



CITY OF *Los Angeles*
DEFERRED COMPENSATION PLAN



City of Los Angeles

Deferred Compensation Plan

First Quarter 2022 Review





For discussion

Updates – News – Trends

Plan Health

DCP Communications 2022

Employee Engagement



CITY OF *Los Angeles*
DEFERRED COMPENSATION PLAN



Updates – News – Trends





Q1 2022 Plan Summary

- Plan assets were slightly over \$8.9 billion at the end of the first quarter 2022.
- The total number of plan participants with a balance increased by 317 from Q1 2021 to 50,849. In Q1 2021, there were 50,532 participants with a balance.
- The first quarter of 2022 netted positive cash flow of almost \$15.2 million.
- The top three investment holdings (by balance) were the DCP Large Cap Fund, the Schwab Brokerage option, and the Stable Value Fund – consistent with prior quarters.
- The number of participants with plan loans continues to trend down. In Q1 2021, there were 12,193 participants with loans and in Q1 2022, there were 11,672 participants with loans.
- Subsequent to the first quarter, we launched the Schwab SDBO Single Sign on Enhancement.



Self-Directed Brokerage Account - Pweb Enhancement

Overview

Contributions & Savings

Investments & Research

Loans & Withdrawals

Plan Details

[Manage Investments](#)

[Fund Information](#)

[Fund Performance](#)

[Fund Prices](#)

Self-Directed Brokerage Account

Self-Directed Brokerage Account (SDBA)

Brokerage services provided by Charles Schwab & Co., Inc.

Manage Your Accounts

Account	Status	Balance ⓘ	Manage Investments
Non-Roth Brokerage	Enrolled	Current as of 06/03/2022 Balance: \$ 33,782.17 Liquid Balance: \$ 42.66	Fund Transfer Go to my SDBA Account
Roth Brokerage	Not Enrolled		Open an account ⓘ

What is a Self-Directed Brokerage Account (SDBA)?
(known at Schwab as a Personal Choice Retirement Account® or PCRA)



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Plan Health





Plan Overview

	2021 Q1	2021 Q2	2021 Q3	2021 Q4	2022 Q1
Total Plan Participants with a balance	50,532	50,593	50,663	50,814	50,849
Total Plan Assets	\$8,336,053,561	\$8,820,623,760	\$8,820,724,913	\$9,307,962,971	\$8,911,864,063
Average Balance	\$164,966	\$174,345	\$174,105	\$183,177	\$175,261
Median Balance	\$62,279	\$66,864	\$65,880	\$69,961	\$65,289





Cash Flow Summary

Cash In

Pre-Tax Contributions	\$64,669,779.20
Roth Contributions	\$14,537,250.97
Rollover Contributions	\$47,587,632.93
Loan Repayments	\$20,703,893.85
Other	\$11,652,715.01

Total Cash In **\$159,151,271.96**

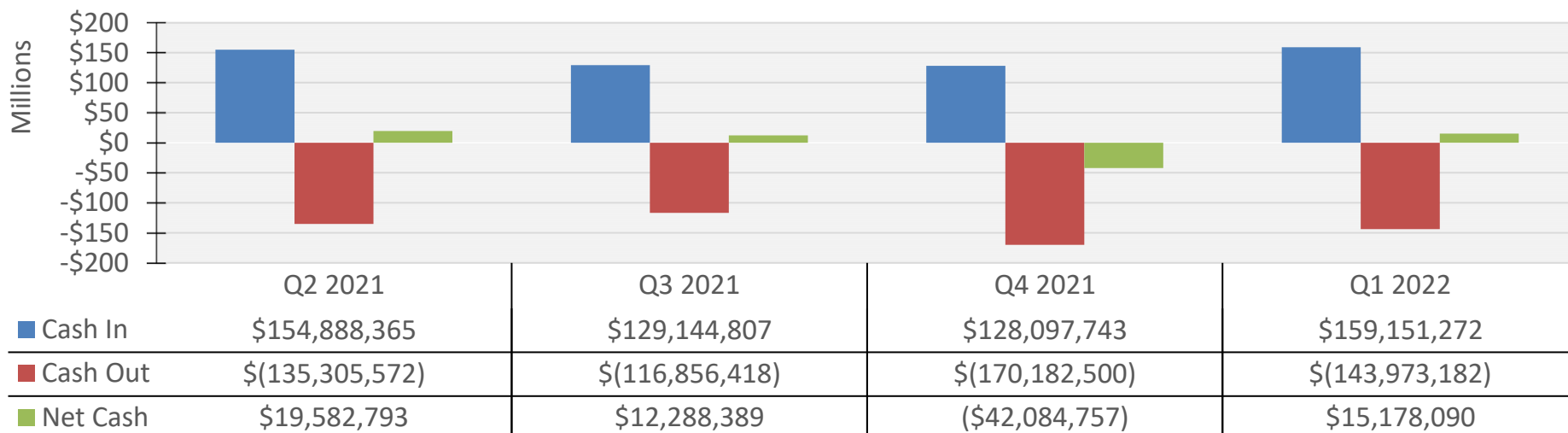
Cash Out

Distributions	(\$60,899,048.74)
Rollovers	(\$51,660,116.30)
Loans Issued	(\$18,711,780.70)
Fees	(\$1,049,520.99)
Other	(\$11,652,715.01)

Total Cash Out **(\$143,973,181.74)**

Net Cash Flow **\$15,178,090.22**

"Other" activity represents all inter-participant transfer activity, which includes decedent/beneficiary activity, QDRO splits and Alternate participant transfers. "Distributions" activity represents withdrawals, installments and termination payments.





