Works	1.2%	14
Transportation, Department of	3.9%	47
Water and Power, Department of	0.7%	9
Zoo	0.8%	10
Other	1.0%	12
	Total	1,217

6. What is your age group?



Value	Percent	Count
25 or under	0.8%	13
26 to 40	14.9%	247
41 to 55	46.3%	766
56 to 65	28.8%	476
66 to 74	8.2%	135
75 or older	1.0%	16
Total		1,653

7. What City job category most closely matches your current job classification?

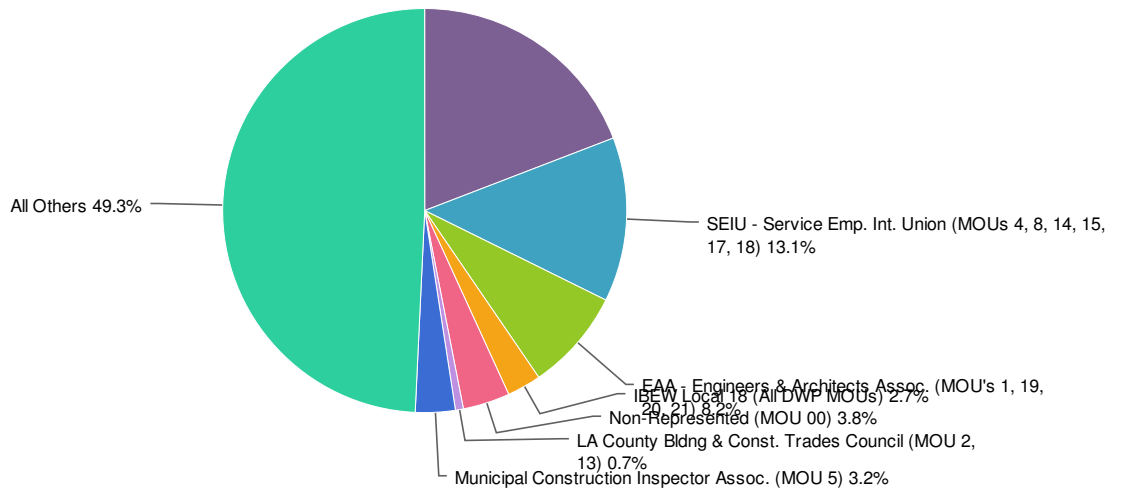


Value	Percent	Count
Clerical	12.3%	203
Paraprofessional	1.9%	32
Administrative Professional	15.9%	262
Technical/Professional	26.0%	429
Skilled Craft	3.6%	60
Service & Maintenance	2.8%	47
Management	13.5%	223
Sworn - Police	16.3%	270
Sworn - Fire	6.9%	114
Protective Services	0.8%	13
Total		1,653

8. Please indicate your union or applicable MOU.

AFSCME - Am. Fed. of State/County/Mun. Emp. (MOU's

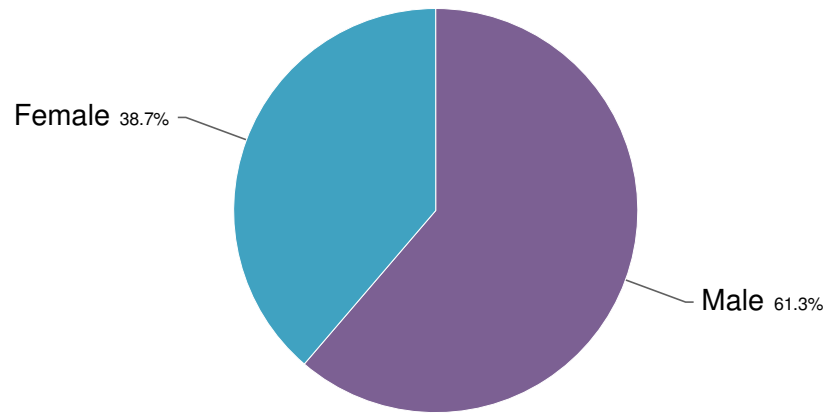
3, 6, 7, 10, 11, 16, 37) 19.2%



Value	Percent	Count
AFSCME - Am. Fed. of State/County/Mun. Emp. (MOU's 3, 6, 7, 10, 11, 16, 37)	19.2%	296
SEIU - Service Emp. Int. Union (MOUs 4, 8, 14, 15, 17, 18)	13.1%	203
EAA - Engineers & Architects Assoc. (MOU's 1, 19, 20, 21)	8.2%	126
IBEW Local 18 (All DWP MOUs)	2.7%	42
Non-Represented (MOU 00)	3.8%	58
LA County Bldng & Const. Trades Council (MOU 2, 13)	0.7%	10
Municipal Construction Inspector Assoc. (MOU 5)	3.2%	49
IUOE - Int. Union of Operating Engineers (MOU 9, 31)	1.0%	16
LACSSA/LIUNA - (MOU 12)	1.8%	28
LA Firefighters Chief Officers Assoc. (MOU 22)	1.0%	15
UFLAC (MOU 23)	6.3%	97
LAPPL (MOU 24)	15.9%	245
LA Police Command Officers Assoc. (MOU 25)	0.6%	9
ILWU - Port Pilots (MOU 26)	0.0%	0
LA Port Police Command Officers Assoc. (MOU 27)	0.0%	0
LAGSPOA - LA General Services Police Officers Assoc. (MOU 28)	0.1%	1
LA City Attorney's Assoc. (MOU 29)	2.1%	33
Total		1,545

Value	Percent		Count
LAAPOA - LA Airp. Peace Officers Assoc. (MOU 30)	0.1%		2
Mgmt Attorneys (MOU 32)	0.0%		0
CA Teamsters - (MOU 34)	0.1%		1
LAPMA - LA Professional Managers Assoc. (MOU 36)	3.3%		51
LAPPA - LA Port Police Assoc. (MOU 38)	0.3%		4
LAAPSA - LA Airport Police Supervisors Assoc. (MOU 39)	0.1%		1
LA Airport Police Command Officers' Assoc. (MOU 40)	0.0%		0
Fiscal & Policy Professionals Assoc. (MOU 61)	0.1%		2
EAA - Engineers & Architects Assoc. (MOU's 1, 19, 20, 21)	15.0%		232
Fiscal & Policy Professionals Assoc. (MOU 61)	0.4%		6
LA County Bldng & Const. Trades Council (MOU 2, 13)	1.2%		18
	Total		1,545

9. What is your gender?



Value	Percent	Count
Male	61.3%	1,003
Female	38.7%	634
Total		1,637

10. Prior to taking this survey, please indicate your level of awareness about the following services and features of the Deferred Compensation Plan:

	Not at all aware	Somewhat aware	Very aware	Unsure or no opinion	Responses
Plan Website	72 4.4%	334 20.5%	1,185 72.7%	39 2.4%	1,630
Call Center (Toll Free Line)	245 15.1%	592 36.5%	732 45.1%	55 3.4%	1,624
Quarterly Statements/Newsletters	54 3.3%	242 15.0%	1,295 80.2%	24 1.5%	1,615
Local Service Center at City Hall	487 30.2%	430 26.7%	638 39.6%	58 3.6%	1,613
The Plan's two tax-advantaged ways to save: Pre-Tax and After-Tax (Roth)	223 13.7%	488 30.1%	849 52.3%	63 3.9%	1,623
Different contribution limits for participants under age 50, age 50 or older, and those eligible for "Catch-Up"	190 11.7%	445 27.4%	937 57.7%	52 3.2%	1,624
The Plan's online "Retirement Income Projection Calculator" web tool	220 13.6%	507 31.3%	847 52.2%	48 3.0%	1,622
How to change my contribution amount	92 5.7%	323 19.9%	1,149 70.8%	60 3.7%	1,624
How to change the way the money in my account is invested	136 8.4%	413 25.5%	1,033 63.8%	37 2.3%	1,619
The Plan's loan program for active employee participants	272 17.1%	434 27.3%	791 49.8%	90 5.7%	1,587
The Plan's loan program for retired participants	741 46.3%	400 25.0%	301 18.8%	159 9.9%	1,601
The ability to "roll in" other retirement accounts and combine them with my Deferred Compensation account	644 40.0%	481 29.8%	411 25.5%	76 4.7%	1,612
The ability to contribute to my account when I retire from my unused leave balances (e.g., unpaid vacation)	856 53.1%	325 20.1%	351 21.8%	81 5.0%	1,613
The options I have for taking money out of my account when I retire	568 35.2%	658 40.8%	325 20.1%	63 3.9%	1,614
Being exempt from the 10% early distribution penalty for withdrawals prior to age 59 ½.	873 53.9%	348 21.5%	325 20.0%	75 4.6%	1,621

11. Please tell us how much you value the following Plan features:

	Not at all Valuable	Somewhat Valuable	Very Valuable	Unsure or no opinion	Responses
The ability to invest both pre-tax and after-tax dollars	94 5.8%	377 23.1%	994 60.8%	169 10.3%	1,634
The loan program	150 9.2%	413 25.4%	874 53.8%	189 11.6%	1,626
The ability to save for my retirement via payroll deduction through my employer	47 2.9%	108 6.6%	1,414 86.9%	59 3.6%	1,628
The ability to roll in other retirement accounts and manage them inside the City's Plan	138 8.6%	412 25.5%	858 53.2%	206 12.8%	1,614
Retirement planning resources such as local counselors and web-based information	107 6.6%	382 23.7%	990 61.3%	135 8.4%	1,614
Being exempt from the 10% early distribution penalty for withdrawals prior to age 59 ½.	168 10.4%	261 16.1%	942 58.1%	250 15.4%	1,621

12. Indicate your level of agreement with the following statements:

	Completely Disagree	Somewhat Agree	Completely Agree	Unsure or no opinion	Responses
The City's Plan plays an important role in helping me achieve and maintain a secure retirement	28 1.7%	348 21.3%	1,193 73.0%	66 4.0%	1,635
I trust the City's Plan to provide me unbiased and accurate information	46 2.8%	588 36.1%	899 55.2%	95 5.8%	1,628
I am confident that I am on track to achieve or maintain a secure retirement	72 4.4%	640 39.3%	797 49.0%	119 7.3%	1,628

13. Indicate how often you use the following sources of information about the Plan and/or your account:

	Never	Rarely (1-2 times per year)	Sometimes (3-10 times per year)	Often (At least monthly)	Always (Weekly or daily)	Responses
Plan Website	175 10.7%	324 19.9%	521 32.0%	404 24.8%	205 12.6%	1,629
Call Center (Toll Free Line)	833 51.7%	602 37.3%	155 9.6%	18 1.1%	4 0.2%	1,612
Quarterly Statements/Newsletters	140 8.7%	324 20.0%	842 52.0%	270 16.7%	42 2.6%	1,618
Local Counselors	1,045 64.8%	445 27.6%	99 6.1%	19 1.2%	4 0.2%	1,612
Printed Plan Materials	413 25.6%	575 35.6%	469 29.0%	137 8.5%	21 1.3%	1,615

14. Indicate how much you value the following sources of information about the Plan and/or your account:

	Not at all Valuable	Somewhat Valuable	Very Valuable	Unsure or no opinion	Responses
Plan Website	46 2.8%	234 14.4%	1,240 76.4%	104 6.4%	1,624
Call Center (Toll Free Line)	150 9.3%	606 37.5%	591 36.6%	268 16.6%	1,615
Quarterly Statements/Newsletters	74 4.6%	557 34.5%	907 56.2%	75 4.6%	1,613
Local Counselors	175 10.8%	529 32.8%	586 36.3%	323 20.0%	1,613
Printed Plan Materials	128 8.0%	649 40.4%	679 42.2%	152 9.5%	1,608

15. Indicate how often you use the following information sources to make investment decisions about your account:

	Never	Rarely (1-2 times per year)	Sometimes (3-10 times per year)	Often (At least monthly)	Always (Weekly or daily)	Responses
Plan communication materials	414 25.6%	551 34.1%	478 29.5%	146 9.0%	29 1.8%	1,618
Local Plan counselors	1,028 63.5%	411 25.4%	139 8.6%	29 1.8%	11 0.7%	1,618
My personal knowledge & research	251 15.5%	421 26.0%	517 32.0%	285 17.6%	143 8.8%	1,617
External professional advisers (not related to the Plan)	890 55.1%	390 24.1%	222 13.7%	85 5.3%	28 1.7%	1,615
Friends/Family/Coworkers	636 39.3%	588 36.3%	295 18.2%	79 4.9%	21 1.3%	1,619
External media (publications, television, etc.)	679 42.1%	475 29.5%	289 17.9%	109 6.8%	59 3.7%	1,611

16. With respect to most of your Plan transactions (for example: checking your balance, loans, taking money out of your account, contribution changes, investment changes, rollovers, purchase of service credit, etc.) please tell us how frequently you use the following to help complete your transactions.

	Never	Rarely (1-2 times per year)	Sometimes (3-10 times per year)	Often (At least monthly)	Always (Weekly or daily)	Responses
Plan Website	226 13.9%	319 19.6%	510 31.3%	350 21.5%	223 13.7%	1,628
Call Center (Toll Free Line)	910 56.3%	505 31.3%	163 10.1%	27 1.7%	10 0.6%	1,615
Local Counselors	1,092 67.6%	385 23.8%	100 6.2%	26 1.6%	12 0.7%	1,615
Printed Forms	689 42.6%	514 31.8%	310 19.2%	81 5.0%	24 1.5%	1,618

17. With respect to most of your Plan transactions (for example: checking your balance, loans, taking money out of your account, contribution changes, investment changes, rollovers, purchase of service credit, etc.) please tell us how valuable you find the following to help complete your transactions.

