



CITY OF *Los Angeles*
DEFERRED COMPENSATION PLAN



City of Los Angeles

Deferred Compensation Plan

Third Quarter 2022 Review





For discussion

Updates – News – Trends

Technology Roadmap

Plan Health

DCP Communications 2022

Employee Engagement





CITY OF *Los Angeles*
DEFERRED COMPENSATION PLAN



Updates – News – Trends





2023 Cost of Living Adjustments Announced

On October 21, 2022, the Internal Revenue Service issued Notice 2022-55, providing for the following 2023 cost of living dollar limits:

LIMIT	2022	2023
<p>457 Deferral Limits The lesser of the limitation on vested contributions to 457 plans under IRC Section 457(e)(15) or 100% of includible compensation.</p>	\$20,500	\$22,500
<p>Age 50+ Catch-Up Limits The special catch-up available under IRC Section 414(v) for individuals at least 50 years old in 2023 and make eligible pre-tax contributions to 401(k), 403(b), and governmental 457 plans.</p>	\$6,500	\$7,500
<p>457 Catch-up limit The special catch-up election for employees participating in an eligible 457 deferred compensation who have elected the special catch-up available in the three years prior to the year of normal retirement age.</p> <p>Note: The participant in a governmental 457(b) plan may make catch-up contributions in a year equal to the greater of (a) the amount permitted under the age 50+ catch-up, or (b) the amount permitted under the 457 catch-up.</p>	\$41,000	\$45,000





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Technology Roadmap Update



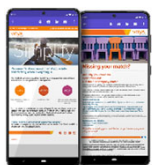


Purposeful innovation in action



Optimize Decision Making

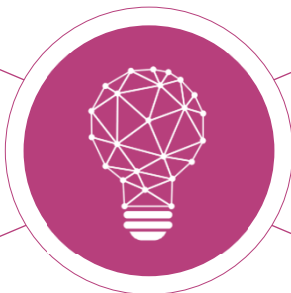
Making science-based text and design architecture changes to drive enhanced decision-making.



Ongoing Engagement

Utilizing course-correction tactics and digital nudging to help participants stay on track.

Experimentation and Learning



The **Voya BeFi Institute for Innovation** has developed a partner ecosystem and platform that enables a spectrum of lab, digital user group, and field experiment research that explores innovative ways to help workplace benefit plans and participants better achieve goals and outcomes.



Plan Design

Using behavioral finance insights to address suboptimal savings behaviors through plan design strategies.



Thought Leadership

Striving to publish research that can help all Americans financial wellbeing.



Recent Enhancements



Optimizing participant experiences

- New Voya Retire mobile app including Spanish*
- Redesigned contribution experience
- New Account History page with all account activity in one place
- Voice biometrics opt-in feature in digital experiences
- Nonqualified deferred compensation plan experience

* For plans with Spanish Language experience



Streamlining plan administration & expanding solutions

- Continued evolution of Sponsor Web
 - Recent Activity tile on homepage
 - Interactive activity pages with export feature for viewing activity without running a report
- myVoyage mobile app pilot program
- Voya Lifetime Income Protection (VLIP) program expansion
- Life and disability products in myHealth&Wealth personalized guidance



Other happenings

- Lifetime income disclosure illustrations participant statements to comply with SECURE Act/DOL Interim Final Rule
- Thought leadership
 - New Voya research examines the state of health care retirement plans
 - Pennies framing in retirement plan enrollment
- The Hire thru Retire Podcast
- Moved Contact Center to Genesys Cloud platform to enable more rapid deployment of new capabilities



Roadmap highlights: Technology to meet and anticipate growing client needs

Innovation means **nothing** unless it changes **something**

We are supercharging our innovation — purposefully

Our innovation centers on:

1. Delivering **customer outcomes**
2. Providing **core recordkeeping** services
3. Bringing together **health and wealth** in the workplace
4. Advancing **security**

Delivering **impactful** digital experiences



Data-driven



Customer-centric



Outcome-focused

Investing in **tech-forward** innovation



Hybrid cloud



Core recordkeeping



Frictionless integration



Artificial intelligence



Smart automation



Santosh Keshavan

Voya Executive Vice President,
Chief Information Officer

We have made investments in simplifying our core systems, data, digital, open architecture and APIs which help us to bring the right set of solutions to our customers.