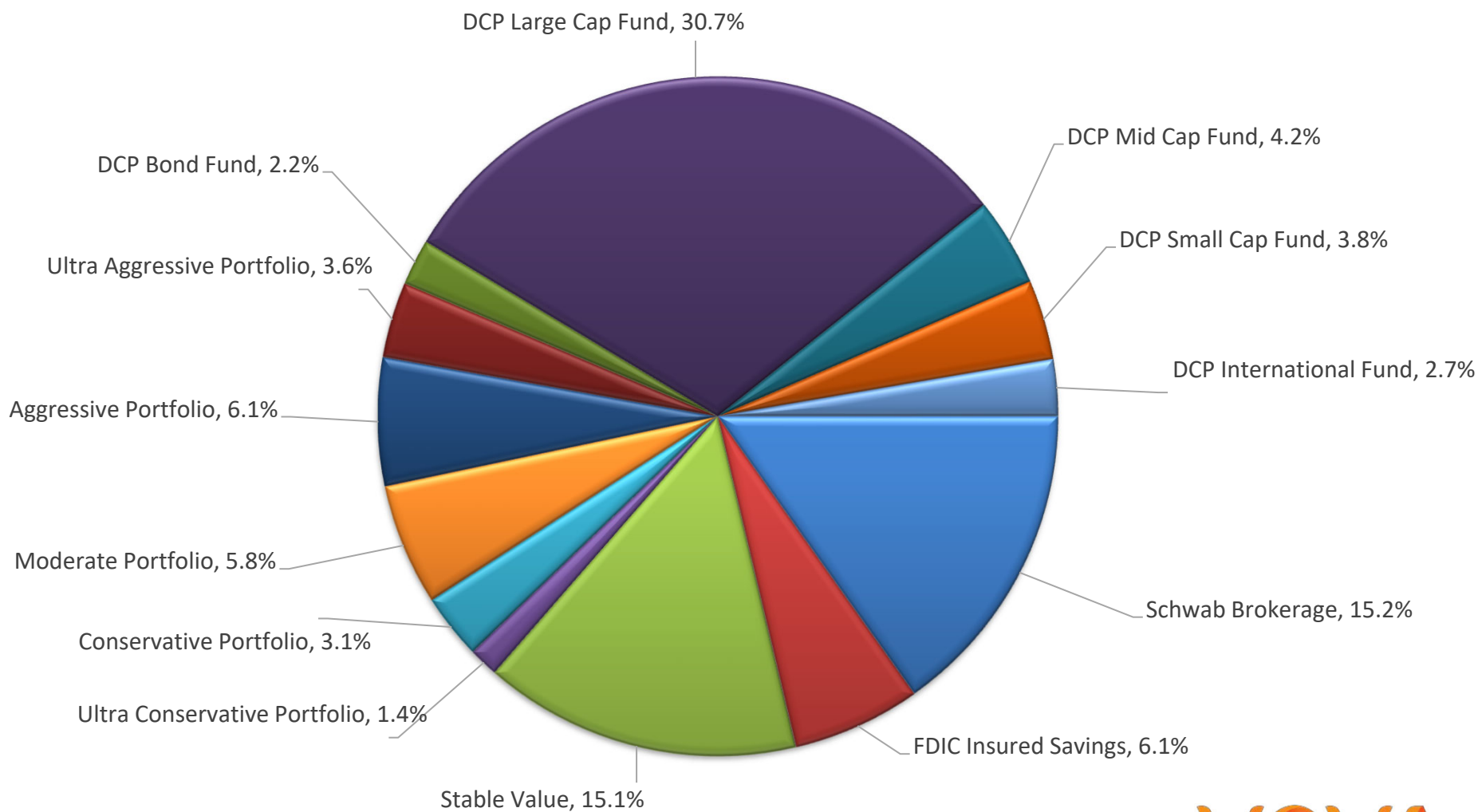
Balances by Investment

Investment	Investment Balance	Number of Participants	Average Participant	Percentage of Plan Assets
SCHWAB BROKERAGE	\$1,358,587,704.48	6,589	\$206,190.27	15.2%
FDIC INSURED SAVINGS ACCOUNT	\$542,898,725.90	12,639	\$42,954.25	6.1%
STABLE VALUE	\$1,349,290,676.58	13,466	\$100,199.81	15.1%
ULTRA CONSERVATIVE PORTFOLIO	\$125,070,718.28	2,929	\$42,700.83	1.4%
CONSERVATIVE PORTFOLIO	\$274,531,958.96	5,516	\$49,770.12	3.1%
MODERATE PORTFOLIO	\$515,650,385.32	12,113	\$42,570.00	5.8%
AGGRESSIVE PORTFOLIO	\$539,324,380.67	14,446	\$37,333.82	6.1%
ULTRA AGGRESSIVE PORTFOLIO	\$317,726,656.34	10,718	\$29,644.21	3.6%
DCP BOND FUND	\$197,365,075.62	6,984	\$28,259.60	2.2%
DCP LARGE CAP FUND	\$2,732,403,035.86	22,017	\$124,104.24	30.7%
DCP MID CAP FUND	\$377,990,279.72	8,775	\$43,075.82	4.2%
DCP SMALL CAP FUND	\$340,459,428.43	9,779	\$34,815.36	3.8%
DCP INTERNATIONAL FUND	\$240,565,036.52	9,048	\$26,587.65	2.7%
Total Investment Balance:	\$8,911,864,062.68			
Total Loan Fund:	\$170,108,028.24			