	Not at all Valuable	Somewhat Valuable	Very Valuable	Unsure or no opinion	Responses
Plan Website	76 4.7%	224 13.8%	1,210 74.8%	108 6.7%	1,618
Call Center (Toll Free Line)	295 18.3%	581 36.1%	458 28.5%	275 17.1%	1,609
Local Counselors	383 23.8%	492 30.6%	407 25.3%	327 20.3%	1,609
Printed Forms	301 18.8%	622 38.8%	451 28.1%	229 14.3%	1,603

18. Indicate how easy it is to complete the following Plan transactions:

	Very Difficult	Somewhat Difficult	Very Easy	Unsure or no opinion	Responses
Enrolling	15 0.9%	135 8.4%	1,024 63.9%	428 26.7%	1,602
Making contribution changes	28 1.7%	176 10.9%	1,183 73.5%	223 13.9%	1,610
Making investment changes	46 2.9%	234 14.5%	1,041 64.6%	290 18.0%	1,611
Taking out and managing a loan	46 2.9%	125 7.8%	605 37.6%	831 51.7%	1,607
Taking a distribution from my account (after separation from service)	51 3.2%	105 6.5%	245 15.2%	1,211 75.1%	1,612
Rolling money in or out of my account (e.g., to/from an IRA)	73 4.6%	119 7.4%	197 12.3%	1,214 75.7%	1,603
Using my account to purchase service credit	79 4.9%	97 6.1%	209 13.0%	1,218 76.0%	1,603
Changing my beneficiary	37 2.3%	144 9.0%	915 57.0%	509 31.7%	1,605

19. Indicate your level of agreement with the following statements:

	Completely Disagree	Somewhat Agree	Completely Agree	Unsure or no opinion	Responses
The Plan should provide more locally based representatives for in-person meetings or access by phone	141 8.7%	530 32.9%	562 34.9%	379 23.5%	1,612
I am interested in a service which can provide me advice about how to invest money in my account	133 8.2%	490 30.2%	850 52.3%	151 9.3%	1,624
I am willing to pay for a service which can provide me advice about how to invest money in my account	606 37.5%	532 33.0%	247 15.3%	229 14.2%	1,614
I am interested in non-investment financial planning services (e.g. debt management, estate planning, insurance planning, etc.)	305 18.8%	528 32.5%	530 32.7%	260 16.0%	1,623
I am willing to pay for non-investment financial planning services (e.g. debt management, estate planning, insurance planning, etc.)	637 39.7%	489 30.4%	217 13.5%	263 16.4%	1,606
I am interested in the Plan offering an Individual Retirement Account (IRA) to provide me with an additional way to save more dollars under the Plan.	198 12.3%	524 32.5%	615 38.1%	277 17.2%	1,614
After I retire, the Plan should offer an option to take lifetime payments from my account through a life-insurance annuity (whereby I provide the insurance company with funds from my account in exchange for a lifetime stream of income).	217 13.5%	445 27.7%	455 28.3%	492 30.6%	1,609

20. Please share any comments you have about any of the topics addressed in this survey or other matters related to Plan services and features.

Count	Response
1	setting up a pin on the website is impossible..
1	Access to all Vanguard mutual funds, such as high yield bonds.
1	Account changes happen too slowly.
1	As a retiree, most of these questions did not apply to me
1	Break up the investment packages so we can opt out of expensive fees for active management.
1	Cancel Charles Schawb and go back to Great West.
1	Current Local counselors are no help. They refer you to the website.
1	Customer Service Personnel is not patient or tactful to deal with customers
1	Deferred Comp. Plan is a good vehicle for retirement savings. Thank you providing it...
1	Except for the standard portfolios, it is not possible to rebalance the stable value fund.
1	Extend the period you can view your accounts rate of return. The current 3 years is too short.
1	FEES ARE TOO HIGH, I BARELY MAKE ANY MONEY AFTER THEY TAKE OUT THE FEES.
1	Great job keep it up
1	Great survey
1	Great website and counselors very professional.
1	Happy with services.
1	Have more counselors available to answer our questions.
1	How about the ability to pay for children's education with deferred comp funds.
1	How come you won't take out taxes on my withdrawal amount.
1	I WOULD LIKE TO TALK TO SOMEONE THAT COULD SHOW ME THE WAY THROUGH DEFERRED COMP PROCESS
1	I am happy and satisfy.
1	I am happy with the plan the way it is.
1	I am retired and some of the questions did not apply and questionnaire did not forward properly.
1	I am retred so many options are closed to me.
1	I am using the plan to save for pension plan buy back of service.
1	I appreciate the helpfulness and friendliness of your staff. Keep up the good work.
1	I do not received Quarterly Statements. Usually only receive one statement per year.
1	I don't like these surveys.
1	I find it very confusing when I change my investment options.

Count Response

1	I had no idea that I could take funds from my account.
1	I have full faith and confidence in this plan. The personnel are very helpful.
1	I like to see more funds in a plan to be available for investment
1	I love deferred compensation!
1	I love the self directed account.
1	I think the new website is great. Thanks.
1	I use the downtown offices to manage my account. Very informed representatives.
1	I ve been happy with the plan the past 20 years.
1	I wish you offered a tax free educational savings account. I need to set one up for my child.
1	I would like for a broker to be able to give me stock advice
1	I would like to be provided with more types of Index Funds, such as the NASDAQ 100.
1	I would like to have estate planning services including living trust and will.
1	I would like to know if the City contributes to our investments.
1	I'm happy with what the plan offers
1	I'm most interested in low fees as well as investment choices with low expense ratios.
1	I'm very happy with this service
1	Increase the ease of finding retirement prep classes
1	It would be helpful if representatives visited our work sites on a monthly basis.
1	It's VERY difficult to change distribution amounts.
1	Keep the info and resources coming! THANK YOU!
1	MOU 24 is LAPPL not LAPRA
1	More access to local counsellors.
1	N/A
1	NEED SOME ADVICE ON EVERYTHING YOU HAVE TO OFFER
1	NONE AT THIS TIME
1	Need to know what option I have at retirement from my deferred account.
1	Needs to have a choices with low fees investment from Vanguard.
1	No Comments
1	No additional comments at this time.
1	No comment
1	No comments as of now but will do so by some other means when the need arises.

Count Response

1	No comments at this time.
1	No comments.
1	Non at this time.
5	None
3	None.
1	Not sure of how the whole system works?
1	Nothing at this time. Thank you very much.
1	Offer highly credentialed fee-only financial planning services from a reputable company.
1	Offer option to purchase Municipal Bonds.
1	Personalize consultation for pending retiree on what to do next.
1	Plan needs to offer CDs and Precious metal investment
1	Plan services are too high. If I did more research I would have opened an IRA instead.
1	Please revamp the website. It has too much wasted space on the web page.
1	Prefer in-person counseling, but also appreciate the on-line information.
1	Provide more and better fixed income options without having to open a schwab account!
1	Questions relating to RMD requirements could be addressed.
1	Raise the interest on savings and reduce the fee for administering the plan
1	Really not sure how the Trustee can justify the charges for self-managed Schwab accounts.
1	Restore FDIC-insured certificate of deposit option(s).
1	Roth and pre-tax money should show separately on the account.
1	STRONGLY AGREE WITH THE LIFE INSURANCE ANNUITY (LIFETIME) PAYMENTS.
1	Savings help a great deal with my future outlook. Thank you!
1	Should be able to do the catch-up after age 70!!!
1	Survey flawed, too many questions. Theres nothing wrong with the plan now. No need to change it.
1	TELL ME HOW TO BE A MILLIONAIRE
1	Thank you for the survey.
1	Thank you.
1	Thanks for the opportunity to provide feedback!
1	Thanks for the plan to help me save additional money for retirement.
1	The Deferred Comp website is horrible.
1	The Plan should provide investment returns from inception to date.

Count Response

1	The call center is very efficient, and helpful.
1	The current system ain't broke...don't try to mess with it.
1	The plan works now. Don't change it.
1	The questions seemed repetitive.
1	The website isn't that easy for me to use.
1	This survey could be improved. As a retiree I find many choices nonsensical. Is it just me?
1	This survey was so long long I can't think of anything except submitting!:(
1	To help myself and family to use our comp; money;s
1	VERY INTERESTED!!
1	Very good issues addressed in the survey.
1	Very good survey
1	Very limited funds to choose
1	WOULD LIKE THE DEFERRED COMP WEBSITE TO BE MORE USED FRIENDLY
1	Withdrawing funds is too difficult and slow. The fund expenses are way to high.
1	Without this service I would never have the opportunity to invest.
1	Would appreciate financial planning services.
1	Would like a rep to visit my dept. HCIDLA. would like to reactivate my account asap.
1	Would like to have invest company like Vestor Vest or similar service tied to Defer Comp
1	Would like to have someone contact me before the end of the year if possible. [REDACTED]
1	access to Vanguard funds through normal options
1	adfasdfsadfasdf
1	allow to transfer between investment options without 60 days waiting period.
1	better information to current members about the benefits and advice existing.
1	enrollment should be easier.
1	got different answer from talking to different counsels, so I don't ask them anymore.
1	happy so far with Deferred comp and the representatives.
1	i am happy with the plan ,and I at my age am not going to make changes
1	i have no comments at this time.
1	i have no idea how to use the web site or move money
1	it would be helpful for the website to show balance history from the account is first opened
1	make it easy to make changes on our plan, not friendly useable

Count Response

3	n/a
1	need more info in the field
5	none
1	seems to me that the current plan is doing very good. would not suggest any significant changes.
1	thank you
1	thank you for survey
1	very informative
1	when the secure investment plan loses value why do you still call it secure ?
1	yes
1	I appreciate the Plan and see it as a very easy way to save money for retirement. So far, it's handled most
1	The website and printed materials are both useless for investment performance. It used to be possible to get performance for the last quarter, but now there are no reports, and it is tedious to log in and go through funds one at a time, entering beginning and ending dates each time, to get recent performance. Looking up ticker symbols at a third party option used to be the recommended way to do it. That is horrible, plus it is not possible with the blended funds, I would have to look up multiple funds and compute an average. Management of the deferred compensation program is omitting the basics, there should be basic information for performance for every fund covering every quarter, starting with performance for that quarter.
1	I do have difficulty choosing better investments...I wish counselors can help us make better choices....don't know why they can't. I've lost enough money and I cannot afford to lose any money because of my divorce. Ex is taking half of my retirement!
1	I need/plan to check my beneficiary designation soon. I'll probably do so by seeing a local counselor. (I don't know if more stuff is needed because I have not tried to see a counselor.)
1	I need some type of reassurance that my investment will be there for me when I retire. Some type of newsletter comments from current retirees actually receiving the compensation...
1	I am very disappointed about the plan changes from low load index funds to more actively managed funds with higher management fees. I want the Plan to bring back more low load index funds, like Vanguard Index funds, and make them be the core of investment options in our Plan. Due to these changes last year, my fees have increased which have taken away monies that could have been reinvested in my investments. Managed funds do not out perform index funds period! I can't believe these changes were made. I read a new article last year that the courts have upheld the right of plan participants to sue their boards and board members for switching to higher load funds and reducing the availability to plan participant of lower management fee funds. Please bring back what we had before and eliminate funds that are actively managed. I don't think any of our board members have our welfare in mind since they bought into a flawed presentation by the active managed funds representatives before the switch last year from index funds to these currently active managed funds. Thank you!
1	I NEED to please speak to someone about my investment options. I feel that I need help and I am not getting the assistance I am seeking. Could someone please call me to make an appointment?? I would like to have someone contact me at [REDACTED]. Thank you
1	I had no idea we could use the funds to purchase service credit -- this survey has been valuable for that reason alone.
1	Current counselors should be more knowledgeable, so to aid employees in making investment decisions, not just be there to give out reading material. They should reach out to employees with all sorts of info on deferred comp at employee's place of work.
1	I'd love to see a service where some financial advice can be provided in person or via email. There are many options and a class or a consultant would allow us to inform ourselves more.

Count Response

1	The plan seems to be free now, and it looks like you're planning on adding fees. Don't do it. That does not seem to help us, the employees.
1	Would like information in the quarterly newsletters to describe how plan participants can prepare for retirement in terms of managing assets and income streams (pension, deferred comp, etc) to maintain a sustainable lifestyle. Information on whether financial planning services are advisable, what to look for in financial planners, and understanding fee structures of financial planners.
1	Please provide a better way to track investments, like providing the mutual fund symbols, the names of funds under the mutual funds.
1	The form to take money out of my account changes every two months or so. Can't you settle on a form and stick with it? There should be an easier way of withdrawing from my account than Faxing forms. It's 2015. An on-line withdrawal form would let me eliminate my FAX machine that I only use for getting my money.
1	It is helpful that you tell us when the maximum annual contribution changes. It would be even more helpful if you told us what the per-paycheck deduction amount is to reach that maximum. Thanks!
1	The plan should provide contact information and website links on each statement for City Retirement Plan Representatives. I would like to move money but the services are hard to remember and find.
1	At present i am not sure were i am invested, i did my investment long ago and would like to get some help in investment. So my money could grow.
1	The rate of return is always negative on the statements that I receive and on the website. This is not acceptable.
1	This plans needs to provide representatives that can advise members on the best way to invest our money, or where to change funds to for more security. Prior to 911 I actively requested assistance. I did not get any from you and I lost over \$100,00.00. I know many other people who also suffered a great financial loss. I asked what other options could be safer and the only response I ever heard was, "We can not give you any advise." This was very horrible customer service. If my funds were not invested before they are taxed, I would not still be a customer.
1	I would greatly appreciate a presentation at LAPD headquarters on how to make modifications to my existing account & especially on service buy back. It is hard to get time off from LAPD as a civilian to go over to Retirement or Personnel & see a plan rep.
1	Your Retirement Income Replacement Calculator is not accurate. Even if birthday is entered, the years of service is not computed correctly.
1	When you change contributions on the website it makes you unsure if your past contribution amounts are not effected.
1	LACERS offers the Larger Annuity, which in my opinion would be better than any outside insurance company.
1	I am extremely upset and disappointed at the Plan's decisions over the past 18 months to move away from passively managed index funds to incorporating actively managed funds into many of the investments. I am not pleased with the combining of various funds into the international, small cap, and mid cap funds - each fund should stay separate with individual funds available to us -- perhaps an option consisting of 3-4 funds is appropriate as a choice, but recent decisions have forced me to move a significant portion of my investments into the Schwab Self Directed Option. The Fund should focus on minimizing costs to their investors instead of profiting from additional "services" or funds that increase costs to investors.
1	The City should do matches to our contributions to encourage others to contribute or contribute more.
1	Your plan works well, it seems that it's more suited towards "Active" employees, rather than Retired! When I need to take money out of my account, why do I need to fill out 7 pages, some of what are very un-useful! It seems that it can all be reduced to a page or two!
1	I like the website and the retirement planner. I don't like the 60 day wait to get back in with large caps.

