



CITY OF *Los Angeles*
DEFERRED COMPENSATION PLAN



City of Los Angeles

Deferred Compensation Plan

Second 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





Unique culture

Voya announces
leadership
succession plan

Leadership succession plan appoints Heather Lavallee incoming CEO and affirms our focus on customers, innovation and culture



Rodney O. Martin, Jr.
Chairman & CEO
Voya Financial

Heather Lavallee
President and CEO-elect
Voya Financial

“ I am honored and grateful — to Rod, the board of directors, the management team and all of my Voya colleagues — for this opportunity to lead a uniquely purpose-driven company that is committed to helping our clients and customers achieve positive outcomes with their health, wealth and investment needs.

[Read release](#)



Q2 2022 Plan Summary

➤ Assets and Cash Flow

- Total Plan Assets were \$7.91 billion as of June 30, 2022.
- Net Cash Flow was a positive \$26 million for the period.
- In Q2 2022, the average participant balance was \$155,085 and the total participant count was 50,981.

➤ Investment Composition

- The DCP Large Cap Fund, Stable Value and the Schwab Brokerage option continue to be the top holdings with respect to balances by investment.
- PCRA continues to be a utilized option amongst plan participants. In Q2, there were 7,985 funded PCRA's which amounted to over \$1.15 billion in assets.



Workplace

By the numbers



Employee engagement

Call center

779,570
live calls

26,553
emails

13,470
live chats

44,910
Voya PAL chats



97%
satisfaction



45%
fully resolved via IVR



70%
fully resolved via
Voya PAL digital assistant

Digital



24,400,000
engagements

+ 1%
versus Q2 2021

Market volatility resource center



10,000+ visits to page



5% increase in mobile users



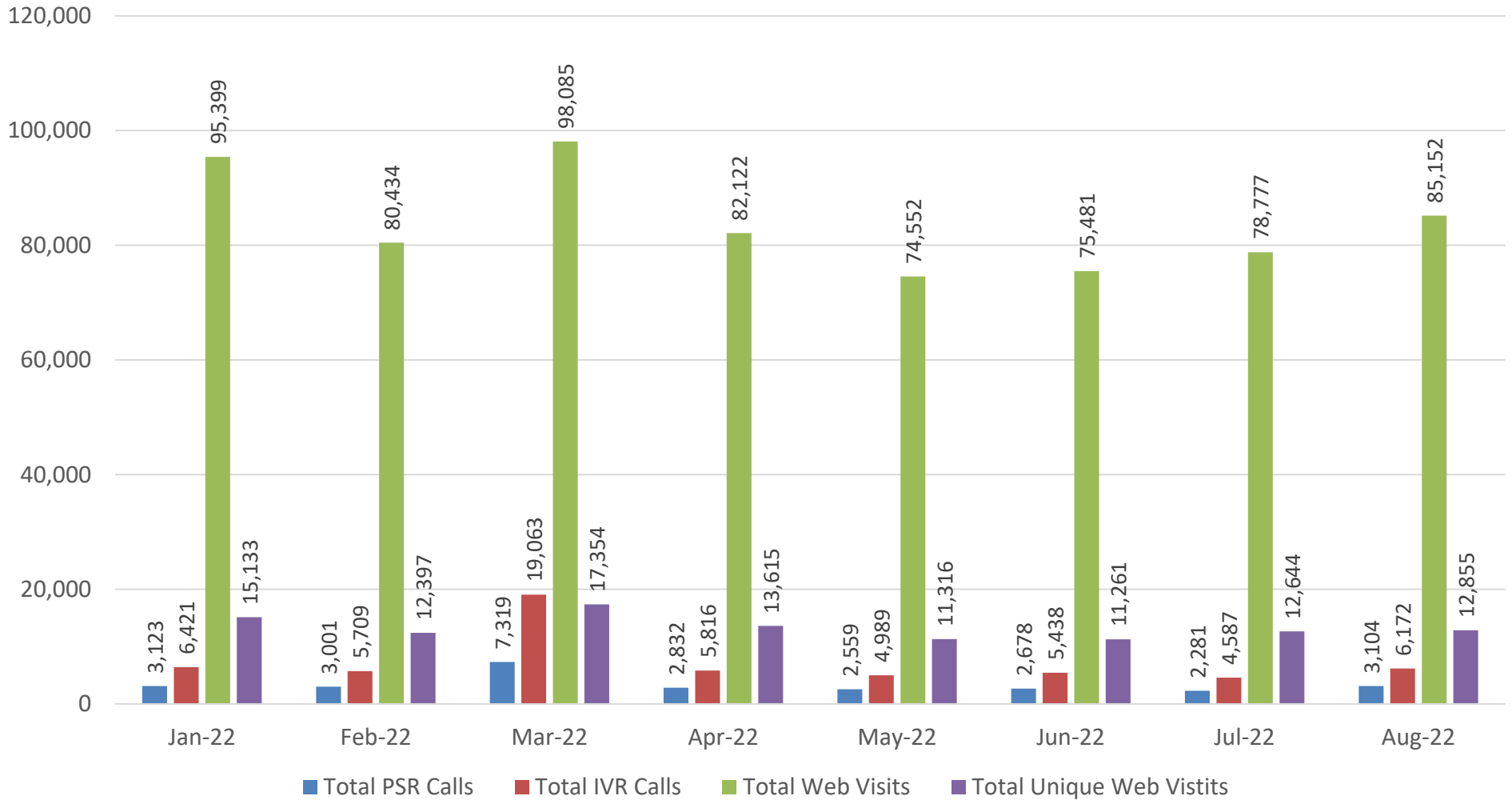
2:40 average minutes spend on page

Trending topics

- Russia Ukraine conflict
- Understanding market volatility
- Protect retirement against inflation



2022 Participant Contact Summary





Workplace

By the numbers

+ Employee actions:
savings



98.4%

are staying the course

and have not made investment trades
*up slightly from 98.3% **

↑ **1.6%** made a future investment
allocation change *up from 1.5% **

↑ **1%** requested a loan or a hardship
*up from 0.8% **

↓ Of those who changed their
savings rate, **60% increased**
savings *down from 69% **

* Compared to Q2 2021
Voya internal data, as of 06/30/2022



Q2 2022 Transfer Activity by Investment

Investment Name	Transfers In	Transfers Out	Net
SCHWAB BROKERAGE	\$36,489,117	(\$13,921,164)	\$22,567,953
FDIC INSURED SAVINGS ACCOUNT	\$55,398,356	(\$34,769,538)	\$20,628,817
STABLE VALUE	\$95,852,865	(\$38,473,572)	\$57,379,294
ULTRA CONSERVATIVE PORTFOLIO	\$13,578,935	(\$14,251,992)	(\$673,057)
CONSERVATIVE PORTFOLIO	\$11,115,050	(\$23,290,736)	(\$12,175,686)
MODERATE PORTFOLIO	\$10,197,639	(\$20,384,871)	(\$10,187,232)
AGGRESSIVE PORTFOLIO	\$4,315,580	(\$16,624,771)	(\$12,309,191)
ULTRA AGGRESSIVE PORTFOLIO	\$4,794,608	(\$14,807,368)	(\$10,012,759)
DCP BOND FUND	\$5,957,574	(\$11,491,855)	(\$5,534,280)
DCP LARGE CAP FUND	\$47,446,616	(\$76,569,158)	(\$29,122,542)
DCP MID CAP FUND	\$6,684,053	(\$14,802,262)	(\$8,118,209)
DCP SMALL CAP FUND	\$10,477,910	(\$18,012,023)	(\$7,534,113)
DCP INTERNATIONAL FUND	\$1,947,676	(\$7,066,986)	(\$5,119,310)