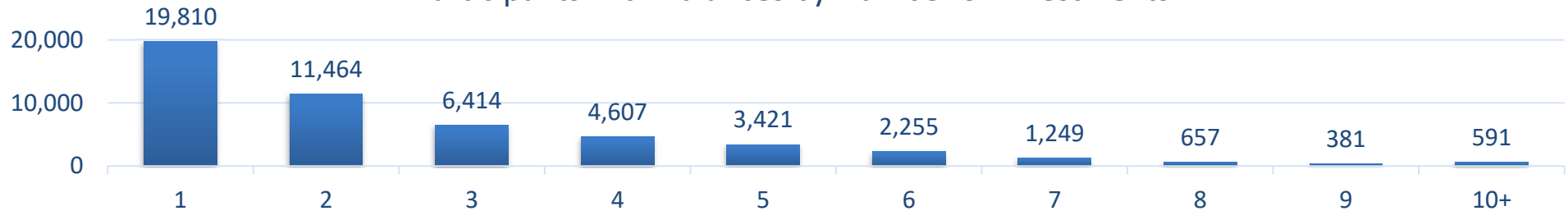
Percentage of Plan Assets



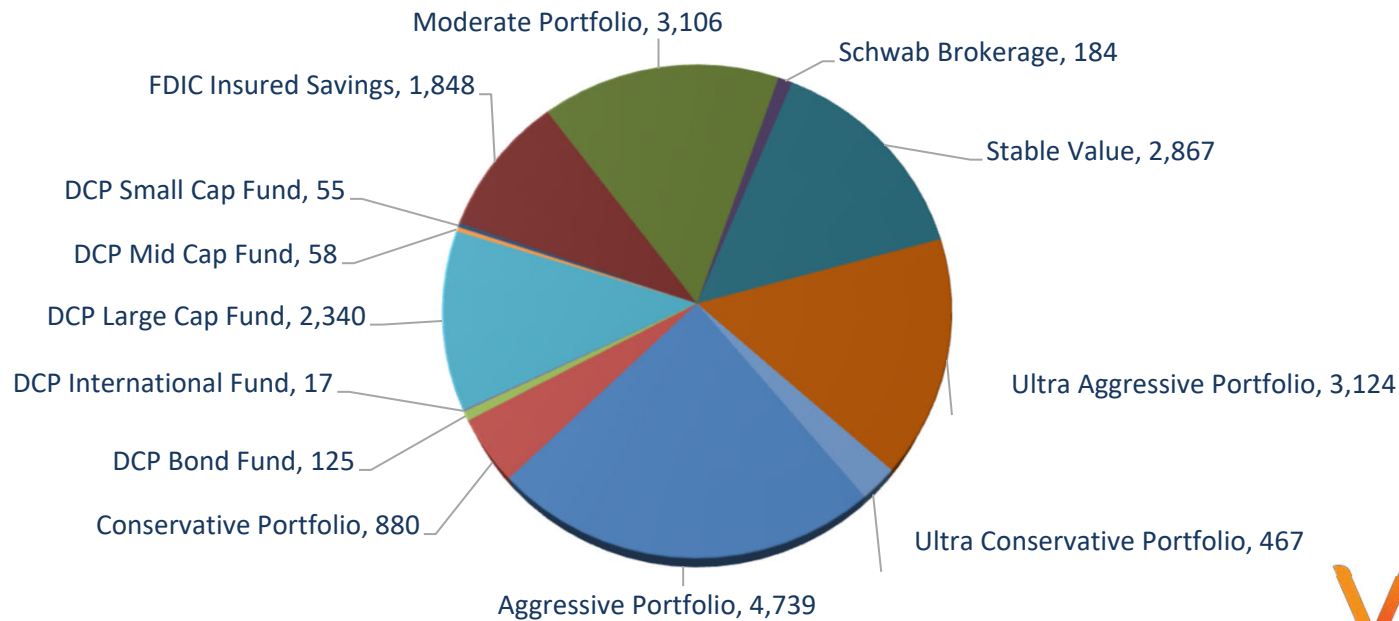


Diversification- All Investment Options

Participants with Balances by Number of Investments



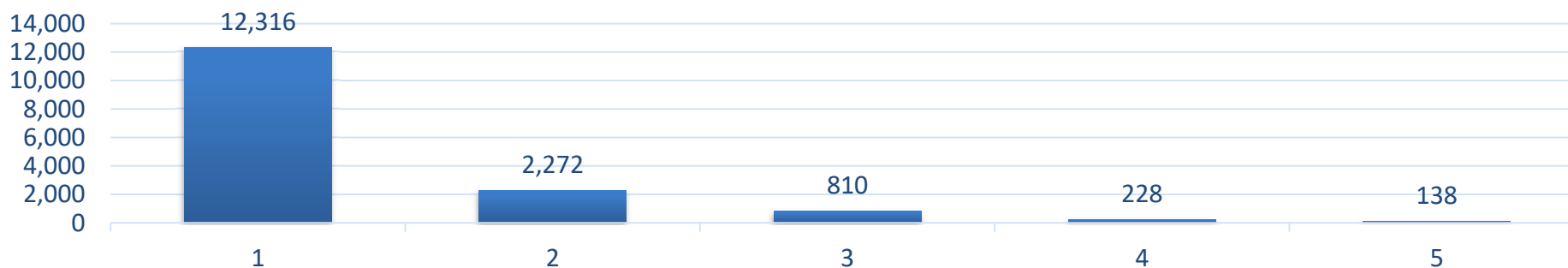
Participants with a Balance in a Single Investment