Count Response

1	The best improvement to the plan was the self directed brokerage account. since I began using this option my account has grown much faster than before this option was available. If I could I would transfer all my funds into that account. with these new fund with no ticker symbol I am not sure what I am invested in and cannot get independent research. I don't trust my money in these unknown funds.
1	For the past two quarters, I've had a negative return on my account. My faith in your managements decision making is dwindling.
1	Local and phone consultants have different opinions. Some are very conservative and others are very aggressive. I pick and choose my local or phone consultant based on my opinion and knowledge. Consultants are not all same so I have to be careful listening them.
1	I would like to attend any seminars that are offered. I have 20 years on this Spring and have 13 more to go. I would like guidance on where I should be with my investments, as I have just left my account the same for the last 20 yrs. I would also like to attend estate planning/retirement seminars.
1	Those DCP generic funds are not as good as the funds that were before. The DCP mutual funds are for people who don't know anything. I did not like losing the old ones.
1	Having an local rep would be very beneficial to those of us who are not sure how to choose and invest. It is nice to have someone really sit down and explain and go over how to invest or change your investments instead of guessing what to do or losing a lot of money
1	On the website when you log in , I think it would be valuable to see the the start of the day balance as well as the end of the day value .
1	Good information on Financial planning, investment returns on available funds versus market and risks, plays a significant part to meaningful Investment choice and changes in ones investment portfolio to grow - it is the basis for members to use in their own initiative and personal assumption to make a financial transaction to withstand soundness of current investment vs global economic uncertainties.
1	Few years ago I rolled over some old IRAs from credit unit to Deferred Plan. It was not handled well by one of the staff from City Deferred Plan dept. Credit Unit had to straighten it out including correct paper work. Also, stronger request a new change to allow for retirees to continue making contributions to the deferred program - perhaps automatic deduction from our monthly city retirement pension. Would love to see that and would help lower tax bracket.
1	its hard to attend the presentations when they are offered or you have to drive from a far distance to get to it on a weekend. i tried to inform myself more and was told could NOT sign up for a class, that sounded like what i needed, due to i was not retiring in so # of months or within the year.....then u have only a year to get things together! pointless on giving this class & not allowing all to be able to attend.
1	Dont give access to Insurance Agents, I need a plan I can trust, not one that is going to get kick backs from fake annuity experts
1	I'm retired, so I should not have to provide an answer to the occupation question. Did someone goof on this?
1	I want to make a one-time deposit to my Plan next year before 4-15-2016 to get a deduction on my 2015 taxes. Any problem with that?
1	I've used the counselors at City Hall to change/ update my funds and change my beneficiaries. The counselor was extremely helpful, very professional and easily accessible.
1	More outreach to all new employees, so that early in their career, they can start contributing to Deferred Comp. My personal experience when I started with the City at a site far from downtown was that I never heard of Deferred Comp until I overheard someone then I started looking into it. It was even worse for employees who have no computer terminals at their disposal.
1	Any additional fees for services would have to be very minimal for people to take advantage of them.

Count Response

1	LACERS already offers the ability to roll DC to an annuity. There is no administrative cost to the member.
1	Deferred comp should expand the number of low cost index funds like Vanguard Total Bond Market, mid cap, or small cap index funds. These low cost funds will help save and protect my money in the long run. They should expand these options.
1	on site personell have been absolutly unable and unwilling to provide help with recent inherited account. process was very stressful and disapointing.
1	More investment options would be helpful. I realize we have Charles Schwab as an option, but associated fees with Schwab drives down investment return.
1	1)The plan should allow to rollover your money to other IRA accounts while still working for the City. After all it is our money. 2)Very little information about the nature of mutual funds need some people who can give info and advice about mutual funds.
1	Aside from mutual funds and saving investments, would it be possible to add stock investments for people who wants bigger return at higher risk?
1	The availability of the current help for the City of Los Angeles plans - and here I am referring SPECIFICALLY those located at the downtown office - through Great Western -> Empower or whatever they are called now -- is horrendously unhelpful. Their hours, their location, their knowledge of details such as how to roll in unpaid leave accruals, - JUST AWFUL. When I get someone at a call center not out of the downtown I have gotten better and more help.
1	An option for precious metals would be good. Additionally, if compensated advice should yield a loss, the fee should be refunded. Also, management fees where investments have not yielded a return should be forfeited.
1	Time limits, on transfers from stock to savings, and bonds. seem to benefit the plan and not the members! The plan has fallen short in protecting us in this.
1	I would be interested in any written material relating to life insurance indexed annuities, the tax consequences,& historical rates of return....
1	I would like to have the option of change my loan payment amount online. (For loans from my deferred compensation account)
1	Deferred comp is a great way to save for retirement. However modern living tends to discourage any form of saving, due to the high cost of living.
1	I have been in this plan from the beginning. This plan has always improved since its inception. I think it is an excellent plan with very good service. Thanks
1	I am not fully aware of this plan. The only thing i knew, i got deduction every payday for a retirement plan.
1	The plan needs to offer more mutual fund investment options. They combined a number of funds which provided different level of risk into one fund. I went from five diversified funds to three with one holding over %50 of my investment money. You also need to look at fund costs since the most recent changes were to more expensive funds.
1	I am risk a adverse investor. I am told I must transfer money out of my account, invest it in risky stocks before I can put it in a different type of low risk investment. Change this. If necessary, allow low risk participants to put money in a non interest account for six months before changing to another low risk offering.
1	The website is very useful and allows easy access to everything I have needed to do with my account so far. Thank you.
1	website should have the capability to enter an "effective date" when you want to stop payroll deductions
1	No fees should be charged, ever, for anything. See the lowest-cost highest-earning investments at www.Vanguard.com
1	The website is great, and provides me with the information I need and when I need it. But, the navigation is a little awkward. In particular, getting back to the main menu after going to one of the options. Maybe a tab menu with all the options available at the top might be better.

Count Response

1	Much of this questionnaire does not apply to me because I have been retired for 14 years and it is my understanding that I cannot make any changes.
1	Deferred compensation plans may work for people who have expertise in 'playing the market' but most plan participants do not have this ability, therefore many people lose money. I am not at all satisfied with the plan, and I dont have time to act as my own 24/7 stock broker.
1	I am very pleased with the deferred compensation plan, though I would like to see more options to invest in without having to go outside the fund.
1	Very pleased with the Deferred Comp system. It fits my needs well. I am very happy with the servicing of my account I am most interested in having low fee funds to invest in.
1	Survey is flawed. Entered "retired" but could not continue until "current job classification" was chosen.
1	The plan should provide the ability to withdraw or rollover funds or take out loans on-line!! The loan forms are pretty straight-forward, but the forms for a withdrawal or rollover are a nightmare. All of these transactions should be available on-line!!!
1	This is an outstanding plan. I think you do really well in all respects. I'm glad I'm in this plan instead of any other.
1	I do not like the fact that the standard investment portfolios are heavily invested in actively-managed funds and the high expense ratios that come with them. I feel that employees should not be steered into them by giving them no other option (outside of a self-directed account). Instead, more passive/index funds should be made available, and portfolios that are purely invested in them should be offered, at a minimum. If employees see value in actively managed funds, they should be able to opt for them. Also, I'm skeptical of ideas to begin offering annuities. After a lifetime of savings and investments, these instruments would typically have a proportionally larger financial impact than other investment decisions. Without a fiduciary financial planner, and a diligent and good-faith review of annuity products, employees could be steered into bad/misunderstood products.
1	Survey should have a neutral and a not applicable response. We don't need any additional services that we would have to pay for. You seem to waste a lot of time changing logos and the "look" of your printed materials and even the name. Personally I would rather read about the materials, than look online. Please remove the extra fluff from the materials, just give us the information without trying to be creative.
1	make it more flexible to max out the contribution at the end of year even though the amount it over or under the deduction.
1	I hope this will not increase in cost of managing the funds. Third party companies always target yo produce income for them at the expense of others
1	Regarding the life-insurance annuity, LACERS already offers a Larger Annuity Program (LAP) with COLA. Given the low overhead of the LAP, I can't imagine how an annuity bought from an insurance company (which would have to pay commissions, etc) would have any cost advantage over the LAP. Rather than expending resources adding a life-insurance annuity product, I think increasing awareness of the LAP would be more beneficial for employees.
1	If only a one-on-one counseling is available (in my job site) with this Plan service, I will be very satisfied -- maybe there's one and I'm not aware of it. And if only this counselor will honestly direct me on how my investment is doing and what could be done to maximize my earnings in my investment--I'll be one happy camper. I'm not investment savvy, but I'm for contributing for my retirement. Thank you
1	I am very satisfy with the services that you provide and it's great to see that you are trying to add more services. Thanks!
1	I miss the options we had in the basic plan several years ago, especially the Hartford Capital Appreciation fund. The option to use that account through the individual brokerage is for inferior shares which eliminates the benefit of the fund. That fund was consistently a great performer. Maybe allowing those who want less options to speak with a rep and giving the rest of us back our options would be a good middle ground.
1	As we age, I would be interest in information about long-term health/home care and how to best set up or position my 457 disbursements to meet potential needs in this area.

Count Response

-
- 1 Some of the features mentioned in this survey were never communicated to active members (e.g. can withdraw without penalty after 59.5, set up to pay for...) For ones like me that is close to retirement, we need to know what retiree's program works and how it is different from active. Need more info/options/advices on distribution and RMD. Most of the funds are expensive (compare to what they were in the past) even for index funds and very limited choices...that may discourage me to leave the funds in the plan after retirement!
-
- 1 Very disappointed that you've chosen to transfer so many investment options to plans that are not publicly traded and can't be tracked on public exchanges. I've lost confidence in the plan since you've adopted this extreme level of lack of transparency. I was someone who recommended that people stay in the plan after retirement but now I'd consider it a huge mistake.
-
- 1 All future statements should include a field indicating total contributions made since the beginning of the employee's enrollment
-
- 1 It seems none of the funds offered are tracked or compared with funds on the stock exchange. How to compare the success of the Plan with public offerings is not clear.
-
- 1 Can you create printed materials on how the dividends can be determined for the quarter, and how they are reinvested into the 457 plan?
-
- 1 I am disappointed in the investment funds you now offer. I feel that you think we are too dumb to research individual funds and do our own investing. You now decide which funds are more risky than others and rate of return is not as good on your new funds. Go back to offering more investment options. As a retiree I don't have time to rebuild my portfolio if my rate of return plummets.
-
- 1 Website is critical to managing my account. Counselors are polite and helpful. I am so accustom to average customer service that it is refreshing to have the great service for a change. [REDACTED]
-
- 1 I am not aware that I could talk with someone in regards to different investments. It would help if investment people could reach out to talk about your current plan if needed.
-
- 1 Definitely would be interested in total financial planning even if it cost a price. Additionally more personalized assistance and options.
-
- 1 I would like to see satellite offices so I would not have to drive into downtown to talk to a representative. Traffic and parking are negative issues.
-
- 1 Develop an APP for IPHONE, IPAD, and Android devices so we can access our DeferredCompensation accounts easier.
-
- 1 I didnt get into deffered comp until i had over 10 years on the job. The city should do a better job of getting new employees to sign up with deffered comp.
-
- 1 Since we seem to be so spread out now, I do think it would be good to have representatives that go to outlying areas/buildings to speak to people.
-
- 1 There should be a way to withdraw funds by submitting forms online for people in retirement. Currently all forms for a distribution have to be faxed or mailed.
-
- 1 More information for employees who plan to retire. More local assistance, not only at City Hall. More financial workshops, not selling products, but for information. Lastly, life-insurance annuity sounds interesting. I would like more information on this.
-
- 1 Prefer continuing to utilize a call-in center to ask questions and make changes to account. Prefer not to maintain account on-line due to security issues.
-
- 1 I've requested direct deposit payments for my DF comp loan and have not received any info. I've requested via landline and e-mail. Help me out here.
-
- 1 Investment strategies for minimizing taxes before RMDs kick in. Most of the materials are how to learn/improve the accumulation phase, I am interested in strategies during retirement.
-

Count Response

1	We need more mutual fund investment options. Options are disappearing. I look at private industry and they have 30 to 50 investment funds.
1	I would need more information regarding the lifetime payments from a life-insurance annuity for a better answer.
1	I'm happy the City offers this service for employees. I only wish I knew about this service the day I started and not a few months later.
1	While I understand that the Plan is trying to simplify investment options for the average investor, I find it extremely frustrating that the number of investment options that the plan offers to me have dwindled significantly and bundled together, and that my International developed markets exposure is now only 65% developed and 17.5% emerging markets, which is completely different from what it was previously. I think that the options should also be offered unbundled, so that we could have the option to choose international developed only, or emerging markets only, or small cap value only. Telling me that I have options through Schwab SDB is not really fair, because those options (e.g. a product offered by DFA) are not all available, and other options are prohibitively more expensive than the institutional products that had been previously offered by the Plan.
1	The Deferred Compensation Plan is great for saving money in the long run. Investing is the key to success.
1	I find the changes made to the plan in 2011 and 2012 a changing point in my investing in the plan and I now only use the Schwab independent investment plan. I do not trust the investments in the plan . I was force out of some of my investments and it cost me in financial value and after fighting with the plan administrators over the timing of the changes I will never invest in any things offered in the plan. I just hope that they do not change the option of investing outside the plan with Schwab.
1	As a retiree with limited financial skills, with declining abilities, more advice and guidance would be helpful. Also, need more assistance with paperwork for withdrawal changes. Forms seem complicated.
1	I want above all the option to be able to invest in funds with low expense ratios and fees. I also want the option to invest in index ETFs with low expense ratios and fees without having to pay a fee to do this through Schwab- just offer these index funds and ETFs to us as options. If people don't know which funds to invest in, you should offer valuable and useful seminars explaining the different ones and their value, and participants should also seek out their own education. I am very upset that our Deferred Comp Board took away our options to invest in index funds with low fees and expense ratios than the funds we have now, which include actively managed funds with higher fees/expense ratios. The thought was that people didn't know how to invest their funds. The solution to that is not for the Board to decide for all of us (including those of us who are knowledgeable about what is best for us) that we would want actively managed funds. I am also very upset that we weren't told what the changes to these funds would be until the last minute, that the communication materials to us were unclear and inexact, and that our opinions weren't considered before the changes were made. I want an administrator that will offer this and communicate to the Board that they should not be making bad decisions for us.
1	I feel secure with the services offered. My retirement is very comfortable. Keep up the good work!
1	More retirement seminars should be scheduled during the last 2 months and the first 2 months of the Calendar year since more people plan their retirements during that time.
1	I really liked the old way where you could pay an annual fee to have someone manage our investments.
1	I would like more local advisors on how to invest my retirement funds, estate planning (wills, trusts, and charitable giving). Since we all have to join medicare or Medi-cal, know how to protect my assets would be helpful. I also want to understand insurance planning. I would like more strategies on how to reduce taxes after retirement. I feel that the Deferred Compensation Program was the one of the best steps I took for my retirement. The City pension, the healthcare, and my 457 retirement fund allowed me to leave the City in great shape and still young enough to enjoy many more years of good living. Thank you!
1	i switched to an aggressive portfolio earlier this year-from a very conservative portfolio. I lost so much money this summer that I will NEVER trust this play to invest my money. I had similar accounts with BofA that retained MOST of there value. your guys threw good money after bad. I was really shocked at how much your system lost as compared to my BofA accounts.
1	The 2 loans NO MATTER what should ALWAYS be allowed at half the balance up to 50K. Not based on the last 12 months balances.