We want to be able to provide the best experience by bringing in a variety of technologies that will not only integrate well with Voya systems, but also our ecosystem partners.



Roadmap highlights: Optimizing participant experiences

Guiding principles

Deliver **holistic** and **personalized** experiences that...

- Are empathetic, insightful and intuitive
- On state-of-the art technology foundation
- With the latest security features



More engaged



More confident



More on-track
for retirement

Roadmap highlights

- Participant dashboard with next-level account aggregation
- Frictionless access to full suite workplace benefits offered through Voya
- Connecting workplace benefits and savings decisions
- Expansion of personalized and actionable guidance across life stages and events
- Step-up authentication as added layer of security for key transactions
- Be-Fi research: Emergency savings, Next best dollar

¹ Voya internal data as of 12/31/2021

² Ipsos surveys among those participating in employer-sponsored retirement plans managed by Voya, August-October 2021



Roadmap highlights: Streamlining plan administration & expanding solutions

Guiding principles

Simplify plan administration and build solutions to help drive better outcomes

- Deliver an experience focused on ease-of-use and efficiency
- Make it even easier to do business with Voya
- Bring most used content, data and activities to your fingertips
- Provide valuable insights to help you optimize your plan and improve participant outcomes

Flexible | Efficient | Adaptable
Effective | Always Accessible

Roadmap highlights

- Outcome reporting enhancements
 - Insights and data visualization capabilities
 - Interactive charts and graphs
- Customize Sponsor Web homepage with tools and content you interact with most frequently
- Features to communicate with client service team on Sponsor Web (chat, call)
- Single sign-on to Sponsor Web from corporate intranet site
- Retirement income solutions
- Financial Wellness solution suite expansion
- Sponsor Mobile App to enable work on the go
- DEI Reporting and analysis

- **More than 80%** of plan sponsors surveyed noticed recent enhancements to Sponsor Web¹
- Of those who noticed the enhancements, **97% had a favorable reaction** to them¹

¹ Voya internal data, 2022 survey.