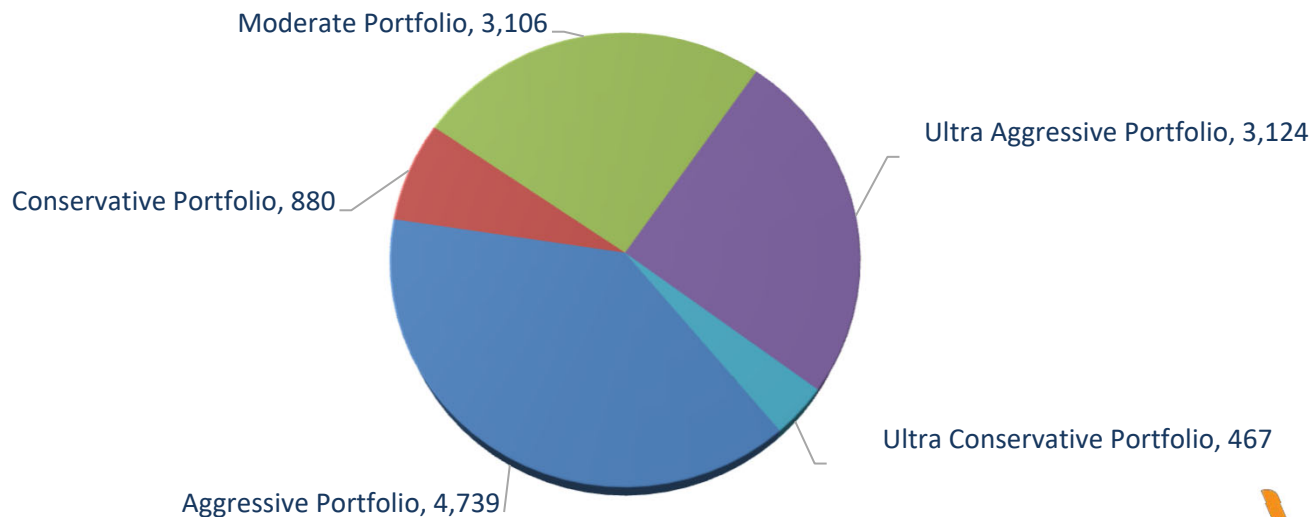


Diversification- Portfolio Funds Only

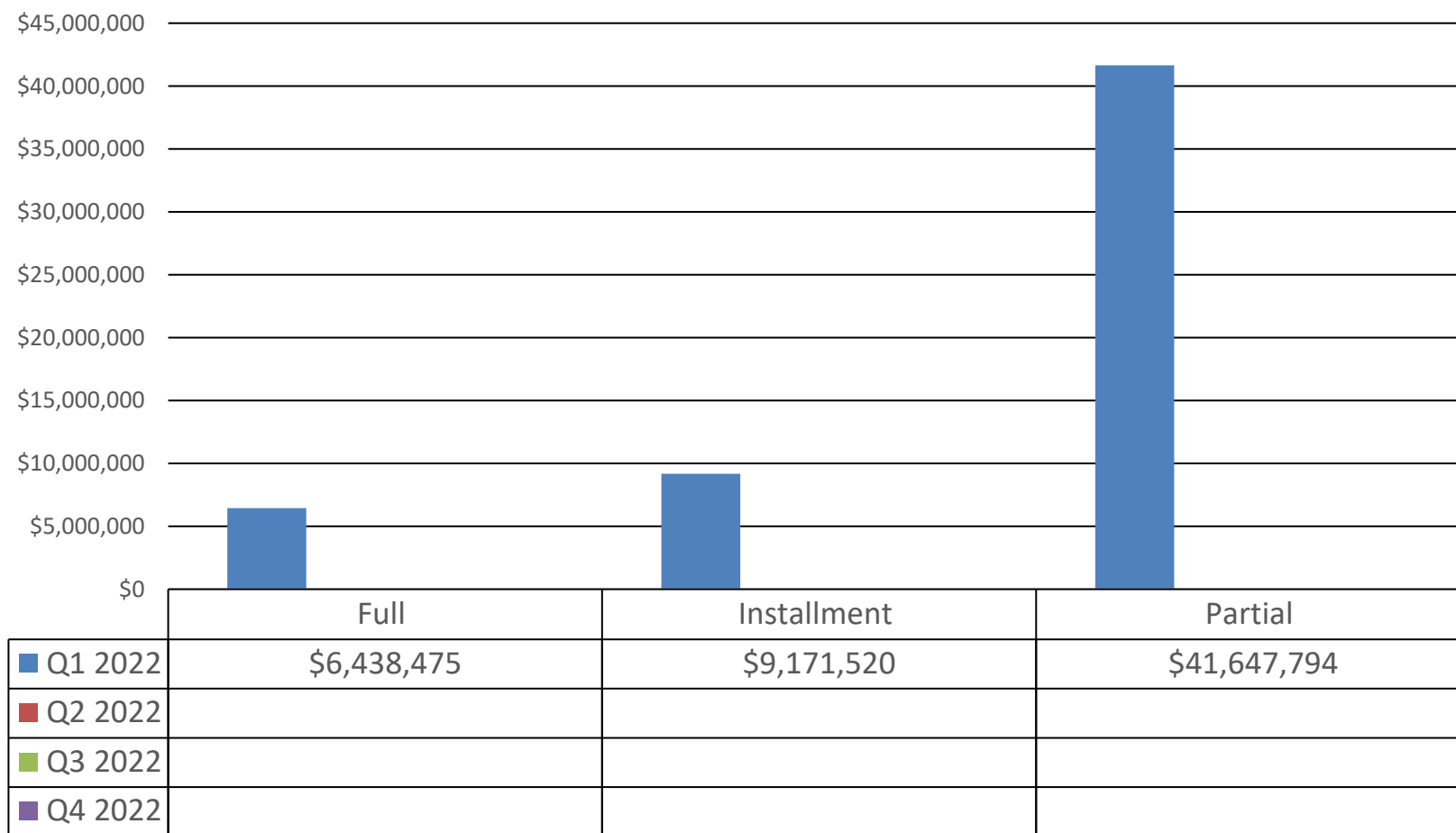
Participants with Balances by Number of Investments



Participants with a Balance in a Single Investment



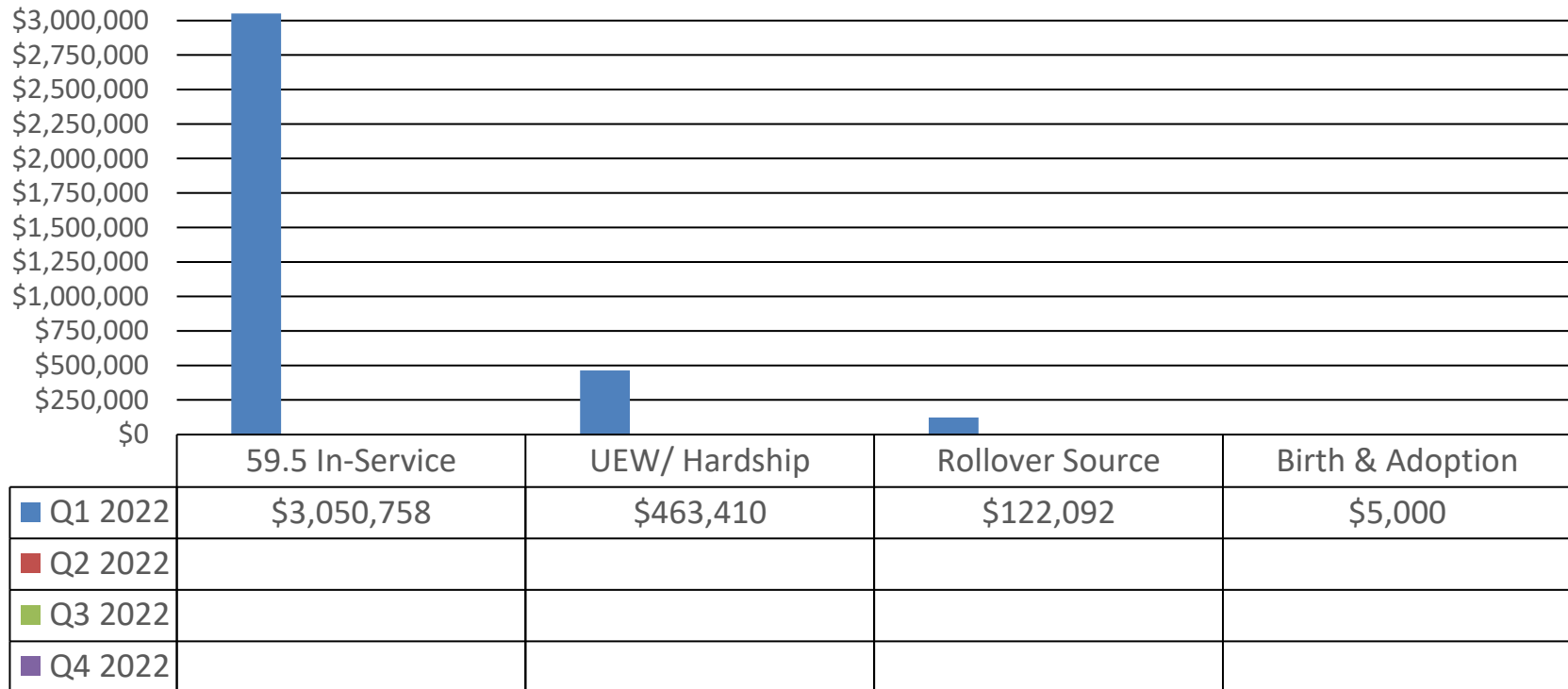
Participant Outcomes: Distribution Types by Quarter