Count Response

-
- 1 New to the plan, but when I talked to a representative (LA City Hall) and started, she was extremely knowledgeable and helpful.
-
- 1 I turn 70.5 next March 29 and shall be required to begin taking minimum distributions. I am grateful to the City for offering a 457 plan and recommend it to all City employees. The Deferred Compensation representatives I dealt with were excellent, starting with [REDACTED]. Deferred Compensation was my most valuable benefit as an employee.
-
- 1 Locally based counselors or representatives are a must and very valuable. they provide the one to one service needed that can not be achieved on line or by phone. I strongly support it but just haven't been able to use it as I should.
-
- 1 I am most interested in being able to invest my money directly in the stock market at reasonable transaction rates.
-
- 1 In all honesty this whole process is confusing as you are basically putting my hard earned money into the hands of people you don't know.
-
- 1 Plan should work with Personnel to develop quarterly or semi-annual seminars at each department. Many new employees are hired and do not understand the benefits offered.
-
- 1 Rather than providing an annuity option from an insurance company, perhaps it might be better to promote awareness of the existing LACERS Larger Annuity Program and the option to roll over funds from Deferred Comp to LAP. From the LAP brochure: Fees—Because LACERS is a nonprofit organization, there are no processing fees and you may receive a greater annuity per each dollar of your investment. Since LACERS is a non-profit organization, you might receive a larger payment per dollar of your investment from LACERS versus other entities
-
- 1 Since the DOL is currently debating disclosure and fiduciary responsibilities with respect to investment advice, some of the terms or services that are currently being proffered may incur additional cost depending on the ruling. So this survey choices with particular respect to fixed annuities, may change. In my opinion fixed annuities while very lucrative for the broker require great knowledge and fudiciary prudence to broker and there use can be very tricky with respect to disclosure. Good luck with those. Plan administration key to successful investing, sometimes more choices are not better and can serve more to confuse people than inform them of the choice being made.
-
- 1 Having the plan is extremely valuable. I simply have not taken advantage of many of the services. My bad, not the plan's. It would be EXTREMELY helpful if employees could schedule meetings with plan councelors in locations other than downtown and on Saturdays and evening hours.
-
- 1 More written and website information about loan programs from the existing balance in 457 account for retirees. Procedure for making a mortgage to yourself (retiree) from the balance in the 457 account.
-
- 1 No real suggestions other than having additional local office(s). Many people still prefer a brick and mortar building with so many employees living in outlying areas.
-
- 1 Everyone should have this plan to secure their retirement future! I know, I'm retired! [REDACTED] is the greatest! Thank you Deferred Compensation Plan- City of LA!
-
- 1 I need more advise on where to invest my contributions and to have a better understanding of the different options.
-
- 1 I wish there was an option to pay off loans over the phone, online, or at the City Hall location. That would be EXTREMELY convenient!! :)
-
- 1 Whenever I choose an investment option, it winds up being removed from what is available after a few years. That is very annoying.
-
- 1 I was disappointed when I wanted to roll over another retirement account into my deferred comp account and they wanted to deduct a monthly fee out of the roll over which eventually would have drained that account. I instead rolled it over to my Vanguard IRA account which had no problem accepting the funds and did not charge any sort of maintenance fee on it. Why would anyone be incentivized to roll over any account to the Deferred Comp? I would never have known about this charge either if I had not gone into the office to ask some questions about setting up the roll over.
-
- 1 Need to stress to individual investors about educating themselves in what to do in investing their money.
-

Count Response

1	I am happy with the plan since I retired, I kept my money with the plan. I have not taken any distributions as of yet. My plan is to take distributions at 70 Yr. I would like to see a secure interest rate above what the plan offers.
1	I don't use the plan as I should. But I'm aware of it. I plan on becoming more hands on my plan since my years of service are close at hand.
1	I didn't see any information about self directed investments, which is the most valuable offering you have. Had I had that when I first started with the City I would have retired a long time ago. In my own personal trading I purchased apple at \$12 a share. I would have done the same with my deferred comp but at that time, that wasn't an option.
1	I hope that we are not investing in defense/war and/or fossil fuels and other contributors to anthropogenic climate disruption.
1	I think that there should be more resources on HOW to invest your money. More personalized. If you see I'm losing money, notify me and give me your advice on what I SHOULD be doing.
1	If I would have CLEARLY known about the error I made in rolling money out of my 457b plan and rolled it into an IRA (due to the 10% early distribution prior to age 59 1/2, I would have probably kept a larger amount in my 457b plan rather than rolling it out. I have had to pay the 10% penalty due to not having been made clearly aware of this BIG issue for those under 59 1/2 years young. Classes could also be offered as to when an account has grown substantially, one should be trained to accept, "This is a 'big enough' gain, let me close out this investment or let me substantially reduce it, so as not to give too much of it back when draw downs occur in the market, especially large ones. The competency of local counselors was not established too clearly, so as to better trust their judgement.
1	I think it would be beneficial to have an option on the website to see the amount of money you had payed into the account versus the amount in the account.
1	It's always hard to visualize the data available in the disclosure forms, or even in my own account. I like LINE GRAPHS but the only one available is so broad as to be useless. I want to be able to see what is going on in my account relative to the swings of the economy. It's paternalistic and condescending to withhold those easily generated graphs and it's transparent that you don't have them offered because you're afraid of emotional decision making, but it's my money and I would like some MEANINGFUL graphs to show me what is going on with it. Something that shows at least weekly balances rather than the overall that shows broad changes in balance only.
1	Kudos for meeting scheduled on the Sat. Weeks days is harder to get out the office to attend your meeting.s
1	it would be nice for someone to contact me every 3-5 years to let me know if I am on target.....I just save and hope it is enough at the end. Blessings, :-)
1	I use the Statements on Demand regularly and enter the information into Quicken. I prefer to do this manually instead of downloading transactions into Quicken. Please continue to offer the Statements on Demand feature.
1	I have only needed the advice of a local counselor once: How to roll money into account from other retirement fund. Good experience. Only two services I really want: 1.) Access to investment advisor for reasonable amount (maybe up to \$480 annually.) 2.) Ability to invest funds in real estate - a self managed option. e.g. My account buys a rental property and revenue goes back into the account.
1	It would nice to be able to access my Deferred Comp account via My PaySR DTime so I don't have to remember another password.
1	Our current Deferred Compensation Plan is charging 1%. Most retirement plans of this nature will charge .5% or lower. I have considered taking my money to a private account because the fee is too high.
1	I absolutely HATE that you've combined costly actively managed funds with index funds as fund options. I see no reason to purposely increase the cost to employee participants unless the decision-makers received some kickback. Hopefully, one day some City Attorney decides to sue and you will be forced to reinstate the index funds as well as pay back the active fund fees charged as a result of the unwanted and unapproved investment changes you made to employees' fund choices.

Count Response

1	Revised web site and tools helpful in retirement planning and doing plan transactions on my own. If possible, have a few case studies of past plan members (anonymous) and how they invested and what happened to show real examples of different investment choices and consequences.
1	Deferred Comp has come a long way since I first enrolled. I see the greater benefit of its services now as I get closer to retirement than when I was a newer city employee.
1	My priorities are low Plan costs, and good selection of investment options. I am not interested in any services that will increase costs of the Plan to all participants. If participants want additional services, they should pay on an individual basis.
1	I love the plan. I would enjoy a local office in the valley as well as regular outreach information at the police stations.
1	I can't get into my account information since I changed departments. I will need to call by phone for help to get into my account from the website.
1	I love this program, however I don't really understand it. I would love to actually understand what I am doing and how to get the most out of the service. Thank you!
1	is it true that all monies must be taken out by age 72? I called to talk to one of your counselors and he gave me an answer I did not understand.....
1	1. Suggest offering an optional target date rebalancing glide path to help participants move from one profile fund to another in an appropriate way for their retirement date 2. Annuity option: for LACERS members there is the LACERS Larger Annuity as an option for moving some or all of Deferred Comp money into at retirement and may be a better deal than one from an insurance company 3. Qualified Longevity Annuity Contract: will Deferred Comp be considering this for those who want old age income protection?
1	I am a novice at retirement issues and I do not utilize the services provided by the Plan. If I were encouraged - know more about the benefits, I would take a more proactive approach to retirement. I am a few years away from retirement and it would be good to have a better understanding of what was needed so I will not have to remain at work.
1	The plan should provide low cost index fund options for both mid-cap and small-cap funds not just the large-cap fund.
1	all the tools being offered are very helpful in planning my retirement, i could use help on what a retired paycheck would look like once i retire
1	I have _never_ boon told of any call center or place I cxan go to change/manage my account . [REDACTED]
1	Buying back service credit seems incredibly slow, and it's difficult to tell where you are in the process. Other than that all I've done with the plan so far is contribute money and lose \$112 in the stock market with it, but that's okay, I've got a long way to go, of course.
1	I have used the loan service when I really needed it. I upped my deposit amount a couple of times. I confirmed my beneficiary once. [I think it was you guys] We both look over the quarterly statements. Its kind of fun seeing the amount grow; when it does. Other than that we don't think about the plan that much. We are hoping there will not be any SNAFU's before we retire,
1	The questions here are scary...I foresee a clear winner in the direction it appears this Plan is going (financial middlemen and institutions) and it's not going to be the membership.
1	Retirement calculator does not address special catch up provision of 36,000.00 by 25 payments when entering numbers. It doesn't recognize increase is only for three years throwing off accurate projected estimates. Calculator should be adjusted to accept this option which is offered by the plan.
1	I wish this questionnaire was taken years ago. I was not aware of the "call center" or local counselors. Could you provide me as to how I could contact a local counselor or plan counsler? Thank yok KT Can I still talk to a counselor or ?

Count Response

-
- 1 I wasn't aware that a local "counselors" were available. Last time I was in the office, I was told they couldn't advise me on investments only explain what they were. I had to get a financial adviser. It would be great if someone would've been able to be an adviser and counselor to direct me since I am overly cautious and knowledgeable about investment strategies. It would be great if the City had someone to do estate planning and financial planning. These would be great services and benefits to all in not getting into debt and be taken advantage of in retirement or in the event of our death for our loved one's we leave behind.
-
- 1 I retired from LAPD and now work backgrounds for the City. We should be able to take our money from our deferred compensation account
-
- 1 I have had plan administrators visit the station before with very positive help and information. Unfortunately they have to travel all the way from downtown,. I think someone closer would be better for access for all involved
-
- 1 Last year I worked with Deferred Comp to do 3 government service buybacks simultaneously. I worked with a representative who gave fairly good service, but the multiple forms were extremely complicated and due to confusion and/or miscommunication with the Deferred Comp. representative (s/he mistakenly confirmed to me that all my forms were complete/received, when they weren't) I ended up missing a deadline and having to pay an extra \$800 to receive my service credit. Overall, I appreciate the quality of the service that I got but the mistake about deadlines might indicate that the Deferred Comp staff is overwhelmed and need more people, or maybe more flexible schedules allowing more hours during busier cycles?
-
- 1 Some of the questions had choices that were too far apart. From "Somewhat Difficult" to "Very Easy" is too wide. There should have been a "Somewhat Easy" or some other more neutral answer. The same for "Somewhat Agree" to "Completely Disagree". It makes it look like you are trying to move the poll in a pre-ordained direction.
-
- 1 I like this survey!....but now that I'm retired, it came to late. This survey is very important to newer employees. Hopefully my twin boys get hired by LAPD and this plan gets even better by listening to past employees. Thank you for carrying, [REDACTED].
-
- 1 The Administrator should provide account information for the entire period of the employee's participation, not just the period of time the Administrator has had the contract.
-
- 1 I did not use local rep much since the first few times I went to see one a long while ago, because of the very little help I got from the person(s). He/She provided very little help and would always referred me to the website. I felt like I was bothering them, instead of them trying to help me with my questions.
-
- 1 I was told years ago that once you leave the city you couldn't put money into your account. If this is true, I wish it wasn't. My husband wishes there were more choices to invest the money in. I would like to know how to avoid the penalties if any if I take before 59 1/2 and the annuity for lifetime income.
-
- 1 Stop making us payback on our loans after we retire. After all it's our money, we're paying back.
-
- 1 I would really like more assistance with financial planning and seminars on how to use the account now and after retirement.
-
- 1 Happy I can use the plan to save for my retirement. I have nearly maxed it out since I began 15 years ago.
-
- 1 Need lower fees. Why not more Vanguard offerings? Do not need investment advice, etc. Most brokers will sell you what they get the best commission for instead of what is good for you. Believe this is not doing right by plan members. I do need to try to use the website to figure out more about changing contribution allocations.
-
- 1 How does your money grow by putting it in a life insurance annuity verses regular withdrawals from the 457 plan.
-
- 1 My biggest concern is the investment options offered under the plan and the expense ratio associated with each option. Unfortunately, I have noticed a disturbing trend over the past couple of years where the plan has migrated away from low-cost index funds towards high cost managed or at least partially managed funds. Research shows that the fees for such managed funds are almost never worth any increase in returns.
-
- 1 would like to know how much my life time contributions so I can see how much my total gain as of now.
-

Count Response

1	I see no changes in my investment holdings. I thought it was supervised by money managers who ,are constantly looking for more lucrative investments for their members.so that members can get the make the best of their investments.
1	I am very upset about the plan's choices. There use to be many options, now the options are limited. I prefer low cost index funds. None of those options even exist now. I believe the changes were made to generate more income for the plan provider. I want to passively manage my account, where every paycheck an amount is deducted that goes into low cost index funds in each investment type (large cap, small cap, international, etc). Instead, now I am stuck with either fund options I don't want, or I have to use the Charles Schwab account and manually buy index funds from a money market account every payday. I want the changes reversed to go back to the way things were.
1	Many years ago I attended a presentation on Deferred Comp and why/how I should invest. The meeting was held at a convenient location and made it easy to attend. It was very informative and provided me the incentive to invest. Since then, the only meetings I have seen regarding deferred comp have been at locations downtown or in Van Nuys. There needs to be more meetings available to those in the field and different regions. Also consideration should be given regarding traffic and ease of parking (in addition to the cost of parking). If you make it easy, we will come!
1	Since I've already retired, with sufficient income and savings, there is no need for me to access most of the services offered.
1	DEFERRED COMPENSATION IS THE BEST PLAN AN EMPLOYEE CAN HAVE TO COMPENSATED ONES RETIREMENT. THANK YOU.
1	Overall I am very satisfied with the plan. I would it if the plan offered professional investment personnel to help with maximizing returns.
1	I am having difficulty checking on my account balances and wish there was an easier way to do it or get answers.
1	So many of my employees do not know about the deferred comp program or how it could help them. I would have done this earlier in my career if I had known.
1	I know that I should set up an appointment with a Plan representative, I just haven't gotten around to it yet. It would be great if we received an email to remind us to do that. The meeting locations and times for retirement information are not convenient - I have to take time off of work to do this.
1	I am trying to buy back time for my defferred compensation plan and I was told it would take over 6 months just to get an estimate. Only after I receive the estimate am I actually able to buy back my time. That is a ridiculous amount of time. Can we figure out why this calculation of time buy back is taking so long?
1	I really am just winging it with my account. its just a savings account as opposed to an investment account because I do not know what I am doing. nor how it works after retirement
1	I would not use the new services talked about in question19 because I fear they would have a vested interest in the investments offered.
1	There should be informational meetings/fairs not just in downtown but also in the Valley. I work in the valley and many of my co-workers notice and complain that many benefit informational meetings never take place in the valley.
1	There should be more financial planners to help with the load and made more readily available. Plan should offer Living trusts and will for a fee so that employees understand the distribution and estate taxes after death.
1	Even before retirement, I began my roll-over of some of my \$ in my accounts to Scott Trade, however, it took a month to get it transferred. Although I got the proper form from the webpage, I was informed later on that it was an old form. I had spoken to a representative in your main office about keep paying on my loan, however, I was informed that they were considering it a taxable distribution and would be tax at the normal rate. I spoke again with one of your reps would said that they would start sending my coupons, however, I still have not received them
1	When checking my account for example "Balance over time", or "Rate of return " I can only go back three calendar years. Why couldn't you in theory be able to track that information on line since the participants inception.