CITY OF *Los Angeles*
DEFERRED COMPENSATION PLAN



Plan Health





Plan Overview

	2021 Q2	2021 Q3	2021 Q4	2022 Q1	2022 Q2
Total Plan Participants with a balance	50,593	50,663	50,814	50,849	50,981
Total Plan Assets	\$8,820,623,760	\$8,820,724,913	\$9,307,962,971	\$8,911,864,063	\$7,906,363,475
Average Balance	\$174,345	\$174,105	\$183,177	\$175,261	\$155,085
Median Balance	\$66,864	\$65,880	\$69,961	\$65,289	\$59,069





Cash Flow Summary

Cash In

Pre-Tax Contributions	\$73,049,223.55
Roth Contributions	\$16,194,792.29
Rollover Contributions	\$25,247,934.99
Loan Repayments	\$22,219,237.81
Other	\$11,055,289.40

Total Cash In **\$147,766,478.04**

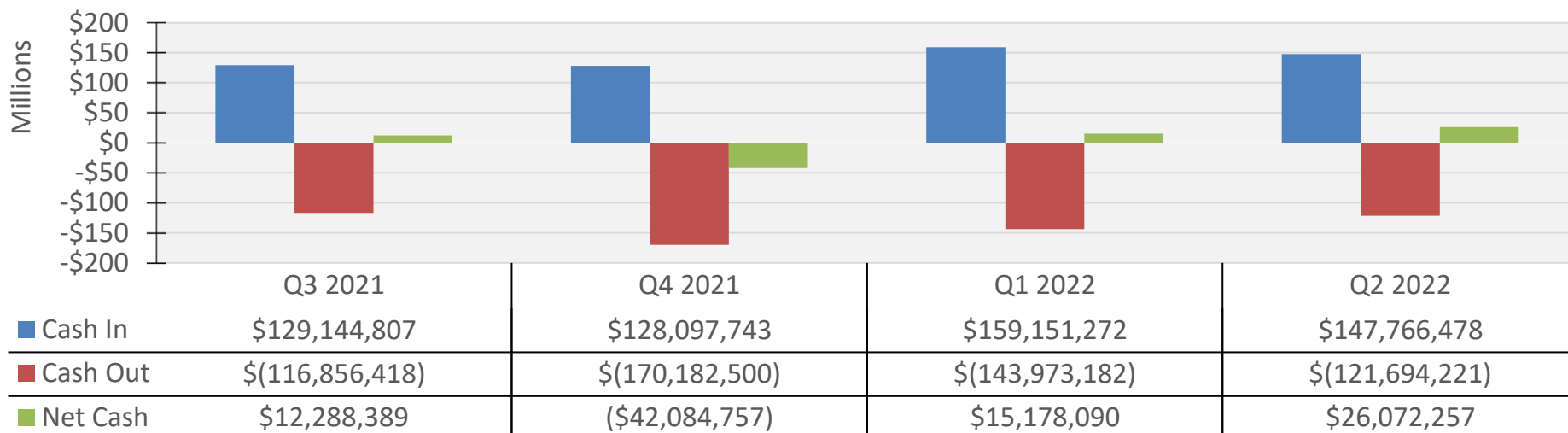
Cash Out

Distributions	(\$47,047,736.34)
Rollovers	(\$42,865,163.82)
Loans Issued	(\$19,700,300.83)
Fees	(\$1,025,730.72)
Other	(\$11,055,289.40)

Total Cash Out **(\$121,694,221.11)**

"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.