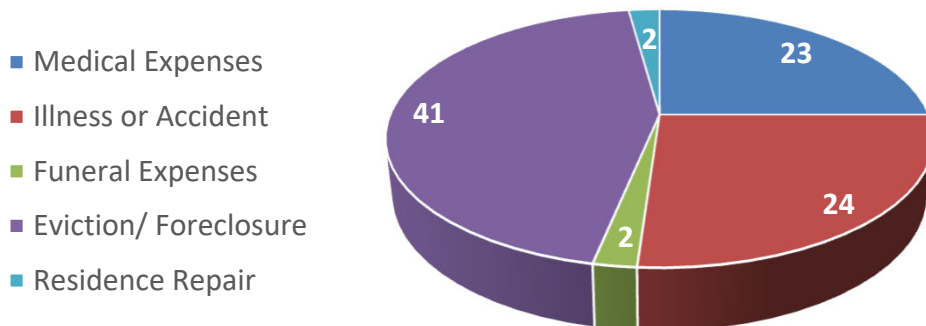
This data includes distributions from the separated population accounts (including closures of QDRO and beneficiary accounts).



Participant Outcomes: In-Service Withdrawals by Quarter

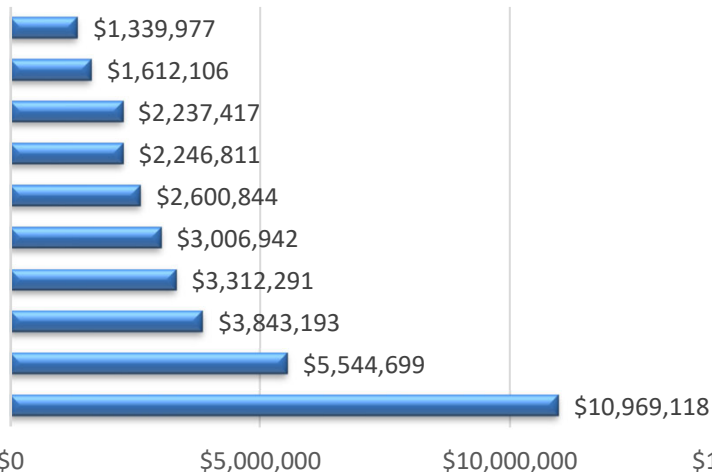


Unforeseeable Emergency Withdrawal (UEW) Reasons

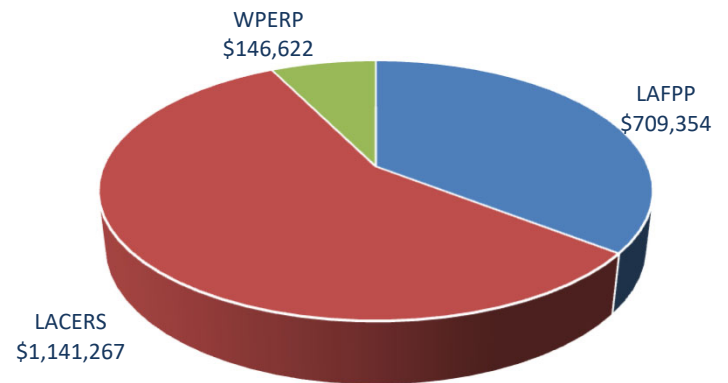


Participant Outcomes: Distributions

		Partial Rollover								Full Rollover				QTR Total	
		Other		LAFPP		LACERS		WPERP		Other		LACERS			
		#	Amt	#	Amt	#	Amt	#	Amt	#	Amt	#	Amt		
Q2 2021	Active	3	\$286,870	108	\$1,324,829	47	\$732,155	21	\$276,086					409	\$55,303,889
	Term	83	\$24,881,959			7	\$391,000			122	\$24,228,167	1	\$452,943		
	QDRO									4	\$337,204				
	Bene									13	\$2,392,677				
Q3 2021	Active	10	\$3,829,999	87	\$302,833	36	\$614,698	10	\$154,792					335	\$42,177,838
	Term	62	\$10,645,929			7	\$1,204,822			99	\$20,962,540	1	\$170,563		
	QDRO	1	\$120,433							7	\$1,027,389				
	Bene									15	\$3,143,839				
Q4 2021	Active	13	\$2,888,617	90	\$483,214	46	\$994,982	6	\$42,274					324	\$43,065,650
	Term	57	\$14,638,209							84	\$17,071,361	1	\$145,513		
	QDRO	1	\$57,000							5	\$484,129				
	Bene	2	\$499,633							19	\$5,760,717				
Q1 2022	Active	8	\$3,989,432	86	\$709,354	34	\$303,108	10	\$146,622					366	\$51,660,116
	Term	66	\$16,271,452			3	\$380,000			129	\$24,127,241	1	\$458,160		
	QDRO	1	\$150,000							6	\$881,240				
	Bene	1	\$233,493							21	\$4,010,014				