Count Response

1	I would like more transparency with regard to how much in fees I'm paying for the plan. I know there's an admin fee, but I know there are other fees and I wish you would explain and make it clear. I hope the City knows how much is being paid by participants, as I don't want to lose so much of my retirement money through fees.
1	The survey didn't ask about the self directed account which is, to me, the most valuable aspect of the plan. I would say that the thing I'd like to see most in that regard is for the plan to negotiate cheaper commissions at Schwab.
1	I think the current manager is doing an excellent job and I hope they are selected again. I have confidence in the Deferred Compensation program and hope the program will continue to provide reassurance to those who are reaching retirement age..
1	The plan operator do not help. the 1-800 number representatives do not help. The plan counselors for the City of Los Angeles, are not helpful and are not knowledge regarding critical questions that I ask for the program.

SECTION 2

PLAN PROFILE & SCOPE OF SERVICES

A. PLAN OVERVIEW & MISSION STATEMENT

The City of Los Angeles Deferred Compensation Plan is a tax-advantaged supplemental retirement savings program established in 1983 under Internal Revenue Code (IRC) Section 457 and by City of Los Angeles Administrative Code, Division 4, Chapter 14. All Plan assets are held in trust for the exclusive benefit of participants and their beneficiaries. **The mission of the City's Plan is to assist all City employees in achieving retirement income security.**

B. PLAN GOVERNANCE & ADMINISTRATION

The Board of Deferred Compensation Administration ("the Board") administers the City of Los Angeles Deferred Compensation Plan (DCP). The nine-member Board includes three elected employee representatives from the Los Angeles City Employees' Retirement System ("LACERS"), Fire and Police Pension System ("Pensions"), and Department of Water and Power Retirement Plan ("DWP Retirement"); the LACERS General Manager; the Pensions General Manager; the DWP Retirement Plan Manager; a certified Union Representative; a retired participant representative; and the General Manager, Personnel Department. The Board has administrative responsibility, including contract authority, for the Deferred Compensation Plan. The Board has a monthly standing meeting.

The Board is supported by City staff who are employees of the Personnel Department, Employee Benefits Division. Currently, the Plan is supported by three full-time City positions and two senior/managerial positions. City staff oversee the execution of Plan rules and City policies pursuant to adopted governance documents and direction of the Board; oversee the daily operation of the Plan; develop policy recommendations and conduct research on behalf of the Board; coordinate administrative matters related to Plan budget, communications, and contracting; and conduct monthly Board meetings.

Plan legal counsel is provided by the City Attorney's Office. The City Attorney assists the Board and Plan staff with procurement and contract development, the conduct of public meetings, facilitation of tax and compliance-related research, and the disposition of beneficiary claims and account separations due to dissolution of marriage.

C. CITY OF LOS ANGELES RETIREMENT SAVINGS STRUCTURE

The City of Los Angeles offers three defined benefit retirement/pension plans for its regular full-time and half-time employees, one supplemental savings plan that is available to all members of the defined benefit plans, and one plan for the City’s part-time, temporary and seasonal employees. These include the following with data as of _____:

Retirement Plan	Type	Active Members	Retired Members	Assets (in billions)
Los Angeles City Employees' Retirement System	Defined Benefit	24,009	17,532	\$13.9
Los Angeles Fire and Police Pensions	Defined Benefit	13,097	12,502	\$18.3
Water and Power Employees' Retirement Plan	Defined Benefit	8,960	8,739	\$9.7
City of Los Angeles Deferred Compensation Plan	Defined Contribution	32,377	9,132	\$4.7
City of Los Angeles Pension Savings Plan (part-time)	Defined Contribution	6,869	31,583	\$0.6

City employees do not participate in Social Security and are mandatory members of either one of the three defined benefit systems above or the Pension Savings Plan. As a result, for most of the workforce (particularly those who spend most or the bulk of their careers in City employment), their retirement income will be driven primarily by a combination of their defined benefit and defined contribution plan income.

D. DEFERRED COMPENSATION PLAN: SUMMARY OF CORE SERVICES AND FEATURES

The Deferred Compensation Plan currently offers the following core features and services to its participants:

Communications

- ⇒ Core mission and retirement security objective
- ⇒ Retirement Income Projection Calculator (customized to the Plan)
- ⇒ Enrollment/marketing/education materials (including quarterly newsletter)
- ⇒ Website (current: www.cityofla457.com)
- ⇒ Call Center

Investments

- ⇒ Plan-Branded Unitized Asset Class Funds
- ⇒ Custom Risk-Based Asset Allocation Funds
- ⇒ Capital Preservation Options (Stable Value Fund and FDIC Insurance Savings Account)
- ⇒ Self-Directed Brokerage Window

Contributions

- ⇒ Pre-Tax & After-Tax (Roth) Savings
- ⇒ Special Catch-Up Contributions
- ⇒ Rollover administration (defined contribution, IRA & other pre-tax dollars)
- ⇒ Post-severance contributions of accrued leave
- ⇒ Pre-Tax to Roth Conversions
- ⇒ Auto enrollment (to be implemented)

Distributions

- ⇒ Active Participant Loans
- ⇒ Terminated/Retired Participant Loans
- ⇒ Full, Partial, and Periodic Payment (by term or amount) Distributions
- ⇒ Purchase of Service Credit
- ⇒ Hardship Withdrawals
- ⇒ De Minimis Withdrawals
- ⇒ Beneficiary Claim or Dissolution of Marriage Account Administration

Counseling & Education

- ⇒ Local service center and counselors
- ⇒ Individual and group meetings/education

E. CORE MISSION AND RETIREMENT SECURITY OBJECTIVE

The mission of the City's Plan is to assist all City employees in achieving retirement income security. The City's Plan defines retirement income security as 100% replacement of "lifestyle income" upon retirement. Lifestyle income means an employee's gross annual salary less primary defined benefit, defined contribution, and Medicare salary reductions. **The City's Plan is firmly committed to its formula for lifestyle income replacement as being the most salient and accurate means of assessing retirement readiness.** It is the City's objective to align all of its Plan services and features, goals and objectives, and evaluation of participant outcomes, around achieving ever higher levels of success in meeting the core retirement security objective. The TPA plays a crucial role in supporting the City's Plan and its participants in this fundamental endeavor.

F. KEY SUCCESS METRICS

The key metrics for evaluating the success of the City's Plan in meeting its core mission include the following:

- *Participation* – Participation in the Plan is a pre-requisite for virtually all eligible City employees to achieve the retirement security objective, because retirement security is otherwise not possible to achieve by relying on the defined benefit program alone.

- *Contributions* – Participants must contribute to the Plan at a level which allows them to meet the retirement security objective. As a general guide, participants who are long-term (i.e. 30-year) employees and begin at a contribution rate equal to approximately 2% of salary and ending at approximately 10% of salary will meet the objective of 100% replacement of lifestyle income upon retirement.
- *Asset Retention* – Participants are generally best served by consolidating and maintaining their defined contribution assets within the City’s Plan because of the pricing economies of scale afforded by its size and the lack of any conflicting incentives relative to investment selection – these fee benefits directly impact asset accumulation opportunities which translate to success in achieving retirement security. As a result, both incoming and outgoing rollovers are key metrics for evaluating the success of the Plan in meeting its core mission.
- *Distribution Election* – The accumulation of a large balance in the Plan does not necessarily translate to achieving and maintaining retirement income security if those resources are depleted soon after separation of service by lump-sum withdrawals. Thus, a key metric of success is the degree to which participants preserve their assets or convert them into long-term income streams.
- *Risk-Based Investment Elections* – The City’s Plan recognizes that each participant must create and maintain an individual relationship to risk that is appropriate for that individual’s risk tolerance, and that the Plan is not in a position to define or promote any specific allocation mix for any individual participant. The Plan’s analysis indicates that participants can achieve retirement security with or without taking on market risk. Thus, the key metrics for evaluating the Plan’s success with respect to investment elections relate not to the overall asset mix but (a) levels of ongoing personal engagement with participants to assist them in determining their unique relationships to investment risk; and (b) participant self-assessments of their understanding of and comfort with their investment allocations.

G. COMMUNICATIONS

The City places the highest priority on Plan communications because they fundamentally represent the touch-points at which participants engage with opportunities provided by the Plan to (a) support achievement of retirement income security and (b) take advantage of other Plan services and benefits. All of the communications resources provided by the TPA are evaluated relative to their effectiveness in communicating, translating, and reinforcing the importance and value of the retirement security mission.

In addition, the City’s Plan contracts with a separate communications consulting firm to assist the City in designing its communications strategy and objectives,

and to help develop and execute specific communications initiatives. The City recently initiated a project in which it will work with its consultant to conduct a communications audit and define a long-term, outcomes-based communications strategy that will align all Plan communications and communications metrics with the Plan's core mission.

(1) Enrollment/Marketing/Education/Statement Materials

The City's Plan offers a range of enrollment, marketing and educational materials to its Plan participants. The TPA plays an important role in designing communication materials which effectively communicate, translate and help participants navigate the Plan's mission, rules, services and features. Key components of the this suite of materials includes the following:

- *Enrollment Guide* – The enrollment guide provides prospective participants with the framework for understanding the broad retirement paradigm, the relationship of the City's defined benefit and defined contribution plans to achieving the retirement security objective, and the fundamental decision points for initiating participation in the Plan.
- *Marketing/Educational Materials* – The City's marketing materials serve the purpose of engaging prospective and current participants with the opportunities provided by the Plan to meet the retirement security objective. The City relies heavily on the resources provided by the TPA to develop innovative and engaging materials to meet the fundamental prerequisite of participating in the Plan. Educational materials serve the purpose of helping participants understand the wide range of Plan rules, services and features (e.g. with respect to investments, contribution limits, loans, etc.)
- *Distribution Guide* – The Plan's distribution guide provides participants who have recently separated from service with information regarding their distribution options and how those options can impact the retirement security objective.
- *Quarterly Statements & Newsletters* – Quarterly statements and newsletters have been identified by a large segment of the City's participant population as a primary means by which participants engage with their account value and learn about the services and features of the Plan. Presently approximately 28% of Plan participants opt to receive their statements electronically.

The City's Plan is at a crucial turning point in shifting its communications focus towards an aggressive, highly disciplined, and outcomes-based strategy centered around achievement of the retirement security objective. A key objective of this RFP will be to identify the firm that has the resources, institutional commitment, creativity, facility, responsiveness, and innovative mind-set to support the City's ambitious communications objectives.

(2) Participant Forms

Participant forms are used to execute a variety of transactions, including enrollment, participation in the City's Special Catch-Up program, distribution elections, rollovers, terminated/retiree loans, post-severance accrued leave contributions, and other transactions. The City's Plan views these forms as more than a means for a participant to execute a transaction. Forms are also an important tool by which the Plan communicates the essential information a participant must be aware of in order to make a well-informed decision.

The City recognizes that forms are also vehicles for communicating required and necessary disclosures to participants. However, a guiding principle for the City's Plan in all communications is that "effective disclosure does not equal effective communication," and this is particularly the case when considering participant forms. In assessing the relative strengths of vendor capabilities in this area, the City's Plan will closely scrutinize the communications efficacy of its standard forms and the degree to which they prioritize first and foremost the participant's ability to understand his/her elections and their consequences.

(3) Customization Capabilities/Resources & Compliance/Review Processes

The City's Plan recognizes that TPAs, in order to deliver the efficiencies that create the lower pricing opportunities sought by plan sponsors, must apply certain uniform processes in the design and administration of communication content and transaction forms, and that often a structural relationship is embedded between content/forms and the TPA's recordkeeping and/or operational structure. Nevertheless, because of the vital function and potential impact of participant communications, the City is seeking to not only evaluate how effectively service providers demonstrate their organizational commitment and efficacy to participant-based communications, but also the extent to which they can provide opportunities for a plan sponsor such as the City, which is highly energized around communications, to deliver timely, customized materials which in the City's judgment are either more effective generally or better meets the unique needs of the City's population.

One of the key aspects of the present state of communications generally (including retirement administration as well as the production of information in the modern world at large) is the need for speed and facility in generating and adapting messaging and content. For TPAs, a key resource which can impact the success or failure of communications is their compliance and review process. The City seeks facility, responsiveness, and speed from the TPA's compliance review resources.

H. LOCAL STAFFING

(1) Local Service Center Resources

The City presently offers a Local Service Center that is located/headquartered in the City Hall office of the Personnel Department's Employee Benefits Division. This service center currently includes three full-time and two part-time representatives and is open Monday through Friday during normal working hours (presently 8:00 a.m. to 4:00 p.m.). Minimally two representatives are required to be available to assist with participant inquiries during these hours. Local representatives assist participants visiting the center in person, over the phone using a City of Los Angeles phone line, via e-mail, and at various off-site table service events or group meetings.

Local representatives record over 36,000 participant contacts annually (this includes in-person meetings, local phone contacts, and individuals attending off-site group enrollment or educational seminars). Local representatives conduct over 300 group meetings annually. **Local representatives are required to hold meetings at potentially any City location (including DWP locations in Nevada) and potentially any work shift.** The table below breaks out the annual approximate number of participant contacts by type:

Local Engagement Type	Number of Contacts
Individual Counseling	11,000
Group Meeting Attendees	8,000
Phone Calls	<u>17,000</u>
Total-->	36,000

The Plan's local representatives are employed directly by the TPA and are required by the TPA to obtain the Financial Industry Regulatory Authority (FINRA) Series 6 and 63 licenses in addition to the Certified Retirement Counselor (CRC) designation from the International Foundation for Retirement Education (InFRE). Local representatives do not provide investment advice and receive no financial incentives with respect to any investment-related decisions made by Plan participants. An important objective for the City's Plan is to ensure that neither the TPA nor any of its agents or representatives receives any compensation that is related to a participant's election of a specific investment option.