Net Cash Flow **\$26,072,256.93**



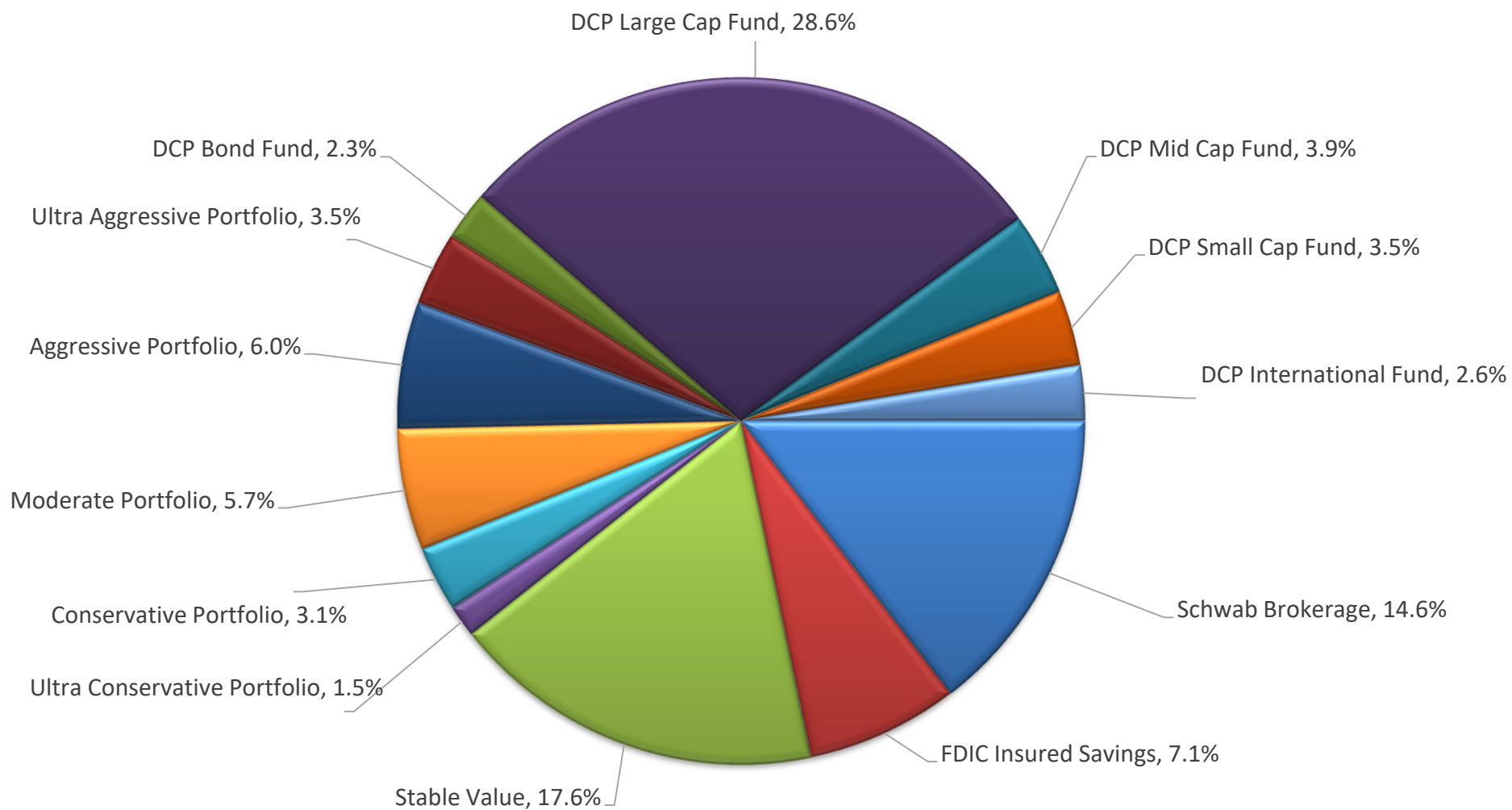


Balances by Investment

Investment	Investment Balance	Number of Participants	Average Participant	Percentage of Plan Assets
SCHWAB BROKERAGE	\$1,152,229,165.31	6,771	\$170,171.20	14.6%
FDIC INSURED SAVINGS ACCOUNT	\$564,667,265.36	12,752	\$44,280.68	7.1%
STABLE VALUE	\$1,394,157,867.15	13,657	\$102,083.76	17.6%
ULTRA CONSERVATIVE PORTFOLIO	\$118,203,402.67	3,001	\$39,388.00	1.5%
CONSERVATIVE PORTFOLIO	\$241,785,699.86	5,548	\$43,580.70	3.1%
MODERATE PORTFOLIO	\$453,552,078.06	12,055	\$37,623.57	5.7%
AGGRESSIVE PORTFOLIO	\$471,208,566.36	14,329	\$32,884.96	6.0%
ULTRA AGGRESSIVE PORTFOLIO	\$272,891,504.50	10,669	\$25,577.98	3.5%
DCP BOND FUND	\$182,033,849.35	6,853	\$26,562.65	2.3%
DCP LARGE CAP FUND	\$2,262,142,700.52	21,816	\$103,691.91	28.6%
DCP MID CAP FUND	\$307,466,455.03	8,639	\$35,590.51	3.9%
DCP SMALL CAP FUND	\$279,539,166.34	9,592	\$29,142.95	3.5%
DCP INTERNATIONAL FUND	\$206,485,754.59	8,920	\$23,148.63	2.6%
Total Investment Balance:	\$7,906,363,475.10			
Total Loan Fund:	\$168,544,226.87			



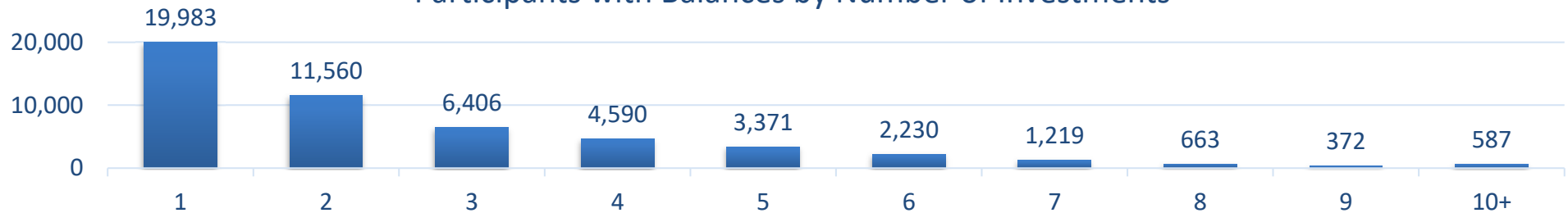
Percentage of Plan Assets



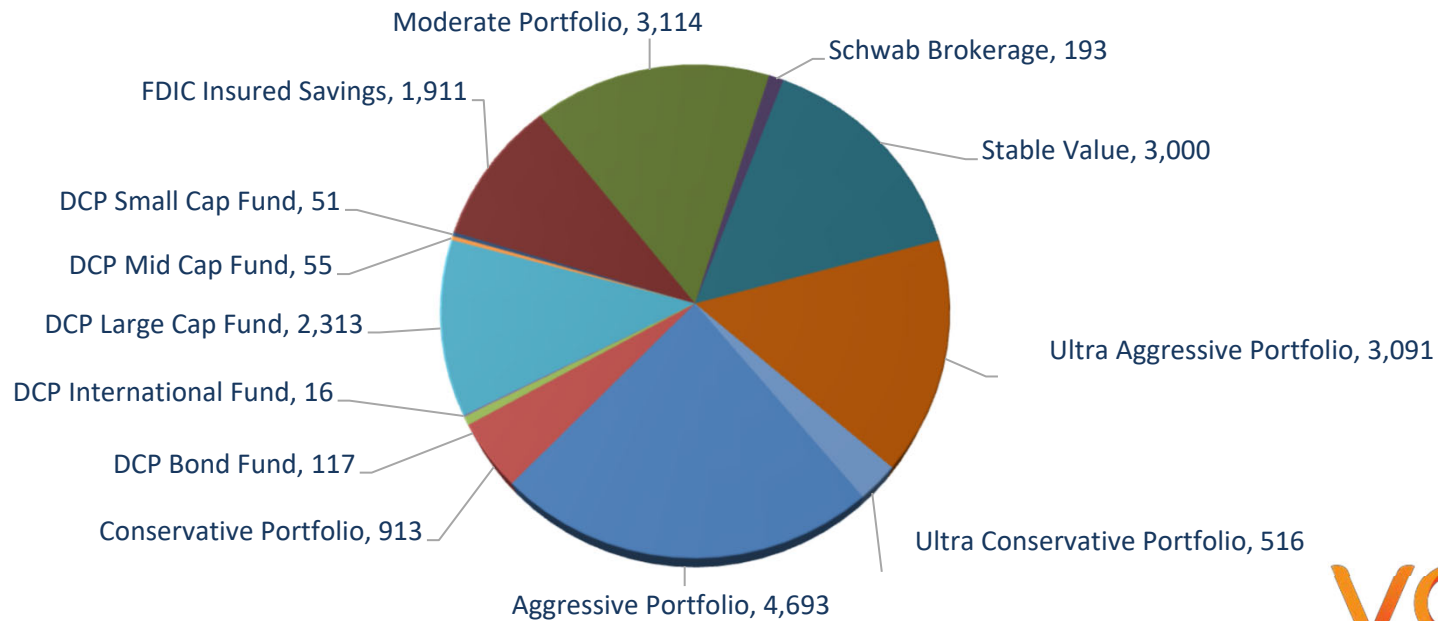


Diversification- All Investment Options

Participants with Balances by Number of Investments



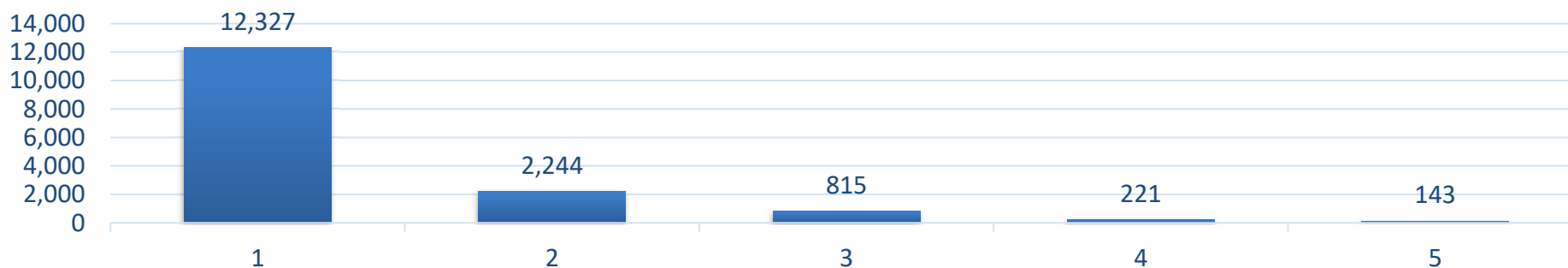
Participants with a Balance in a Single Investment