- Primerica
- Wells Fargo
- Edward Jones
- Pershing LLC
- National Financial Services
- TD Ameritrade
- Morgan Stanley
- Merrill Lynch
- Fidelity
- Charles Schwab

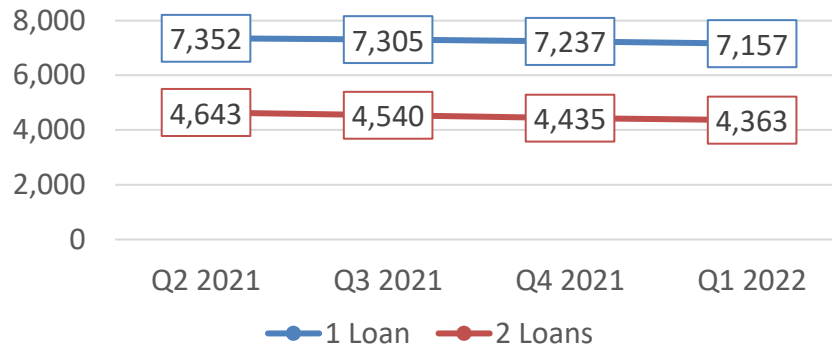




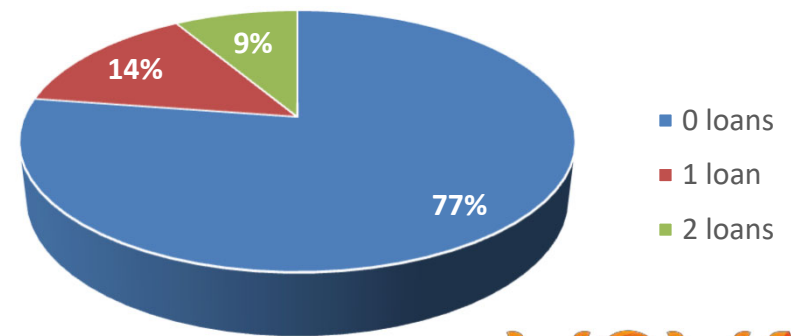
Loan Trending

	Q2 2021	Q3 2021	Q4 2021	Q1 2022
Total Participants with Loans	11,995	11,845	11,672	11,520
Total Number of Outstanding Loans	16,638	16,385	16,107	15,883
Number of General Loans	14,994	14,748	14,492	14,292
Number of Residential Loans	1,644	1,637	1,615	1,591
Total Outstanding Loan Balance	\$172,571,913	\$170,251,831	\$164,383,821	\$162,952,309
General Loan Balance	\$143,448,091	\$141,619,892	\$136,368,369	\$135,517,269
Residential Loan Balance	\$29,123,822	\$28,631,939	\$28,015,453	\$27,435,040
Average Loan Balance per Borrower	\$14,387	\$14,373	\$14,083	\$14,145
Number of Re-amortized	404	209	149	148
Number of Loan Defaults	264	260	207	181
Total New Loans Initiated	1,350	1,334	1,295	1,280
New Loans Active	1,267	1,276	1,243	1,217
New Loans Separated from Service	53	83	52	63

1 Loan versus 2 loans



Loan Summary



The Schwab Personal Choice Retirement Account (PCRA) Quarterly Report

CITY OF LA 457 DEFERRED COMP as of 3/31/2022

Plan Profile Information

Plan Type	457B
Total PCRA Assets	\$1,358,561,573
Total Funded PCRA Accounts	7,752
Total Roth Assets	\$55,522,925
Total Funded Roth Accounts	1,432
Total Advisor Managed PCRA Assets	\$596,511,764
Total Advisor Managed Funded PCRA Accounts	3,391
PCRA Accounts Opened This Quarter	382
PCRA Assets In and Out This Quarter*	\$52,657,241
Average PCRA Account Balance	\$175,253

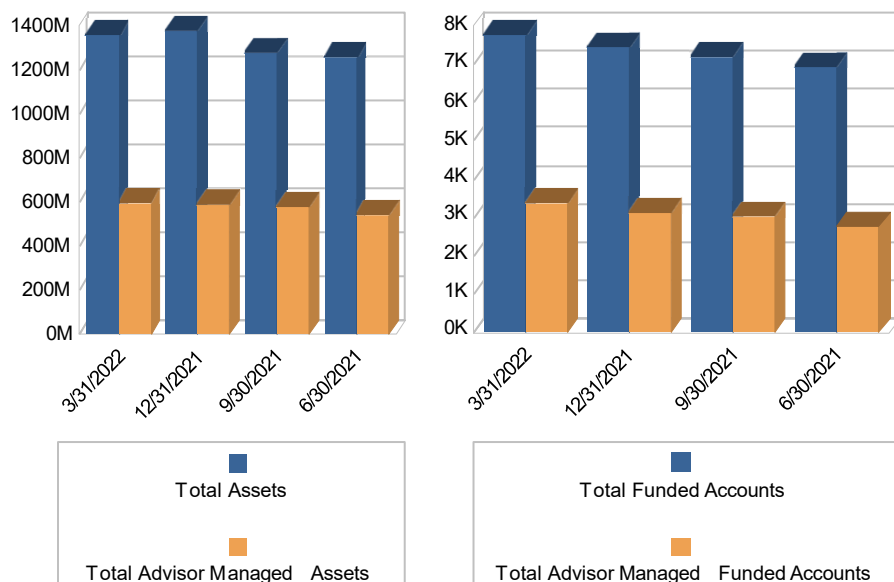
PCRA Participant Profile Information

Average Participant Age	49
Percent Male Participants	83%
Percent Female Participants	17%

Total Assets by Category

Cash Investments	\$151,606,884
Equities	\$613,627,387
ETFs	\$276,595,766
Fixed Income	\$68,513,813
Mutual Funds	\$248,777,633
Other	-\$559,911

Assets and Accounts (Trailing 4 Quarters)



Average Positions Per Account

Cash Investments	1.0
Equities	10.8
ETFs	3.7
Fixed Income	0.4
Mutual Funds	2.0
Other	0.0
Total	17.9

Average Trades Per Account

Equities	10.0
ETFs	3.0
Fixed Income	0.0
Mutual Funds	6.1
Other	0.2
Total	19.4

* Assets In and Out includes contributions and distributions.