The local service team supports the City's efforts in increasing voluntary enrollment, assisting Plan participants in understanding the importance and success factors in meeting the retirement security objective, understanding and navigating Federal and plan rules related to their account, successfully executing the full range of participant account transactions and elections, assisting with complaint resolution, and providing investment counseling. The City also seeks a

local service team that is resourceful and adept in the resolution of participant account matters including process execution and resolution of errors.

The City's relative success (as compared to its state/local government peers) in participation rates, average contribution amount, average account balance, and other metrics is attributable in large part to the level of personalized engagement which occurs with the local service representatives. As a result, the qualities and capabilities of the proposed local service team is an important component of this RFP.

The City is seeking a complement of five full-time local service representatives. Four of these local service representatives should be licensed to provide participant counseling. The fifth local service representative would provide administrative and clerical support to the local operations teams and is not required to be licensed.

The City will accommodate minimally two of these local service representatives at its Employee Benefits Division local service center location at City Hall. The other representatives should have other workspace maintained by the TPA which is not required to provide public counter service but which is required to provide local telephonic support to participants. Local staff should also be made available to provide participant counseling services at a variety of City locations as scheduled by the City.

PARTICIPANT WEBSITE & TECHNOLOGY

(1) Website

The TPA will be required to administer a participant website which will provide participants with the ability to manage their contributions, distributions, loans, investment elections, and beneficiary designations, as well as access enrollment and educational materials. The structure of the current website breaks up participant functions into the following primary categories and is represented as follows:



Structurally, it is the City’s intent that the “aerial view” of the Plan not deviate significantly from this structure. However, the City will assess each proposer’s core website template and functions to evaluate their relative success in effectively organizing categories of information for participants.

The City will also evaluate each proposer’s website functionality for user-friendliness, opportunities for/limitations to customization, interactive features, planned enhancements, and speed/facility in generating and adapting messaging and content.

(2) Other Media Technology

The City is interested in reviewing other communications media technology that vendors may offer such as videos, mobile applications, social media tools, etc. The City is additionally interested in mass e-mail capability, with options to send communications to segments of the population. Additional and alternative means of engaging participants is important as continued fragmentation occurs with respect to how participants prefer to or are willing to receive information.

An important value for the City is ensuring that the Plan be able to communicate a high-level, simple and coherent framework for participants to conceptualize the

most fundamental objectives and aspects of the Plan. The City will look to ensure that communications/features/services “overload” does not come across as overwhelming to participants or distract them from the most important and critical factors impacting their success with the Plan.

I. RETIREMENT READINESS & INCOME REPLACEMENT

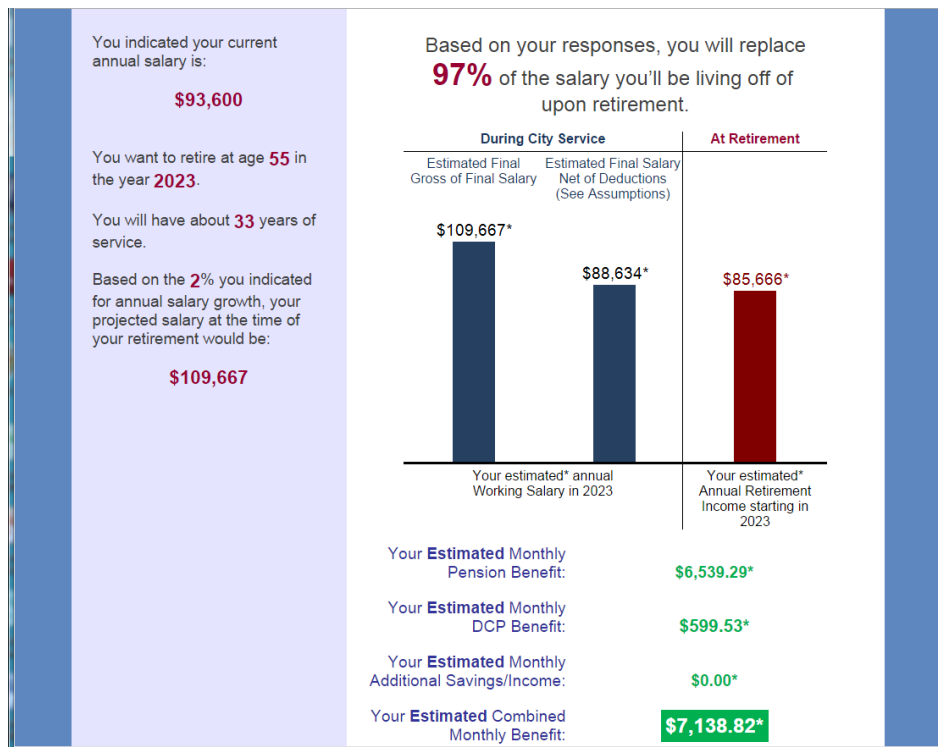
(1) Retirement Income Projection Calculator

The City’s Plan has developed a custom Retirement Income Projection Calculator (“the Calculator”). The Calculator provides an interactive mechanism for participants to solve for their individual progress in meeting the Plan’s core mission objective of achieving 100% replacement of lifestyle income upon retirement. The Calculator was designed by the City and created through a sub-contractor of the incumbent TPA. The City owns the rights to the calculator and will seek to prominently place it as a core category on the provider’s website.

A participant enters a range of unique data points relating to defined benefit retirement system membership, years of service, desired retirement age, current contribution amount and balance, expected accumulation and decumulation rates of return, wage inflation, etc. The participant further has the ability to enter information related to any reductions in living expenses upon retirement (e.g. elimination of a home mortgage payment) or reductions in retirement income (e.g. reduction in the defined benefit payment as a result of assignment of community property interest in the defined benefit plan pursuant to divorce).

The Calculator then produces a calculation of the participant’s projected gross salary, projected lifestyle income amount, and the projected dollar and percentage replacement of that lifestyle income amount upon retirement. The defined benefit portion of projected retirement income is calculated based on the unique rules of each of the City’s three defined benefit plans embedded within the calculator.

The City is looking to, in partnership with its third-party-administrator, enhance the features, presentation, and facility of the calculator, including providing the ability to capture the results which participants generate and produce aggregate reports of that data. **The City will not, however, compromise the fundamental calculation of lifestyle income replacement which is the heart of not only the Calculator but the Plan's core mission.**



(2) Retirement Readiness Philosophy/Combined DB & DC Income Projections

In connection with the City's commitment to its formula for lifestyle income replacement as being the most salient and accurate means of assessing retirement readiness, the City is interested in reviewing each vendor's philosophy and approach to the question of measuring retirement readiness. The City is further interested in reviewing vendor capabilities in the arena of generating combined defined benefit and defined contribution plan income projections.

J. CALL CENTER

(1) Call Center: Automated Line & Functions / Customer Service Representatives

The City's Plan offers a toll-free line and Call Center. The Call Center should offer access to (a) an automated system providing Plan participants with the ability to execute transactions (e.g. balance inquiries, contribution amount changes, balance transfers, loans, contribution allocation changes, etc.) on a 24/7 basis; and (b) Customer Service Representatives (CSRs) for transaction assistance or to access information about the Plan. The Call Center should have multi-language and translation capabilities, including but not limited to English, Spanish, and resources for hearing-limited individuals.

CSRs should be available to answer participant questions between the hours of 7:00 a.m. and 5:00 p.m. Pacific Standard Time (PST) each business day. Calls

with CSRs should be recorded. Participants initiating transactions via the automated phone system or with CSRs should receive written confirmations (via mail or e-mail) of their transactions.

The TPA should ensure that its CSRs are properly licensed to provide information guidance to Plan participants regarding the investment choices offered under the Plan. The TPA should ensure that such information is provided in a manner consistent with the requisite insurance and securities laws and that all personnel who provide such information shall be properly licensed with all required regulatory agencies, if applicable. The TPA should further ensure that all CSRs assigned to handle calls for the City's Plan be well-versed in the Plan's specific features and options.

K. ENROLLMENT, CONTRIBUTIONS, DISTRIBUTIONS & LOANS

(1) Contributions & Rollovers

Contributions Overview - City employees participate in the City's Plan by completing an enrollment form with the TPA. The TPA then captures that enrollment information on its recordkeeping system and sends a bi-weekly data file for each of the City's two payroll centers (the City Controller's "Paysr" system and Department of Water and Power (DWP) Payroll) which includes all new enrollments as well as current participants increasing or decreasing their deferrals. These files are downloaded from the TPA plan sponsor site and electronically uploaded to the City's payroll system and manually entered into the DWP system. After payroll is processed, the City and DWP provide the TPA with an FTP contribution summary along with the wire transfer of funds corresponding to the bi-weekly summary of contributions. Under current rules, City employees may designate a rounded dollar amount (no cents) contribution amount. The minimum contribution amount is \$15. Participants may contribute as much as any single bi-weekly paycheck will allow, up to applicable annual contribution limits.

Special Contribution Elections – The TPA provides a means for participants to make the following contribution elections:

- *Ongoing*
- *Single Payroll* (participant schedules a single payroll increase for a single pay period, and the deferral subsequently returns to the regular deferral election on file)
- *Scheduled Increase* (participant designates an increase of their contribution at a specified interval between one and five years)

Contribution Limits - The City's Plan provides authority for each of the Internal Revenue Code's three contribution categories: participants below age 50, participants age 50 or older, and Special Catch-Up contributions. The City's payroll systems automatically enforce the contribution limits for all three

contribution categories, though additional handling is required for the Special Catch-Up contributions. Contributions which would take an employee's annual contribution above the annual contribution limit are rejected by the payroll systems.

Catch-Up Contributions - The City's payroll systems maintain historical contribution data and can calculate unused Catch-Up "buckets." Participants must complete Catch-Up enrollment forms. The TPA, working together with City staff and resources provided by the City's payroll systems, identify the Catch-Up bucket available to the participant before approving Catch-Up enrollment.

Accrued Leave Contributions – The City utilizes a manual process permitting employees to contribute the dollar value of unused accrued leave (e.g. sick and vacation leave) to the Plan upon separation from service. Participants complete a form with the Local Service Center. Contribution eligibility is validated by City staff and the special contribution amount is entered into the City's payroll systems by City staff. The contribution is processed to the TPA on the regular bi-weekly contribution file.

Contribution Types and Contribution Elections – Participants may elect to contribute either pre-tax or after-tax (Roth) dollars, or a combination of the two. Upon enrollment they designate their contribution type and amount. Post-enrollment, they may change their contribution type or dollar amount by either executing the change through the Plan website or making an election via the Call Center (through a CSR or via the automated system).

First Day of the Month Rule – The TPA presently enforces the First Day of the Month Rule which, per the Internal Revenue Code, limits new or adjusted contributions from being effective in the month in which they are elected. The TPA controls for this through functionality on the Plan website and its recordkeeping system which incorporates City paydays into its effective date schedule and prevents participants from having changes become effective in the same month in which a new or adjusted contribution is elected.

Rollovers/Transfers (Into Plan) – The TPA provides rollover forms to Plan participants allowing them to roll in pre-tax 401(k), 403(b), 457, IRA, and 401(a) accounts into the City's Plan. This may also include amounts that Sworn Police and Fire employees may contribute from their Deferred Retirement Option Program (DROP) accounts upon separation from City service, or transfer of Pension Savings Plan assets from previous part-time status with the City. The TPA recordkeeps these different contribution types for the purpose of applying appropriate distribution tax rules.

Pre-Tax to Roth Conversions - The TPA provides forms for Plan participants to elect to convert pre-tax amounts to Roth amounts. This feature is offered to both terminated and active employees (the latter population was introduced to this

feature in October 2015). The TPA recordkeeps the converted amounts separately, and a Form 1099 is issued for the employee for the applicable tax year.

Contribution History & Rate of Return Calculations – The incumbent TPA maintains contribution history information for each participant for the duration of time that the TPA has administered the Plan (since July 1999). It does not maintain contribution history prior to that date. The TPA also provides functionality allowing participants to calculate their own customized rate of return for a given period of time. The participant can enter in two dates and the system will calculate the rate of return by applying a financial formula incorporating starting balance, contributions and ending balance in order to arrive at an investment rate of return.

(2) Participation

Achieving a 100% lifestyle income replacement objective depends upon a combination of an individual's defined benefit and defined contribution income streams. Absent any alternative income stream, meeting this objective thus requires participation in the City's Deferred Compensation Plan.

The City's Plan presently has a 69% participation rate (this number represents the percent of active employees eligible to participate in the Plan who have an account balance, whether presently actively contributing or not). Although this compares well on a relative basis to the City's state and local government peer average of 40%, it nevertheless implies that 31% of eligible employees will not be able to meet the 100% lifestyle income replacement target.

Voluntary Enrollment Efforts - The City works in partnership with its TPA on voluntary enrollment efforts. Voluntary enrollments are a key metric of the Plan's overall success. The Plan recently established an ongoing goal to increase the gross number of new enrollments by 3% on an annual basis. The Plan slightly exceeded this goal for Fiscal Year beginning July 1, 2015 and ending June 30, 2015 by recording 1,502 new enrollments.

However, new enrollments are offset by participants separating from City service. Because a large segment of the City's workforce (as much as 40%) will be retirement eligible within the next few years, this represents a strong headwind towards increasing the overall participation rate.

To create success in this area, then, the TPA will need to be aggressive, resourceful and strategic in identifying groups of City employees at lower participation rates; developing and executing both broad-based as well as targeted enrollment campaigns; and engaging in the daily opportunities for local service center one-on-one meetings, new employee orientations, table service at various key locations throughout the City, roll call meetings, and other

opportunities to engage with the City's workforce and market the benefits of the Plan.

Success is further dependent upon the TPA providing a local service team that is effectively and consistently communicating the City's marketing message regarding the benefits of participating in the Plan and the value of the 100% lifestyle income replacement percentage.

Auto Enrollment & Auto Escalation – The City recently adopted an auto enrollment program for City employee organizations who opt to participate. The auto enrollment program will be built on a modular basis whereby only those employee organizations choosing to participate in the program by authorizing it within the employees' Memorandum of Understanding (MOU) will have their new employees auto-enrolled into the Plan. Auto-enrolled employees will default into the Plan at a 2% of pay contribution rate. Presently, the incumbent TPA's services provide for execution of auto enrollment for pre-tax contributions only, but it is the City's objective to implement after-tax auto enrollment capabilities as soon as possible. The contribution amount will increase automatically by 0.25% each year. Under the current TPA's system requirements, once an employee makes any change to his/her contribution amount, they will be removed from the auto-escalation track.

The City is presently working with its two payroll systems and incumbent TPA to implement this functionality. The change will require that the City deliver a special file of those individuals who are first-time contributors to one of the City's three defined benefit plans and who are also new City employees. The TPA will then upload that file to its system and, on its contribution file, provide an instruction to the City to take a percent of pay (2% upon initial enrollment) as a contribution to the Plan.