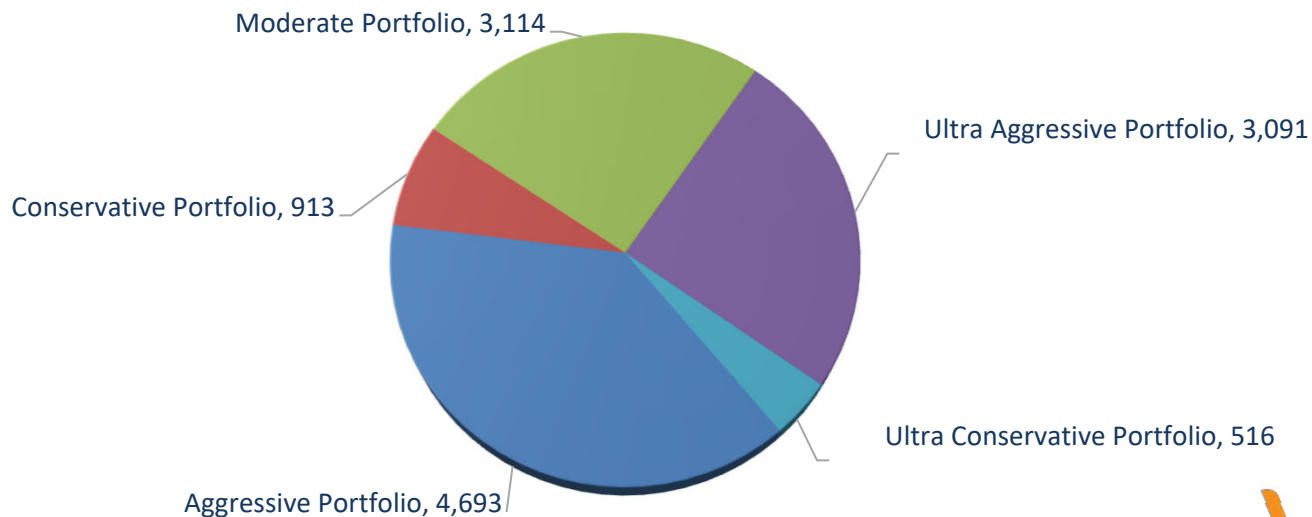


Diversification- Portfolio Funds Only

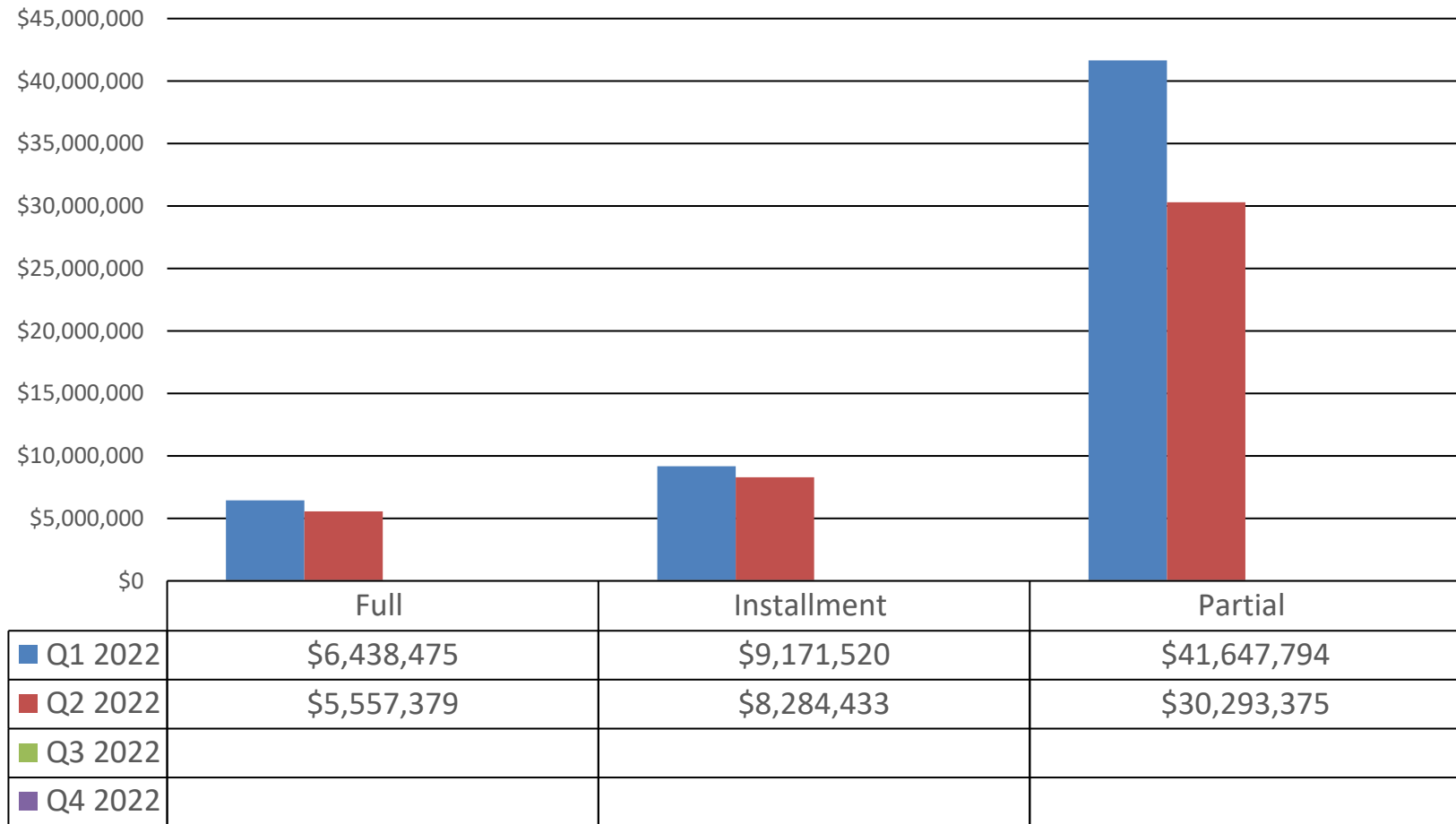
Participants with Balances by Number of Investments



Participants with a Balance in a Single Investment



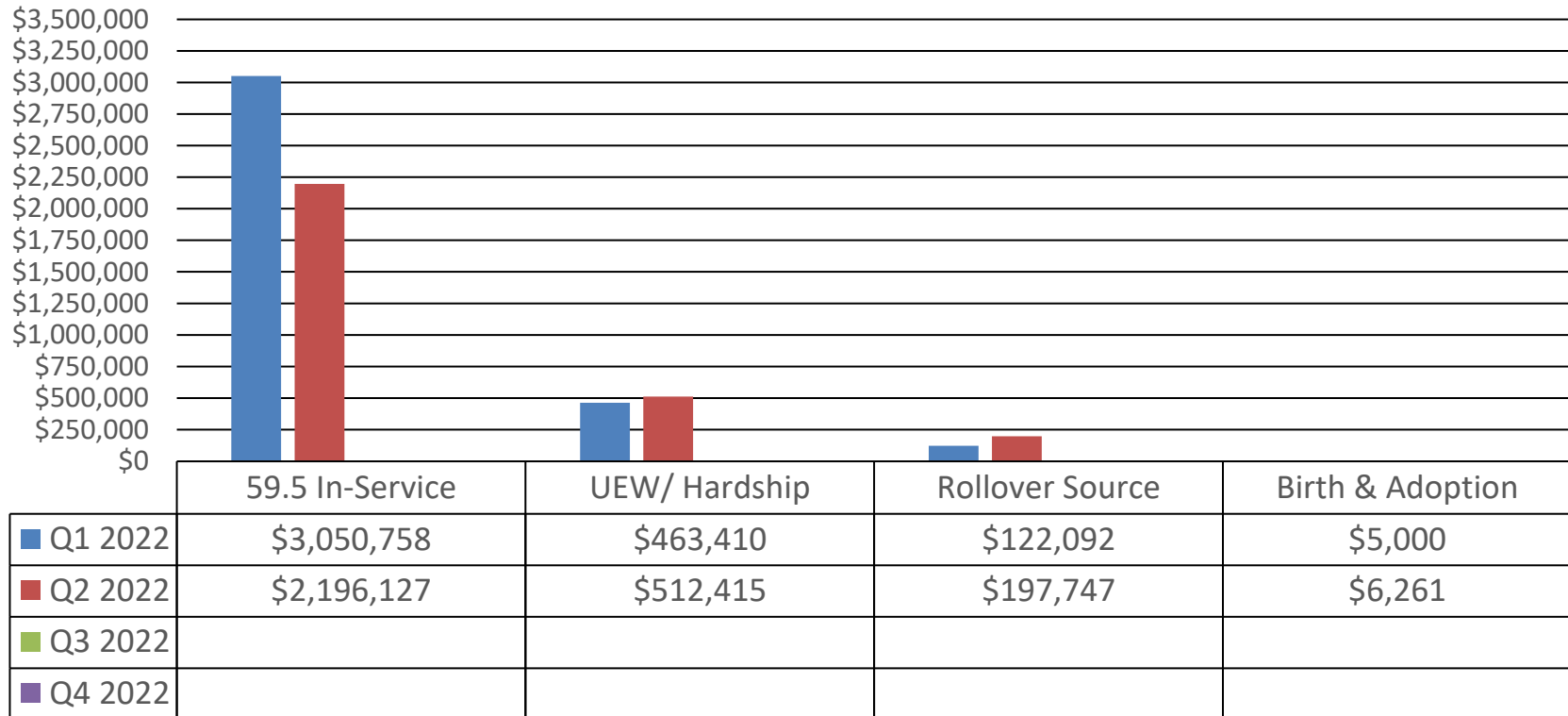
Participant Outcomes: Distribution Types by Quarter