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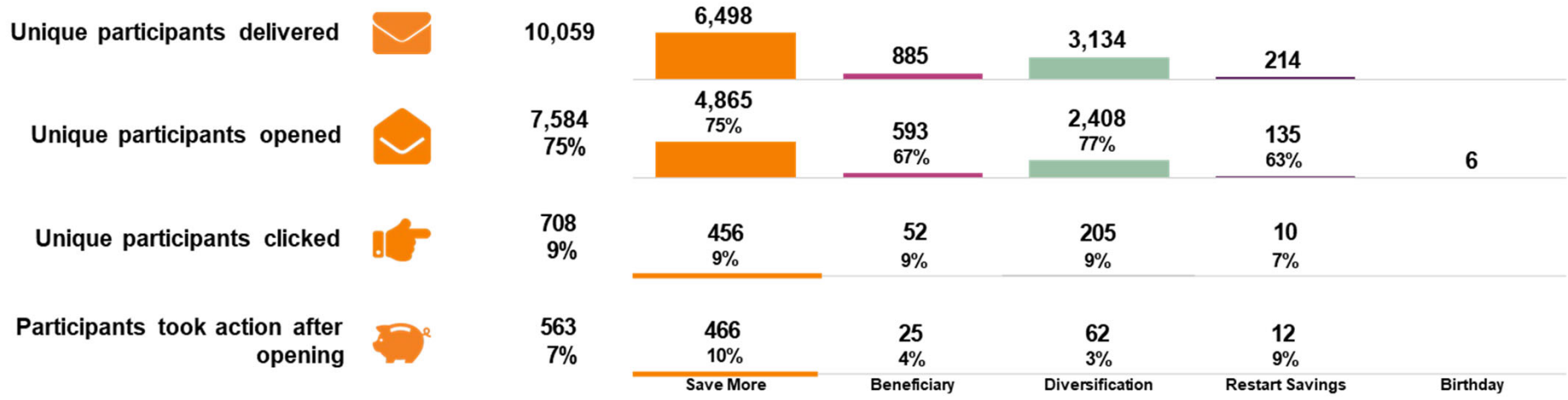