The functionality, once fully implemented, will activate for the current TPA the option for all participants (whether auto-enrolled or not) to alternatively elect percent-of-pay contribution amounts (the Plan currently allows whole dollar amounts only). This will change the way that participants may elect to set up their contributions on a Plan-wide basis.

The City's auto enrollment program provides for 30-day advance notice to the employee before the first auto-enroll contribution is taken, and a 90-day permissible withdrawal window for the participant to remove their contributions, with interest, pursuant to Federal safe harbor provisions. During the 90-day period, any contributions taken will be invested in the Plan's FDIC-Insured Savings Account, and then swept into the Moderate Profile Portfolio shortly after the permissible withdrawal window closes. Any alternative investment election the participant chooses within that period will negate the automatic asset transfer. The TPA will tax report any distributions taken during the permissible

withdrawal window via Form 1099. Participants may choose in the future to voluntarily re-enroll.

(3) Distributions

The City's Plan provides for the following distribution options:

- Full Lump-Sum Withdrawal
- Partial Lump-Sum Withdrawal
- Periodic Payment by Term
- Periodic Payment by Dollar Amount
- Periodic Payment by Dollar Amount w/Automatic Cost of Living Increase

Participants elect those distributions by completing a paper distribution form. The participant may elect the delivery method (check by mail or express mail, or direct deposit) and indicate any additional taxes that should be taken. The distribution election is then entered by the TPA into an online plan sponsor website and a feature called the "To Do" list. City staff then review the "To Do" list and approve distributions after verifying separation from service dates.

The TPA provides options for participants to prioritize distributions by the various contribution/rollover buckets they may hold. As an example, a participant who is below age 59½ may elect to prioritize distributions from their 457 holdings and defer distributions from a rollover 401(k), or withdraw pre-tax funds before Roth funds. The TPA provides appropriate 1099 tax reporting to employees for their distributions each tax year within Federal tax-reporting deadlines.

Purchase of Service Credit - The Plan allows for purchase of service credit from the participant's Deferred Compensation account. Participants use this option to purchase service credit with one of the City's three defined benefit systems. Participants must complete a form for the TPA and also for the system where time is being purchased. City staff review and approve this paperwork.

Rollovers (Out of Plan) - Plan participants may roll out their 457 funds to an eligible retirement plan only upon termination from City service. The TPA also currently supports in-kind transfers of self-directed brokerage assets.

De Minimis Withdrawal - The Plan Document allows participants who have not contributed in two years and who have a balance of \$5,000 or less to take a one-time de minimis withdrawal. The participant will submit a form, which is reviewed and approved by City staff.

Hardship Withdrawal - The Plan is seeking TPA hardship withdrawal evaluation/approval services. Presently, participants may request a hardship withdrawal in accordance with the Plan Document and applicable IRS rules. For the Plan, the TPA processes all hardship requests. If a request falls under

generally accepted hardship withdrawal request reasons per the IRS, and the participant has provided all requested documentation, these are approved by the TPA. Approval reasons include prevention of eviction and foreclosure, uninsured medical costs, unexpected property loss/damage, etc.

If a request is denied by the TPA, the participant is then notified that he/she has the option to appeal the result to the Board of Deferred Compensation Administration. Should the participant decide to file a formal appeal, City staff reviews the case and develops an independent evaluation and recommendation to the Board. On an annual basis the Plan processes approximately 400+ hardship requests, with 1-2 that are appealed to the Board.

Minimum Distribution Rules – The TPA maintains a participant's date of birth and generates automated correspondence to participants nearing age 70½ regarding their minimum distribution rule (RMD) requirements. The TPA also sends out annual reminders at the end of the year if an RMD has not been taken. Upon participant request, the TPA can automatically calculate the RMD amount(s) and provide participants with the ability to elect automated RMD payments on an ongoing basis. Otherwise, it is up to the participant to ensure he/she has taken the appropriate distribution amount for the year.

Beneficiary Claims – The TPA maintains a record of each participant's beneficiary designation, if the participant has one designated. Certain participants who have not made beneficiary designations since July 1999 do not have a beneficiary designation on file. The City's Plan is working with the TPA to improve the transparency of the beneficiary designation and encourage participants to update their information.

Upon a participant's death, the designated beneficiary must come forward to claim the account. Within the recordkeeping system it is desirable for the TPA to maintain not only the name of an individual's beneficiary but their contact information, and to allow a participant to update contact information on an ongoing basis.

Should there be no beneficiary on file, the Plan Document dictates how the account may be awarded. If the TPA is unable to determine the appropriate beneficiary, or if there are conflicting claims, such claims may be resolved by the City Attorney's Office, which provides counsel to the Plan.

Alternate Payee Distributions – The TPA also splits accounts or pays distributions in accordance with orders related to a dissolution of marriage. All requests are reviewed by legal counsel from the City Attorney's Office. Upon direction from the City Attorney's Office, the TPA coordinates the setup, transfer, and subsequent recordkeeping of the QDRO account. Alternate Payees request distributions via paper form, which City staff review and approve.

(4) Loans

The City offers both active and terminated/retired participant loans. In accordance with Federal rules, the City's Plan Document provides that participants may borrow up to 50% of their account balance or \$50,000 (less the highest outstanding loan balance in the last year), whichever is less. Participants may elect between 1-5 years for General Purpose loans, and between 1-15 years for Principal Home Purchase loans. Interest on the loan is set at 2% above the prime rate in effect at the time the loan is taken. Participants may have up to two loans outstanding at any time.

Loan elections may be made by a participant via a CSR or using the Plan website. The website models the potential repayment amount for the participant. Once the loan election is made by the participant, the check is generated by the TPA following the close of the next market trading day. The TPA provides for delivery by regular or express mail.

Loan repayments are made via payroll deduction. The TPA transmits a separate payroll file to the City's payroll systems indicating new bi-weekly loan repayments and loan cancellations. Once a loan has been fully paid, or if the participant has paid off the loan early, if communication of the repayment cancellation to the City's payroll system is not made in sufficient time, the TPA may need to generate a refund check to the participant for the over-contribution.

Terminated/Retiree Participant Loans – The City's Plan has built a manual process for the election of loans by retirees. A retired participant may complete an application for a loan. Upon approval, the TPA then issues the loan and repayment coupons to the retired participant. The participant may alternatively choose to request that the repayments be taken directly from their checking/savings account. The participant makes repayments on a monthly basis. The guidelines for loan term, eligible loan amount(s), and interest rate are the same as for the active participant loans.

Loan Default Management – The TPA generates late loan warnings to participants who have fallen behind on their loan repayments. Participants can miss loan payments as a result of being off payroll, failing to make a coupon repayment after separation from service, or as a result of an administrative error which results in a failure to establish the loan repayment properly. The TPA must communicate the loan warning and loan default to the participant in accordance with Federal rules. Currently, it is incumbent upon the participant to notify the Plan of the start of any unpaid leave status and upon return from such status. The participant is responsible for ensuring his/her loan is current.

If a participant defaults on a loan, the TPA rules presently provide that the participant may not take out a subsequent loan based on the default. Because the City has a two-loan policy, a default on "Loan #1" applies only to that loan

and does not preclude the participant from taking out a loan on “Loan #2.” For terminated/retiree loans, as payroll deductions are not taken, participants must address any defaults by paying in full or by offset before requesting another loan.

Participants who default on their loan are nevertheless required under Federal rules to continue making loan repayments until the defaulted loan balance is repaid in full. Because the participant has already paid tax on the defaulted amount, the repayments of that defaulted amount should be separately tracked so that the participant is not taxed again when taking distribution. The incumbent provider is tracking these default repayments and those prior as well as future default repayments should continue to be tracked by the TPA.

Loan Communications – Loan communications are a particular focus for the City in evaluating TPA loan administration capabilities. Because of the complexity of Federal rules, it is challenging for participants to understand the requirements for ensuring that their loans are administered properly and do not default. Participants currently are often confused by the amount that will prevent them from default versus the total amount that they are actually behind. The City will be closely evaluating the language used at the time the loan is issued, what is communicated at the time a loan is late, what is communicated at time of default, and opportunities for additional electronic notifications.

L. INNOVATIONS & NEW SERVICES

The defined contribution landscape has been and will continue to be in a constant state of evolution. That evolution has led to the creation of a number of new products and services. However, as the products and services have multiplied, the communications and administrative complexity of these programs, particularly from a participant perspective, has grown. The City’s Plan supports and encourages innovation and improved services and is actively soliciting information from vendors about products and services they are developing or have developed which could be beneficial to the Plan.

It should be noted, however, that not all new products and services will necessarily be regarded by the City as improvements or as providing the right fit with the City’s Plan, given the discipline it applies around ensuring that services and features comport with its core mission. Any new product or service offering will ultimately be evaluated based upon if and how well it supports the City’s core mission of achieving retirement income security.

M. RECORDKEEPING SERVICES

(1) Contribution Type Recordkeeping

The TPA is responsible for all contribution type recordkeeping. This includes Internal Revenue Code (IRC) Section 457 pre-tax and Roth contributions,

Individual Retirement Account (IRA), IRC Section 401(k), IRC Section 403(b), IRC Section 401(a) money types. Amounts must be typed and separately tracked relative to the different distribution rules and requirements that apply to each money source. It should be noted that this is also significant in loan repayments when after-tax dollars are used to pay back a defaulted loan, as described under the prior section discussing loan defaults. These after-tax dollars should also be tracked to ensure they are not taxed again upon distribution.

(2) Distributions & Tax Reporting

The TPA is responsible for processing all participant distribution processing and required tax reporting as previously described under Section L(3). Participants complete distribution elections on paper and submit them to the TPA. The TPA records lump sum and periodic payment requests on a “to do” list for electronic approval by City staff (once City staff are able to verify termination of employment). Other distribution request types (e.g. purchases of service credit and rollovers) are submitted to the City on paper for written approval. Distributions are presently typically processed within approximately 3-5 working days following approval by the City.

The City does not presently transmit employment termination dates to the Plan Administrator and does not delegate the distribution approval process to the Plan Administrator. Providing termination dates and/or electronic view-only access to the City’s payroll systems is a potential future operational enhancement that would provide the opportunity to delegate distribution approval to the TPA if the TPA is able to do so.

(3) Imaging & Document Storage

The TPA is responsible for imaging and maintaining copies of all participant records, documents, and forms related to the administration of participant accounts. The TPA is required to maintain this data in an electronic format for the duration of the contract and to transfer those records to the City or to a successor TPA upon termination of the contract in a mutually agreed upon format. To the extent that, due to practical obstacles, records cannot feasibly be transferred to the City or the successful TPA upon contract termination, the TPA must be willing to agree to mutually agreeable terms of retaining and making those records accessible beyond the contract termination date.

(4) Confidentiality and Security Protocols

The TPA is responsible for maintaining the confidentiality and security of participant records relative to its administration of the Plan. “Confidential Information” includes participant data, records and personal information such as social security numbers, dates of birth, marital status, home addresses, contribution and account balance information, investment information, transaction

histories, and other information related to participation in the Plan. The TPA will need to execute, as part of its contract, a Confidentiality Agreement providing that all confidential information provided to the TPA by or on behalf of City and/or City Personnel, or accessed or reviewed by the TPA during the performance of the Contract, is and will remain the confidential property of the City. The TPA will be required to further agree not to provide or divulge confidential information to any other person or entity except as authorized in writing by the City.

The TPA will also be responsible for protecting the confidentiality and maintaining the security of all confidential information in its possession by implementing and maintaining adequate and necessary security systems, along with policies and protocols, to provide the highest reasonable level of safety and security of the confidential information. In the event of a security or data breach, the TPA must have in place an emergency response plan. The TPA must also agree that if there is a breach of its security system, as defined by Civil Code Section 1798.82, and confidential information is accessed or believed to have been accessed, then the TPA shall include the information set forth in Civil Code Section 1798.82(d)(3) in the required notification and provide a copy of such notification simultaneously to the City.

(5) Programming/Maintenance Schedules/Release Windows

It is expected that the TPA will periodically engage in programming and maintenance of its recordkeeping system, and that it will also release new capabilities and utilities on its participant and plan sponsor websites. The City will evaluate proposer protocols for such recordkeeping updates and strategies to minimize disruption to plan sponsors and Plan participants.

(6) Emergency Contingency/Disaster Recovery

The TPA is responsible for establishing contingency plans for emergencies, disasters, and disaster recovery. These plans should include redundant processing centers and plans for activating the necessary participant support services in the event a primary processing center is, for emergency reasons, not available. These plans should also address backup systems and records in the event of damage or disaster impacting the storage and maintenance of the recordkeeping system and its records.

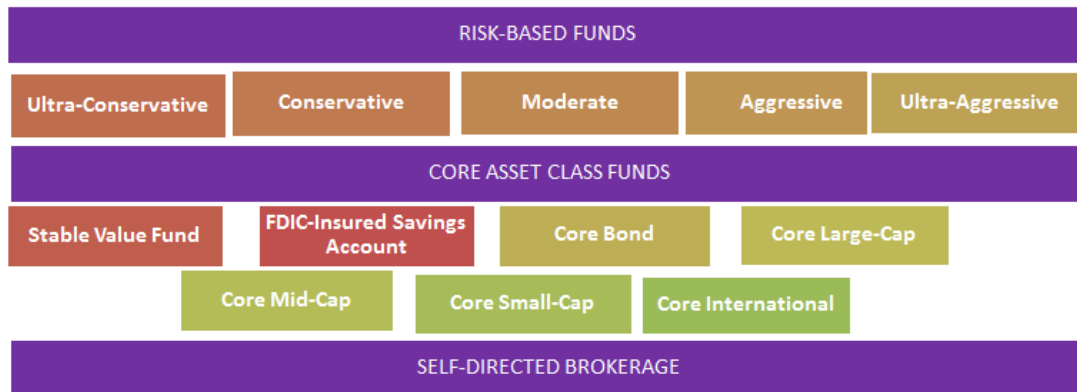
(7) Unitized Core & Profile Fund Administration

The TPA is responsible for unitizing the City's core investment options, which are branded by the Plan (not the investment provider) and for most of the options also involves the blending of asset values of multiple sub-managers included within each option. This includes the Plan's risk-based asset allocation funds, which are comprised of the primary major asset class funds which comprise the core investment menu. Fund values must be re-priced on a daily basis following

market close. The allocations within the risk-based asset-based asset allocation funds are rebalanced on a quarterly basis.