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

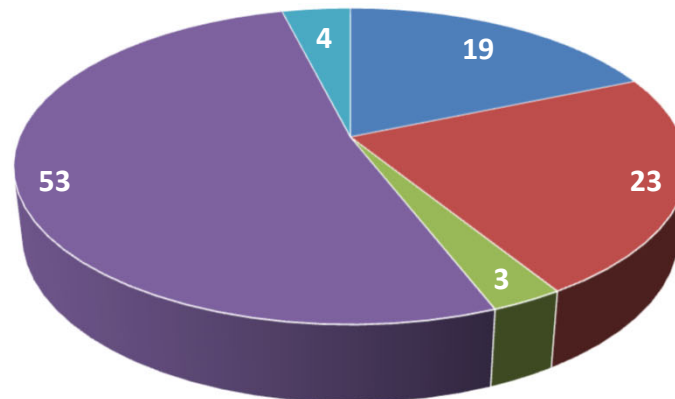


Participant Outcomes: In-Service Withdrawals by Quarter



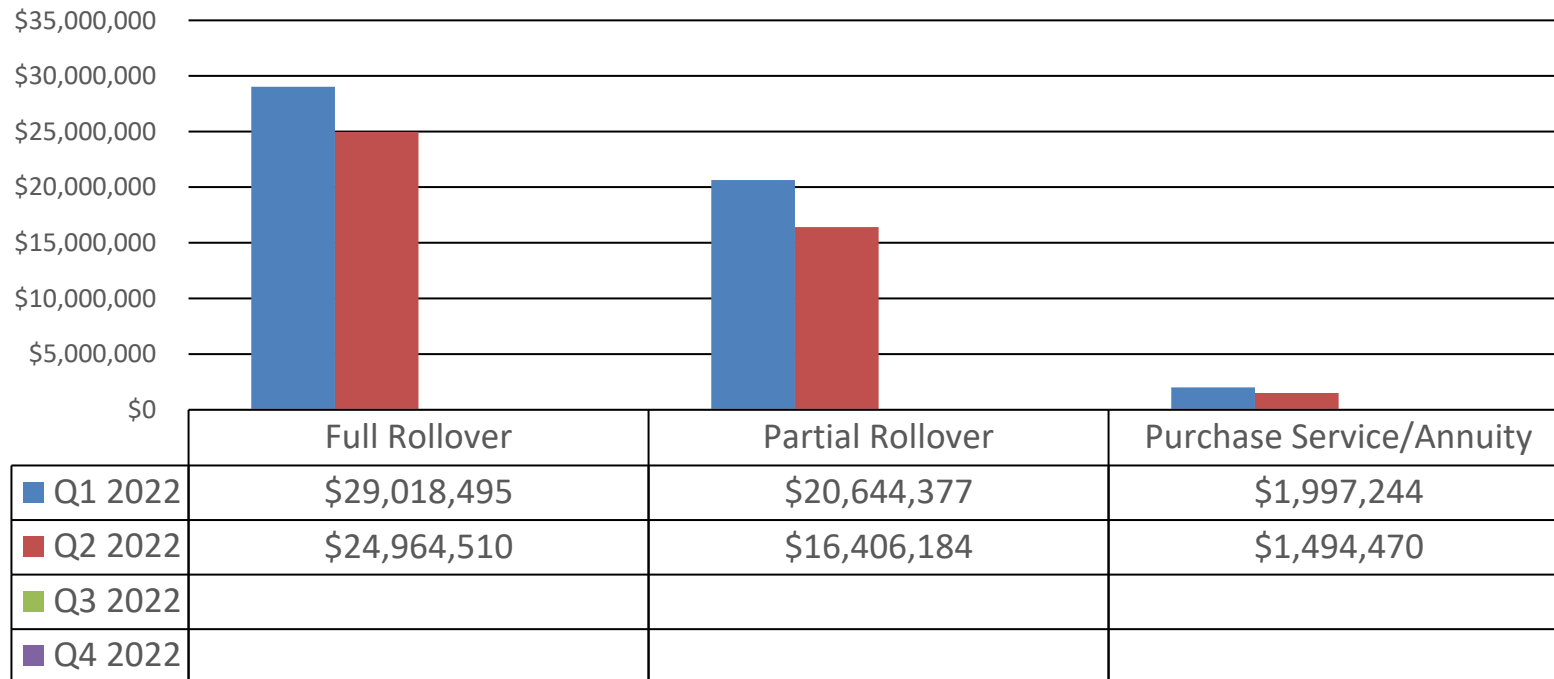
Unforeseeable Emergency Withdrawal (UEW) Reasons

- Medical Expenses
- Illness or Accident
- Funeral Expenses
- Eviction/ Foreclosure
- Residence Repair



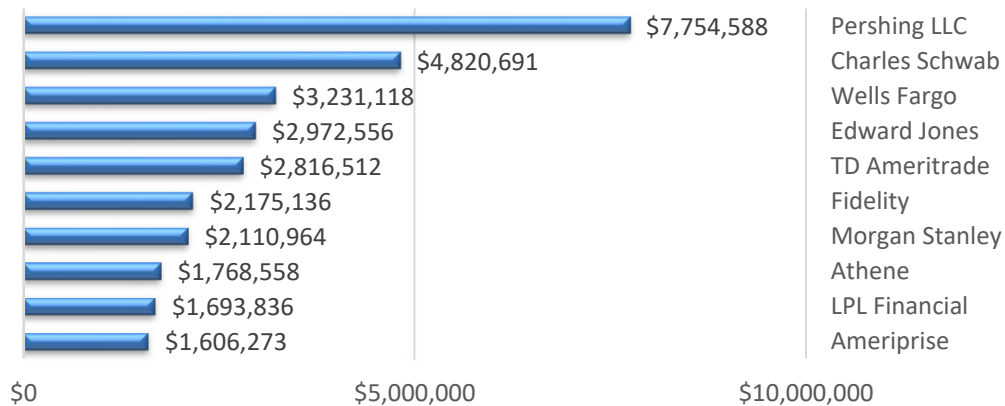
Participant Outcomes: Distributions

Rollovers by Quarter

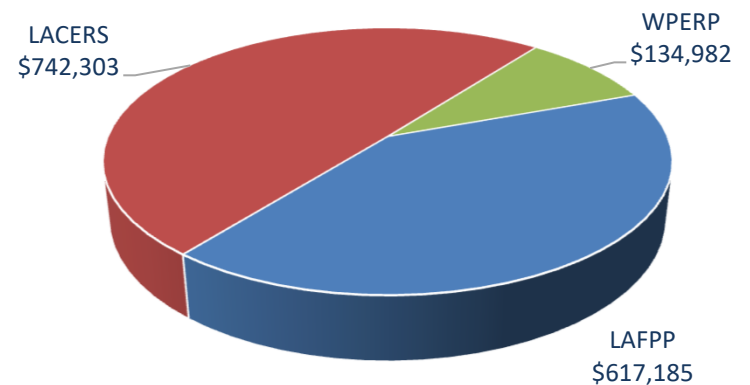


This data includes distributions from the active and separated populations (including QDRO and Beneficiary accounts).