DCP Communications 2022

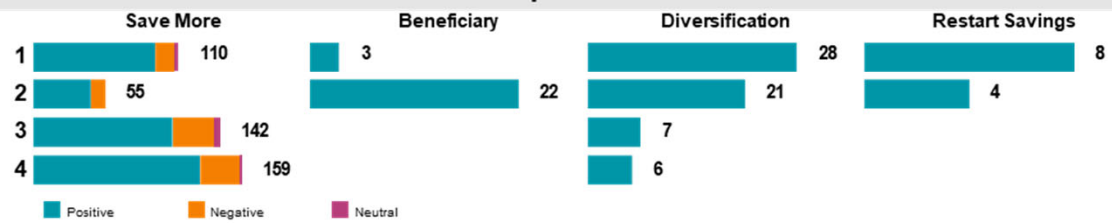




Personalized Financial Wellness Messaging | Q1 2022



Action details: total actions after email open

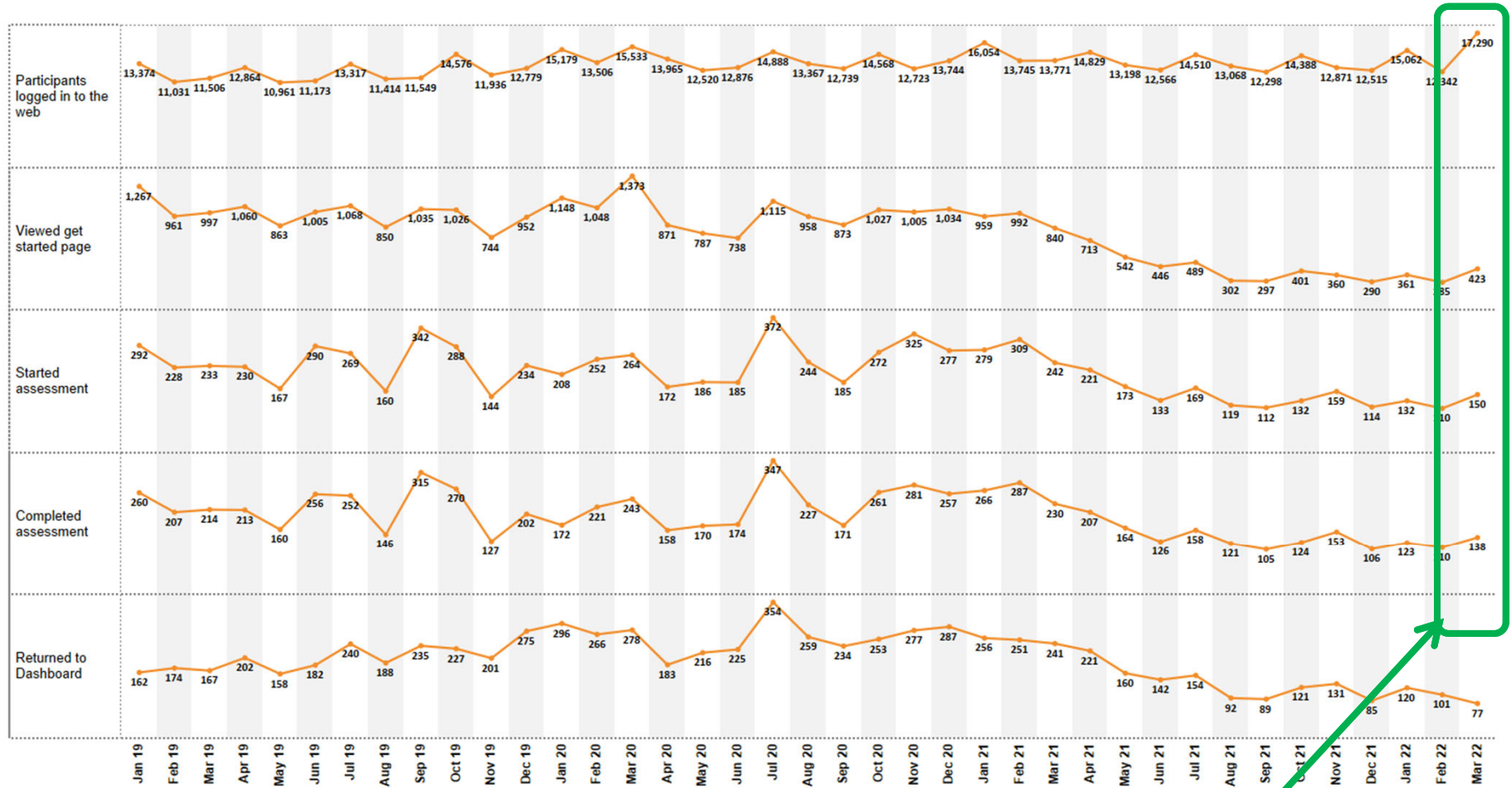


Potential financial impact: (those who changed deferral rate, excludes deferral amt)

Restart Savings \$6,347 of additional contributions per year. (1 participants increased their savings rate by 5.0% on average)



Financial Wellness Assessment Trends by Month



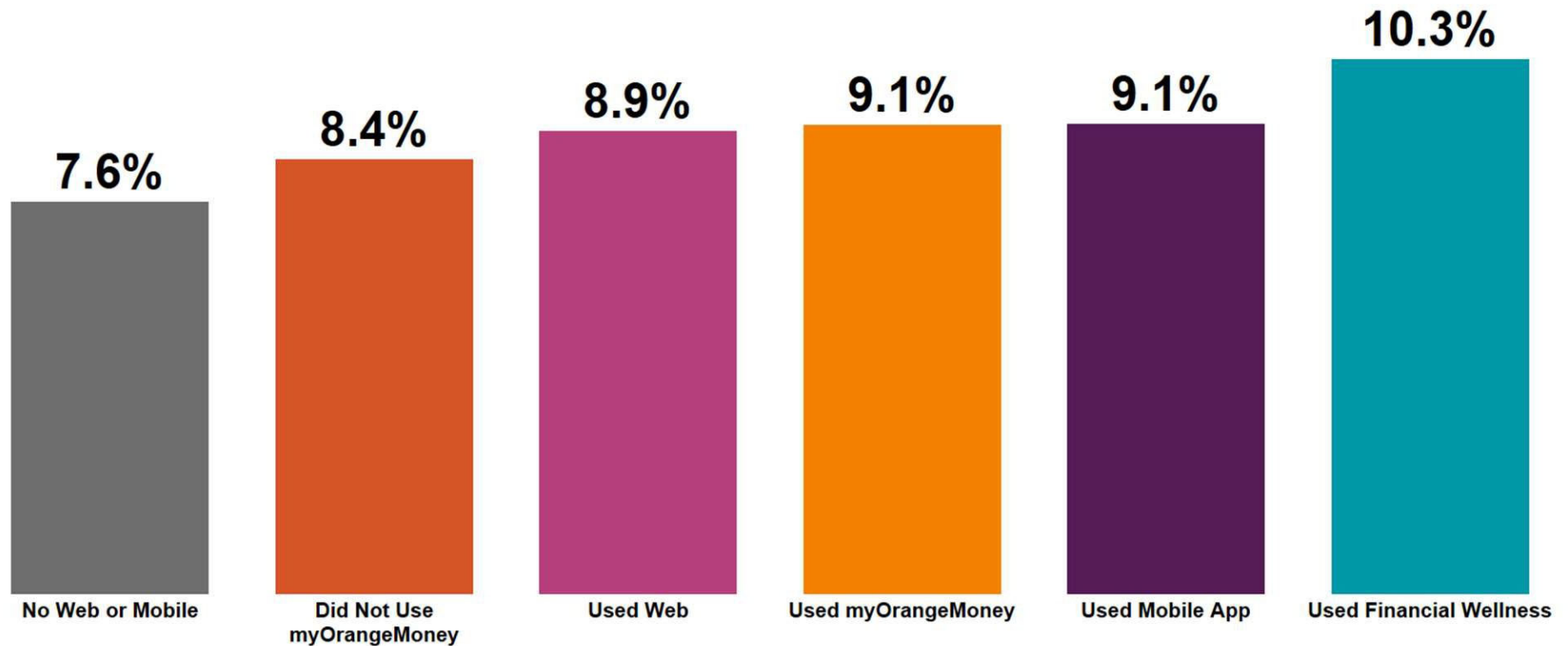
We saw an upward trend of participants logging in, viewing the get started page, starting the financial wellness assessment, and completing the assessment at the end of Q1



Digital Engagement Report

Engagement Outcomes - Savings Rate

Savings Rate (%)



Data as of 3/31/2022



Participant Engagement Plan | 2022

Execute and report on 2022 communications in key areas that focus on improving participation, contributions, asset retention and distributions.



Service enhancements

- SDBA SSO
- E-Delivery
- “Chatbot” Virtual Assistance



Focused communications

- Enrollment promotion
- Summer 2022 DCP “Checklist”



Event-driven engagement

- National Retirement Security Month
- Quarterly newsletters
- Social media



Participant Engagement Plan | A Look Ahead

Utilize “Strategic Initiatives Methodology” to build foundation for 2023 participant engagement activities and communications





CITY OF *Los Angeles*
DEFERRED COMPENSATION PLAN



Employee Engagement

PLAN | INVEST | PROTECT





Vincent Alvarez, Leslie Yoshioka,
La Tanya Harris,
Carol Say, Steve Harman

1Q 2022 Representative Activity

	1Q 2021	2Q 2021	3Q 2021	4Q 2021	1Q 2022
Virtual Meetings	25	31	28	31	30
Meeting Attendees	1,194	987	663	1,043	787
Call Totals	3,544	2,989	2,617	3,271	3,386
Emails	2,166	2,788	1,708	2,215	2,274
Total Participation	6,904	6,764	4,988	6,529	6,447
Enrollments	39	45	32	38	59



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Thank You