At a broad level, the City’s investment menu is structured as follows:

INVESTMENT MENU (12 Options +SDBO)



The following table summarizes the investment options offered in the City’s Plan, lists the sub-managers, and indicates whether unitization is provided by the TPA:

Investment Option	Provider(s)	Account Type	Unitization by TPA Required
TIER I – RISK-BASED ASSET ALLOCATION FUNDS			
Ultra-Conservative	DCP Bond Fund (50%) DCP Stable Value Fund (35%) DCP Large Cap (5%) DCP International (5%) DCP Mid-Cap (2.5%) DCP Small-Cap (2.5%)	Risk-Based Asset Allocation Fund	Yes
Conservative	DCP Bond Fund (50%) DCP Stable Value Fund (15%) DCP Large Cap (12.5%) DCP International (12.5%) DCP Mid-Cap (5%) DCP Small-Cap (5%)	Risk-Based Asset Allocation Fund	Yes
Moderate	DCP Bond Fund (30%) DCP Stable Value Fund (10%) DCP Large Cap (25%) DCP International (15%) DCP Mid-Cap (10%) DCP Small-Cap (10%)	Risk-Based Asset Allocation Fund	Yes
Aggressive	DCP Bond Fund (20%) DCP Stable Value Fund (5%) DCP Large Cap (25%) DCP International (20%)	Risk-Based Asset Allocation Fund	Yes

	DCP Mid-Cap (15%) DCP Small-Cap (15%)		
Ultra-Aggressive	DCP Bond Fund (10%) DCP Large Cap (25%) DCP International (25%) DCP Mid-Cap (20%) DCP Small-Cap (20%)	Risk-Based Asset Allocation Fund	Yes
TIER II – CORE ASSET CLASS FUNDS			
FDIC-Insured Savings Account	<ul style="list-style-type: none"> Bank of the West (50%) East West Bank (50%) 	<ul style="list-style-type: none"> Interest Bearing Checking Account Deposit Savings Account 	Yes
DCP Stable Value Fund	<ul style="list-style-type: none"> Galliard Capital Management 	<ul style="list-style-type: none"> Separate Account 	Yes
DCP Bond Fund (blended)	<ul style="list-style-type: none"> Loomis Sayles Core Plus Bond (50%) Vanguard Total Bond Market Index Institutional Plus (50%) 	<ul style="list-style-type: none"> Mutual Fund Mutual Fund 	Yes
DCP Large-Cap Stock Fund	<ul style="list-style-type: none"> Vanguard Institutional Index Plus (100%) 	<ul style="list-style-type: none"> Mutual Fund 	Yes
DCP Mid-Cap Stock Fund (blended)	<ul style="list-style-type: none"> Vanguard Mid-Cap Index Fund Institutional (50%) Voya MidCap Opportunities Fund R6 (25%) RidgeWorth Mid-Cap Value Equity I (25%) 	<ul style="list-style-type: none"> Mutual Fund Mutual Fund Mutual Fund 	Yes
DCP Small-Cap Stock Fund (blended)	<ul style="list-style-type: none"> Vanguard Small-Cap Index Inst Plus (34%) DFA US Small Cap Value I (33%) Hartford SmallCap Growth HLS (33%) 	<ul style="list-style-type: none"> Mutual Fund Mutual Fund Mutual Fund 	Yes
DCP International Stock Funds (blended)	<ul style="list-style-type: none"> MFS Institutional International Equity (65%) DFA Merging Markets Core Equity (17.5%) Brandes International Small-Cap Equity I (17.5%) 	<ul style="list-style-type: none"> Mutual Fund Mutual Fund Mutual Fund 	Yes

(8) Customization Capabilities & Resources

The City's Plan recognizes that TPAs, in order to deliver the efficiencies that create the lower pricing opportunities sought by plan sponsors, must apply certain uniform processes in the design and administration of recordkeeping systems, and that often a structural relationship is embedded between the TPA's recordkeeping and/or operational structure. Nevertheless, because of its focus on member services, the City is seeking to not only evaluate how effectively service providers demonstrate their organizational commitment and efficacy in

recordkeeping operations, but also the extent to which they can provide opportunities for a plan sponsor such as the City to customized certain recordkeeping and operational functions which in the City's judgment are either more effective generally or better meets the unique needs of the City's population.

(9) Error Correction/Restitution Policies/Financial Reporting

The TPA will be required to identify its participant and plan-level error correction, restitution, and financial reporting policies and certifications in connection with responding to this RFP.

(10) Auto Enrollment Processing

The TPA will be required to administer the City's Auto Enrollment Program previously described in Section L(2).

N. PLAN SPONSOR SERVICES

(1) Organizational Background, Financial Strength, Experience

The City will be evaluating each proposer's organizational experience, stability, financial strength, experience in administering governmental defined contribution plans, staff qualifications and turnover, and other factors related to determining the degree to which an organization can be a long-term viable partner with the City in executing the Plan's mission, goals and strategies.

(2) References

The City will be evaluating references provided by the TPA, including governmental plan sponsors who are currently utilizing the TPA's services as well as those who have terminated those services in the recent past.

(3) Regulatory and Compliance Services

The City relies on the TPA's regulatory and compliance services to ensure that the Plan's administrative functions are conducted in accordance with Internal Revenue Code rules and guidelines. The City will be reviewing each proposer's organizational resources for enforcing, monitoring and providing updates to plan sponsors regarding regulatory processes and changes.

(4) Plan-level Website/Access to Plan & Participant Records

The City uses its plan-level website on an ongoing basis to review and generate reports on Plan statistics, review participant records, and execute certain key functions (such as the approval of certain distribution requests). The City will be

reviewing each proposer's capabilities and the responsiveness and user-friendliness of the TPA's plan sponsor web interface, the records available to the City for review, and its reporting capabilities and services.

(5) Participant Service Issues Management

The City's Plan is extremely focused on providing the highest levels of customer service and responsiveness. Part of that involves ensuring that the TPA has excellent processes in place to prevent, manage, and effectively communicate around participant services issues. The City will look for processes that the TPA has in place to prevent recordkeeping and communication errors which lead to participant complaints; the processes used by the TPA in managing situations wherein a communication or recordkeeping error has occurred; and how it ensures and applies quality control relative to its communications to plan participants, particularly insofar as striking the appropriate balance between effective communication relative to effective disclosure.

(6) Reserve Fund Administration: Accounting and Payment Services

The City's Plan presently maintains a Reserve Fund as a repository for participant fees collected from their accounts. The Reserve Fund is used to pay for the City's contracted and internal administrative costs relative to the Plan, including the following:

- TPA administrative fees
- Plan consulting and other contractual service fees
- Reimbursement of the City's internal staffing/salary costs
- Training & travel
- Office supplies and equipment

The TPA will be required to administer this Reserve Fund in a similar fashion and issue payments for the administrative services listed above. The Reserve Fund is also maintained with a target balance requirement representing ½ of annual operating expenses in order to protect against fluctuations in Plan assets and participant fees.

O. SELF-DIRECTED BROKERAGE OPTION

The City offers a Self-Directed Brokerage Option (SDBO): the Schwab Personal Choice Retirement Account (PCRA) Self Directed Brokerage Option ("PCRA"). The City intends to maintain an SDBO as part of its services agreement with the Plan TPA. Relative to the TPA's SDBO proposed services, the City's objective is to minimize any disruption or reduction in services that SDBO participants presently receive. Towards that end, proposers should be familiar with the current processes and services in place with the PCRA product.

The PCRA provides participants with access to a broad mutual fund universe through Schwab's Mutual Fund OneSource program as well as individual securities that include but are not limited to equities, bonds, exchange-traded funds and certificates of deposit. PCRA participants presently pay an additional \$50 per year if they maintain an account balance in the PCRA, which is deducted from the participant's core investment options pro rata on a quarterly basis. Participants also pay applicable PCRA transactional fees.

The incumbent TPA requires that the participant maintain a minimum balance of \$2,500 in the Plan's core options, but beyond this, participants may otherwise transfer up to their entire remaining account balance into the PCRA. Participants may establish both pretax and after-tax (Roth) accounts in the PCRA, but there is only one \$50 annual fee regardless of how many accounts are maintained. Separate trading costs apply to transactions within each pre-tax and after-tax account.

Participants must complete an enrollment form to participate in the PCRA option. Once Schwab has approved the PCRA application, participants receive a PCRA Welcome Kit in the mail which includes an account verification letter and account number. At this point the participant is eligible to transfer money from his/her core account to the PCRA account. The PCRA account can be funded through transfers from core investments or payroll deferrals directed to the PCRA. Direct transfers into the Schwab PCRA are subject to a \$1,000 minimum transfer restriction. Payroll contributions directly allocated to the PCRA account are not subject to the \$1,000 minimum transfer restriction.

Monies transferred into the Schwab PCRA must first be invested in the Schwab SDB Money Market Fund. Once those funds have been received, participants can purchase securities. If participants transfer more than one contribution type (e.g. such as regular payroll deferrals and rollover amounts), earnings or losses that accrue to the PCRA are allocated proportionately to each contribution type. Conversely, when an amount is transferred from the PCRA to the Plan's core options, earnings or losses that accrued in the PCRA are allocated proportionately into the core investment options based upon the contribution types in the PCRA prior to the returning transfer.

Participants may transfer from the PCRA to the Plan's core funds, a process that presently takes approximately four business days. If a participant is requesting a payout option, the participant must transfer money from the PCRA to the Plan's core options.

Direct distributions from the PCRA are not permitted. If a participant is taking distribution from the Plan but has insufficient money in the Plan's core options because of amounts held in the PCRA, the participant's request will be canceled. If the participant's payout is due to a required distribution, such as a required

minimum distribution, and the participant has insufficient funds in the Plan's core options, the PCRA account may be liquidated and the account closed.

The incumbent TPA updates PCRA account holdings on a daily basis. PCRA account balance information is included on TPA quarterly statements, but Schwab sends a separate monthly statement reflecting only those assets in the PCRA.

P. TRUSTEE SERVICES

The Federal government requires that IRC Section 457 plan assets be placed in trust for the exclusive benefit of Plan participants and their beneficiaries. The trust requirement can be satisfied by use of a trust, custodial account or annuity contract. The City has concluded that use of an outside corporate/bank trustee is optimal because corporate/bank trustees are professionally trained to handle all the legal requirements related to trust maintenance. Using an external corporate/bank trustee is the most prevalent model for meeting the Federal trust requirement among mature Section 457 plans.

The City is seeking a TPA which can provide trustee/custodial services through the primary services agreement between the City and the TPA. Through the current incumbent TPA services agreement, the City presently has a relationship with Wells Fargo Bank, N.A., to provide comprehensive trustee services, which for the Plan's purposes means acting in the capacity of meeting the Federal government's trust requirement by holding assets in trust for the exclusive benefit of Plan participants and their beneficiaries; and which may also entail certain banking functions related to the proper administration of the Plan, including issuing payments to Plan participants.

Q. FEES & PERFORMANCE GUARANTEES

(1) Administrative Fee

The City is requiring that proposers submit pricing proposals which are expressed as per-participant annual fees (in dollars). The City intends to maintain its present overall fee assessment structure, whereby the contractual obligation of the City as Plan sponsor to the TPA is determined by a per-participant annual dollar fee, but the assessment of those fees is administered as an asset-based charge against each participant's account, up to a fee ceiling amount established by the Plan. Presently the per-participant contractual fee obligation to the Plan Administrator is \$36.97 annually per participant. The Plan assesses an asset-based fee of ten (10) basis points up to a per-participant ceiling of \$125. The asset-based fees are collected and deposited into the Plan's Reserve Fund. From the Reserve Fund payments are made to the TPA to satisfy the annual per-participant fee obligation.

(2) Participant-Level Fees

All proposers must also submit a comprehensive list of transaction based fees. This includes but is not limited to fees for loan origination/maintenance, hardship evaluation and withdrawal, account tracking/maintenance (e.g. for outside rollover accounts such as 401k, IRA, or DROP accounts), distribution delivery (express mail, bank wire, direct deposit), etc. All fees that the TPA will or may apply are required to be disclosed.

(3) Performance Guarantees

The City will also be considering the TPA's proposed performance guarantees, with a focus on those that are meaningful, measurable and relate to the core mission and customer service quality objectives that have been identified in this RFP.

**DEFERRED COMPENSATION PLAN 2016 REQUEST FOR PROPOSAL
PROPOSED EVALUATION CATEGORIES/WEIGHTINGS
THIRD-PARTY-ADMINISTRATOR**

PARTICIPANT SERVICES

Written Communications	Forms for Participant Transactions: Enrollment, Distribution, Rollovers
	Enrollment Guide
	Distribution Guide
	Quarterly Statements & Newsletters
	Forms
	Other guides, flyers, education
	Compliance & Review: Timing, Process and Requirements
Local Staffing Services	Licensing, training, experience
	Relevant Experience
Participant Website & Technology	Core Structure & Functions
	Customization
	Participant email capabilities
	Compliance & Review: Timing, Process and Requirements
	Electronic statement capabilities
	Other Technology: Video, Mobile Apps, etc.
Participant Call Center (automated)	Structure/Script/Time/Access to Operator
	Customization
	Language Capabilities
Participant Call Center (representatives)	Training, staffing, hours, languages
	Technology (including disaster readiness)
	Customization
	Call monitoring
	Statistics and quality control
Retirement Readiness & Income Replacement Projections	Compatibility w/City retirement income projection tool
	Combined DB/DC Projections
Enrollment Initiatives	Successes and metrics
Contribution Processing	Deferral limit administration
	Catch-Up Reporting and administration
	Account contribution history and rate of return calculations
Distribution & Leakage Control	Successes and metrics
	Distribution administrative process
	Beneficiary designation and benefit claim process
	RMD Notification and Automation
Loan Program Administration	Processing requirements
	Loan communications (notifications, late loan, etc.)
	Active & Retired Loan Administration
	Corrections and default administration
CATEGORY WEIGHTING-->	45%

ORGANIZATIONAL STRENGTH, RECORDKEEPING & PLAN SPONSOR SERVICES

PLAN SPONSOR SERVICES	Organizational Background, Financial Strength, Experience Regulatory and Compliance Services Support services to City (reporting, service complaint management) Access to participant records Plan sponsor reporting Participant complaint management
RECORDKEEPING SERVICES	Contributions Distributions Imaging and document storage Security Protocols & Guarantees Programming & maintenance schedules & release windows Disaster recovery Profile Fund Administration Customization Error correction, restitution policies, ASAE Auto Enrollment Capabilities
CATEGORY WEIGHTING-->	25%

SELF-DIRECTED, TRUSTEE, MISCELLANEOUS & VALUE-ADDED SERVICES

SELF-DIRECTED BROKERAGE OPTION	Website Facility and Content Provider reliability Recordkeeper interface Investment menu and trading options Pre-Tax vs. Roth Recordkeeping Call Center Support Advice Services
TRUSTEE SERVICES	Scope of services provided to City Provider reliability
INNOVATIONS & MISCELLANEOUS SERVICES	Value Add Services & Innovations Advice and Managed Account Services Other Services
CATEGORY WEIGHTING-->	15%

FINANCIAL COST

FEES & GUARANTEES	Cost per participant Performance guarantees
CATEGORY WEIGHTING-->	15%

TOTAL WEIGHTING-->	100%
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