Top 10 Rollover Providers by Dollar Amount



Purchase of Service/Annuity by Provider

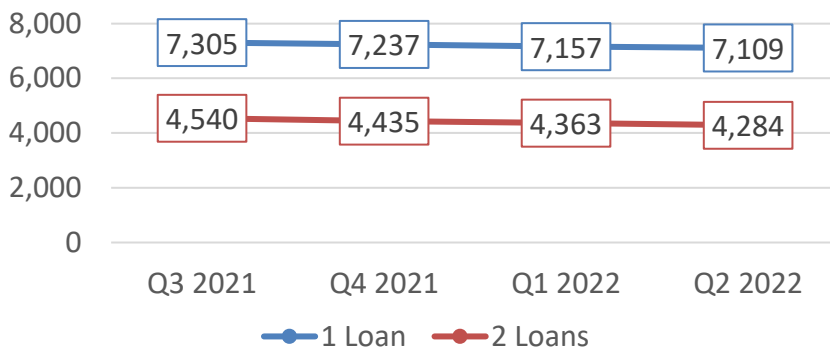




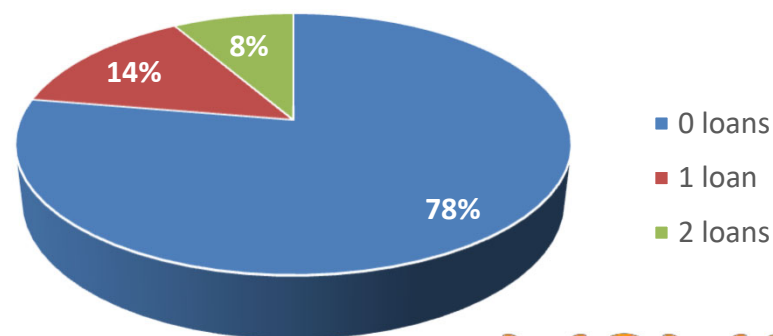
Loan Trending

	Q3 2021	Q4 2021	Q1 2022	Q2 2022
Total Participants with Loans	11,845	11,672	11,520	11,393
Total Number of Outstanding Loans	16,385	16,107	15,883	15,677
Number of General Loans	14,748	14,492	14,292	14,094
Number of Residential Loans	1,637	1,615	1,591	1,583
Total Outstanding Loan Balance	\$170,251,831	\$164,383,821	\$162,952,309	\$161,456,537
General Loan Balance	\$141,619,892	\$136,368,369	\$135,517,269	\$134,274,513
Residential Loan Balance	\$28,631,939	\$28,015,453	\$27,435,040	\$27,182,024
Average Loan Balance per Borrower	\$14,373	\$14,083	\$14,145	\$14,172
Number of Re-amortized	209	149	148	218
Number of Loan Defaults	260	207	181	206
Total New Loans Initiated	1,334	1,295	1,280	1,388
New Loans Active	1,276	1,243	1,217	1,298
New Loans Separated from Service	83	52	63	90

1 Loan versus 2 loans



Loan Summary



The Schwab Personal Choice Retirement Account (PCRA) Quarterly Report

CITY OF LA 457 DEFERRED COMP as of 6/30/2022

Plan Profile Information

Plan Type	457B
Total PCRA Assets	\$1,152,099,893
Total Funded PCRA Accounts	7,985
Total Roth Assets	\$49,118,978
Total Funded Roth Accounts	1,508
Total Advisor Managed PCRA Assets	\$542,131,517
Total Advisor Managed Funded PCRA Accounts	3,566
PCRA Accounts Opened This Quarter	234
PCRA Assets In and Out This Quarter*	\$38,689,089
Average PCRA Account Balance	\$144,283

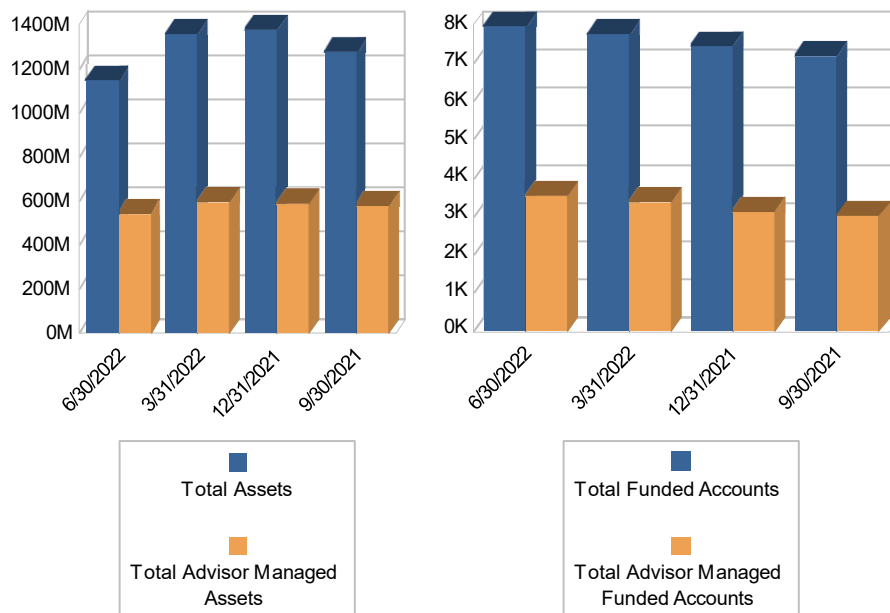
PCRA Participant Profile Information

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

Total Assets by Category

Cash Investments	\$162,649,413
Equities	\$468,652,237
ETFs	\$240,993,682
Fixed Income	\$69,139,984
Mutual Funds	\$211,173,276
Other	-\$508,694

Assets and Accounts (Trailing 4 Quarters)



Average Positions Per Account

Cash Investments	1.0
Equities	10.8
ETFs	3.6
Fixed Income	0.4
Mutual Funds	2.0
Other	0.0
Total	17.8

Average Trades Per Account

Equities	6.3
ETFs	2.4
Fixed Income	0.0
Mutual Funds	6.4
Other	0.2
Total	15.4

* Assets In and Out includes contributions and distributions.