Q3 2022 Plan Summary

➤ Assets and Cash Flow

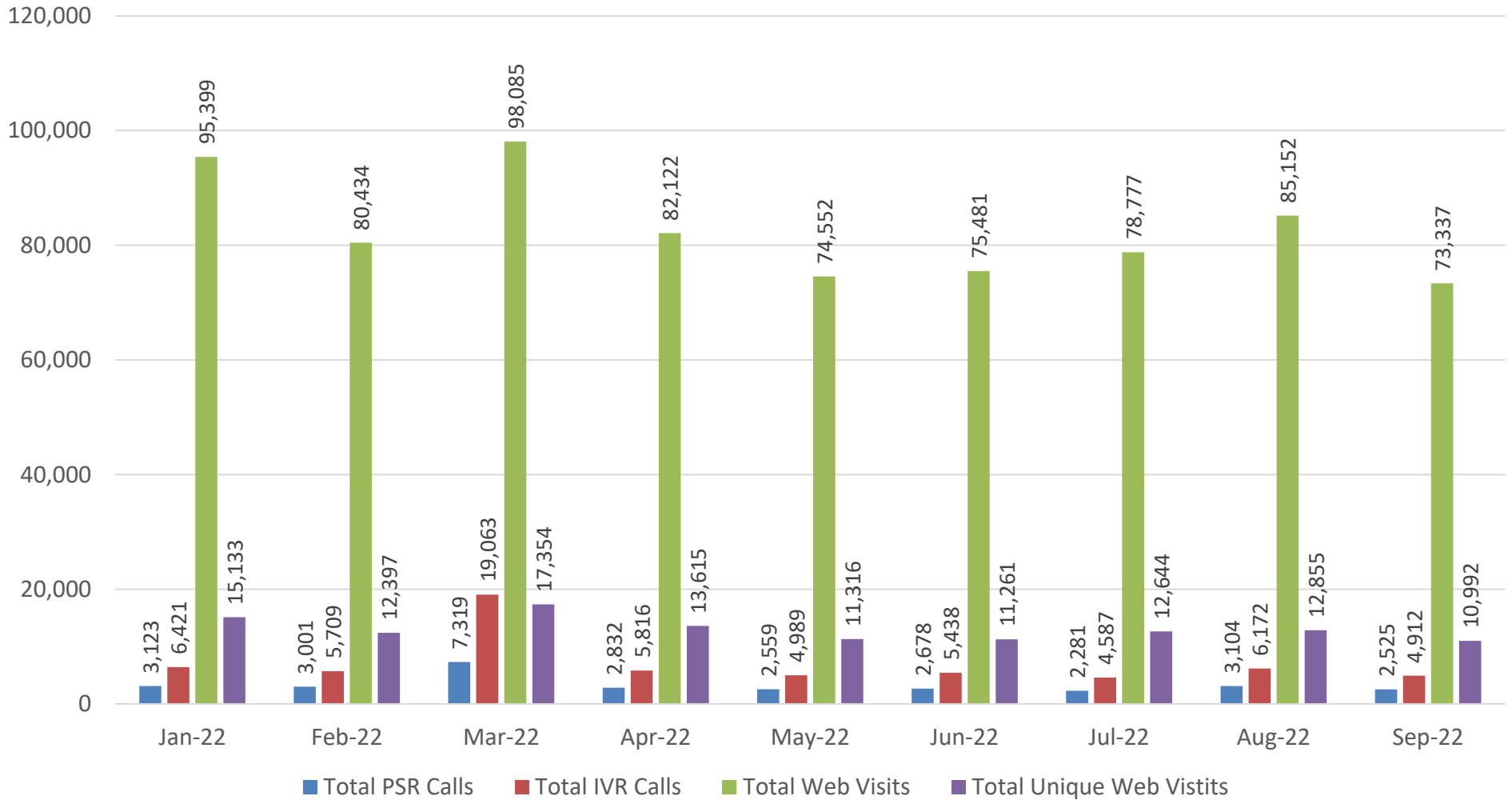
- Total Plan Assets were \$7.67 billion as of September 30, 2022.
- Net Cash Flow was a positive \$36 million for the period.
- In Q3 2022, the average participant balance was \$149,059 and the total participant count was 51,519.

➤ Investment Composition

- The DCP Large Cap Fund (27.8%), Stable Value (18.4%) and the Schwab Brokerage option (14.9%) are the top holdings with respect to balances by investment.
- Isolating fund transfer activity, the Schwab brokerage account, FDIC Insured Savings, Stable Value and the Ultra Conservative Portfolio all netted positive amounts during the quarter.



2022 Participant Contact Summary





Q3 2022 Transfer Activity by Investment

Investment Name	Transfers In	Transfers Out	Net
SCHWAB BROKERAGE	\$34,676,658	(\$14,652,659)	\$20,023,998
FDIC INSURED SAVINGS ACCOUNT	\$40,825,599	(\$34,786,914)	\$6,038,685
STABLE VALUE	\$71,772,154	(\$46,166,747)	\$25,605,408
ULTRA CONSERVATIVE PORTFOLIO	\$9,605,334	(\$9,026,122)	\$579,212
CONSERVATIVE PORTFOLIO	\$8,201,963	(\$13,076,782)	(\$4,874,820)
MODERATE PORTFOLIO	\$8,424,897	(\$11,894,040)	(\$3,469,143)
AGGRESSIVE PORTFOLIO	\$4,842,110	(\$9,586,657)	(\$4,744,548)
ULTRA AGGRESSIVE PORTFOLIO	\$6,094,328	(\$11,066,609)	(\$4,972,281)
DCP BOND FUND	\$3,876,671	(\$6,911,968)	(\$3,035,297)
DCP LARGE CAP FUND	\$45,023,852	(\$65,762,281)	(\$20,738,428)
DCP MID CAP FUND	\$7,422,469	(\$11,438,564)	(\$4,016,094)
DCP SMALL CAP FUND	\$12,334,175	(\$14,743,219)	(\$2,409,044)
DCP INTERNATIONAL FUND	\$1,273,576	(\$5,003,201)	(\$3,729,626)