CITY OF *Los Angeles*
DEFERRED COMPENSATION PLAN

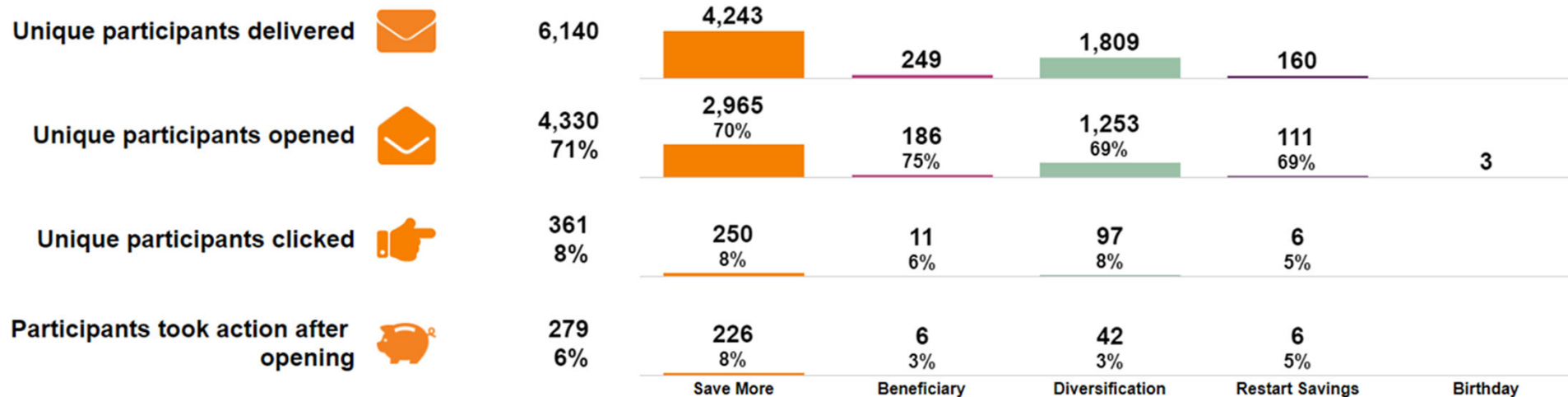


DCP Communications 2022

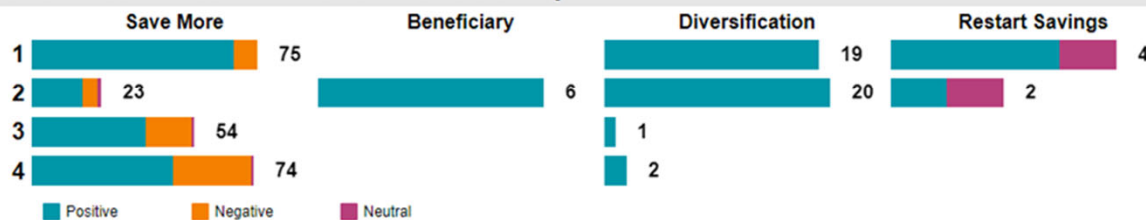




Personalized Financial Wellness Messaging | Q2 2022



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. (2 participants increased their savings rate by 2.5% on average)



Financial Wellness Snapshot Q2 2022



How do your employees feel about their current financial situation?

Your employees



Voya book of business



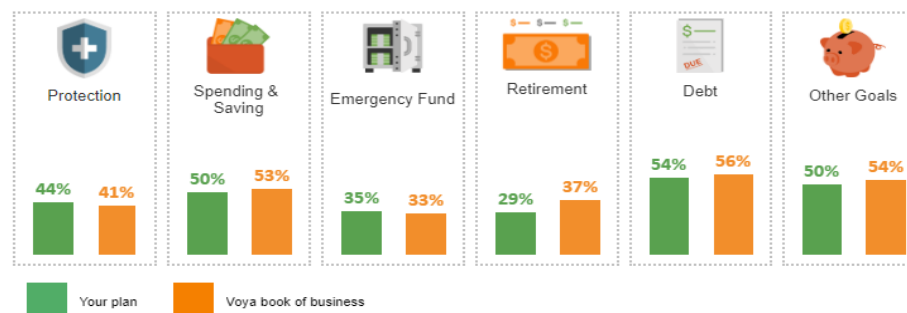
1 not confident | 10 very confident

61% have a financial confidence of 7 or more
(Voya book of business: 54%)



Percent of employees on track by pillar

51% of your employees' pillar scores are green
(Voya book of business: 51%)



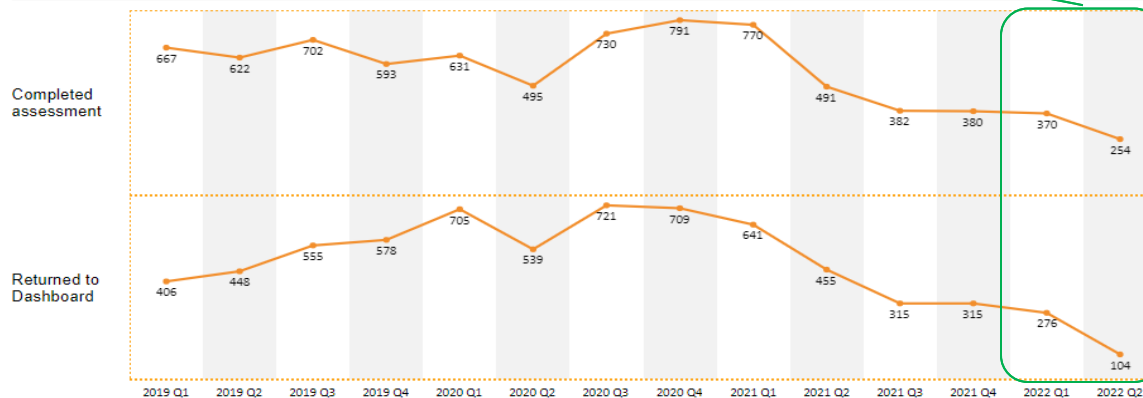
Engagement

	# of participants	% of participants	Voya Book of Business
Started Financial Wellness assessment	5,769	--	--
Completed assessment and viewed results	5,134	89%	89%
Viewed dashboard after completing assessment	4,453	87%	82%



Trending

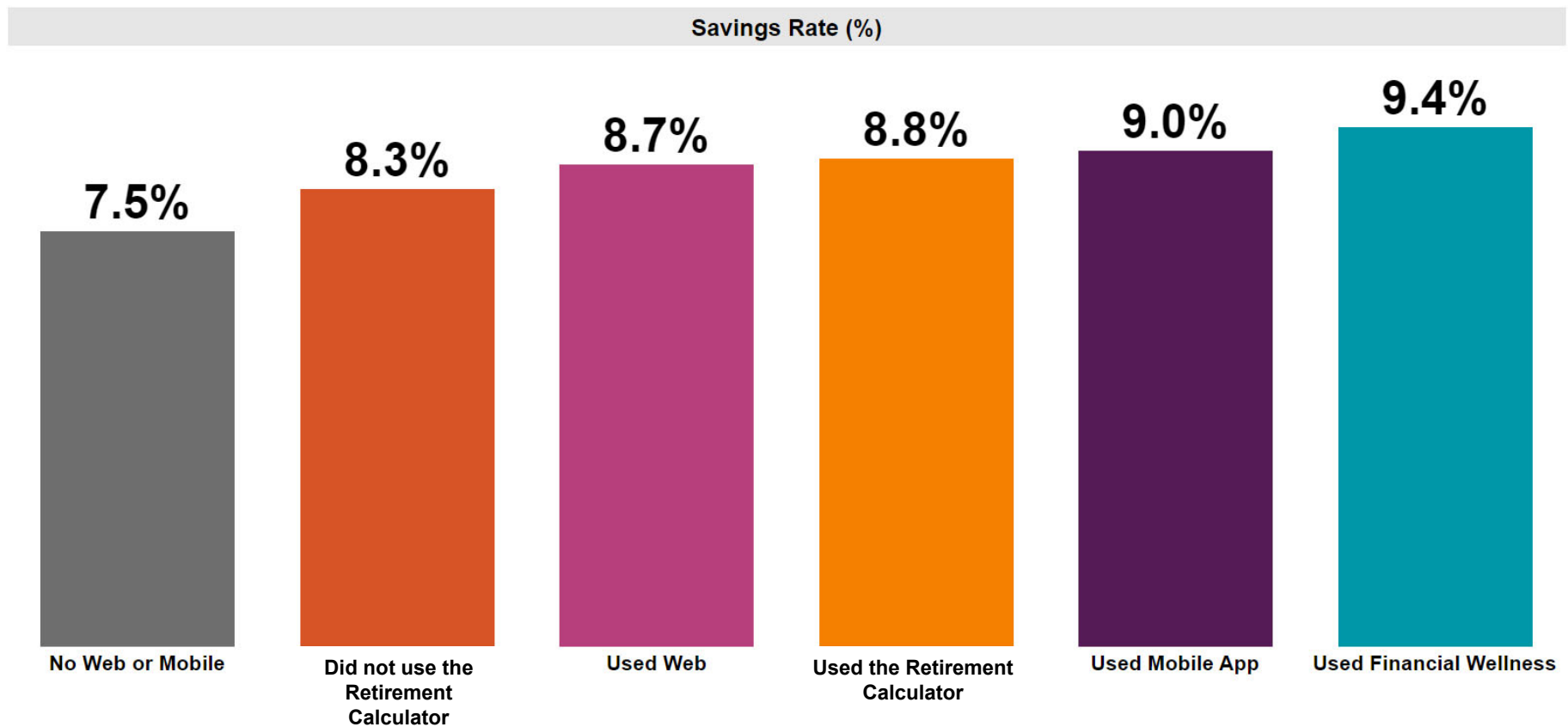
Financial Wellness Assessment promotion coming in Q4 or sooner





Digital Engagement Report

This chart represents the average savings rates associated with specific participant engagement tools



Data as of 6/30/2022



Communications Update

SDBA Single Sign-on: Complete

Email Campaign

Access your self-directed brokerage account (SDBA) directly from your DCP account with a single login. Here's how:

Your SDBA is an important part of your retirement savings journey that gives you the flexibility to chart your own path to a secure retirement. That's why we've improved the connectivity between your DCP account and SDBA from Charles Schwab with a new single sign-on feature. It's not just easy, it's seamless.

Easier savings, fewer clicks.

With single sign-on functionality, you're able to trade, transfer, and research the wide range of investment options available from Charles Schwab just by logging into www.LA457.com. Gone are the days of logging in separately to manage your retirement savings journey.

Getting started is easy.

To establish the single sign-on connection, access [the brief how-to guide](#) and review the instructions for **enabling seamless access between your SDBA and DCP account**. In just three easy steps, you'll be on your way to building your retirement dreams – faster and easier.

Written Notification

June 10, 2022

[First Name] [Last Name]
[Address Line 1]
[Address Line 2]
[City], [State] [Zip Code]

New feature alert! Single sign-on now available for DCP participants investing with the Charles Schwab self-directed brokerage account option

Dear [First Name],

Our records show that you are currently a participant in the City of Los Angeles Deferred Compensation Plan (DCP) and you have investments in the Self-Directed Brokerage Account (SDBA) option through Charles Schwab. Your SDBA is an important part of your retirement savings journey that gives you the flexibility to chart your own path to a secure retirement. That's why we've improved the connectivity between your DCP account and SDBA from Charles Schwab with a new **single sign-on feature**. It's not just easy, it's seamless.

Easier savings, fewer clicks

With single sign-on functionality, you're able to trade, transfer, and research the wide range of investment options available from Charles Schwab just by logging into LA457.com. Gone are the days of logging in separately to manage your retirement savings journey.

- + Blog post on LA457.com
- + Newsletter promotion






Communications Update

DCP Summer Checklist: **Complete**

Email Campaign



THE DCP'S SUMMER CHECKLIST

With the summer season in full swing, now is a great time to make sure your Deferred Compensation Plan (DCP) retirement account is set up for success throughout summer and beyond.

Here's your five-minute DCP checklist:

- Confirm your e-delivery preferences.**
On August 12, 2022 we'll be expanding e-delivery services for account statements and documents. If you have a valid email address on file but have not elected paper-based services, you will be defaulted into e-delivery. This means any communications from the DCP will be sent to the email address on file.
To update your email address or elect paper-based delivery, [login to your DCP](#) account at LA457.com, click on your name and select "Communication Preferences". Or, just give us a call at 844-523-2457.

Postcard

YOUR DCP SUMMER CHECKLIST IS HERE!

Only Five Minutes to a Better Retirement Plan Experience



 CITY OF *Los Angeles*
DEFERRED COMPENSATION PLAN

- + Social media promotion
- + Blog post on LA457.com



Communications Update

Retirement “Pay Raise” Enrollment Campaign: Complete

Email Campaign



**GIVE YOURSELF A
RETIREMENT
PAY RAISE!**

How big of a retirement pay raise do you want?

Protecting your goals and boosting your income in retirement is easier than you may think. As an employee with the City of Los Angeles, you have access to the City’s 457 Deferred Compensation Plan (DCP) that is designed to give you a well-deserved pay raise in retirement.

Start saving in just a few clicks

We’ve made enrolling in the DCP easy for you, and easy to understand. You don’t have to be an expert at investing to get started. In fact, we’ll make sure your investing plan is aligned with your retirement goals in just a few questions. The amount you save is up to you – start small or go big.

- + Social media promotion
- + Blog post on LA457.com



Communications Update | What's Ahead

Investment Options and Market Volatility Campaign

Email Campaign



+

Money Matters Education



Preparation for 2023 Participant Engagement Strategy Launch

Participant Outcomes
2023 Strategic Initiatives Methodology

Information contained herein is proprietary, confidential and non-public and is not for public release.
PLAN | INVEST | PROTECT

3. Perform SWOT Analysis

S	Strengths	<ul style="list-style-type: none"> • What has the city done well, historically? • What has Voya been seeing success with?
W	Weaknesses	<ul style="list-style-type: none"> • What has not yielded results in the past? Why? • What have we not been good at, but should be?
O	Opportunities	<ul style="list-style-type: none"> • How can we refine/enhance messaging? • Are there City events or people (Voya consultants) that can be leveraged in new ways?
T	Threats	<ul style="list-style-type: none"> • Potential pushback or challenges? • What should we be aware of for certain participant segments?

1. Goal Review and Identification

<p>Participant Goal Analysis</p> <ul style="list-style-type: none"> • Participation • Distributions • Contributions • Asset Retention 	<p>Identify 2023 Goals</p> <ul style="list-style-type: none"> • Impactful • Measureable • Manageable
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In-progress with Staff and Voya in 2022



CITY OF *Los Angeles*
DEFERRED COMPENSATION PLAN



Employee Engagement

PLAN | INVEST | PROTECT

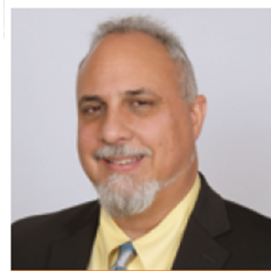




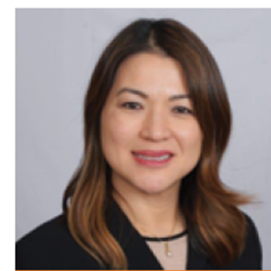
La Tanya Harris



Vincent Alvarez



Steve Harman



Carol Say

2Q 2022 Representative Activity

	2Q 2021	3Q 2021	4Q 2021	1Q 2022	2Q 2022
Virtual Meetings	31	28	31	30	34
Meeting Attendees	987	663	1,043	787	934
Call Totals	2,989	2,617	3,271	3,386	2,381
Emails	2,788	1,708	2,215	2,274	1,730
Total Participation	6,764	4,988	6,529	6,447	5,045
Enrollments	45	32	38	59	50



CITY OF *Los Angeles*
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Thank You