CITY OF *Los Angeles*
DEFERRED COMPENSATION PLAN



Plan Health





Plan Overview

	2021 Q4	2022 Q1	2022 Q2	2022 Q3
Total Plan Participants with a balance	50,814	50,849	50,981	51,519
Total Plan Assets	\$9,307,962,971	\$8,911,864,063	\$7,906,363,475	\$7,679,392,506
Average Balance	\$183,177	\$175,261	\$155,085	\$149,059
Median Balance	\$69,961	\$65,289	\$59,069	\$57,061





Cash Flow Summary

Cash In

Pre-Tax Contributions	\$62,717,623.84
Roth Contributions	\$14,390,206.35
Rollover Contributions	\$45,840,402.15
Loan Repayments	\$19,749,243.32
Other	\$7,358,637.78

Total Cash In **\$150,056,113.44**

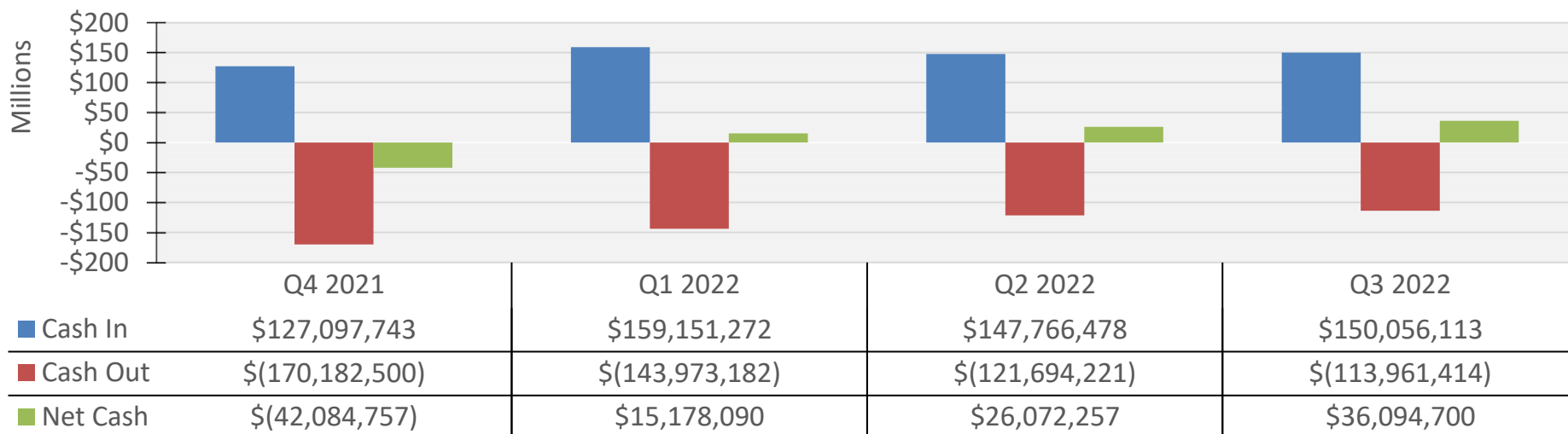
Cash Out

Distributions	(\$39,540,390.04)
Rollovers	(\$46,620,003.98)
Loans Issued	(\$19,415,802.73)
Fees	(\$1,026,579.41)
Other	(\$7,358,637.78)

Total Cash Out **(\$113,961,413.94)**

Net Cash Flow **\$36,094,699.50**

"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.



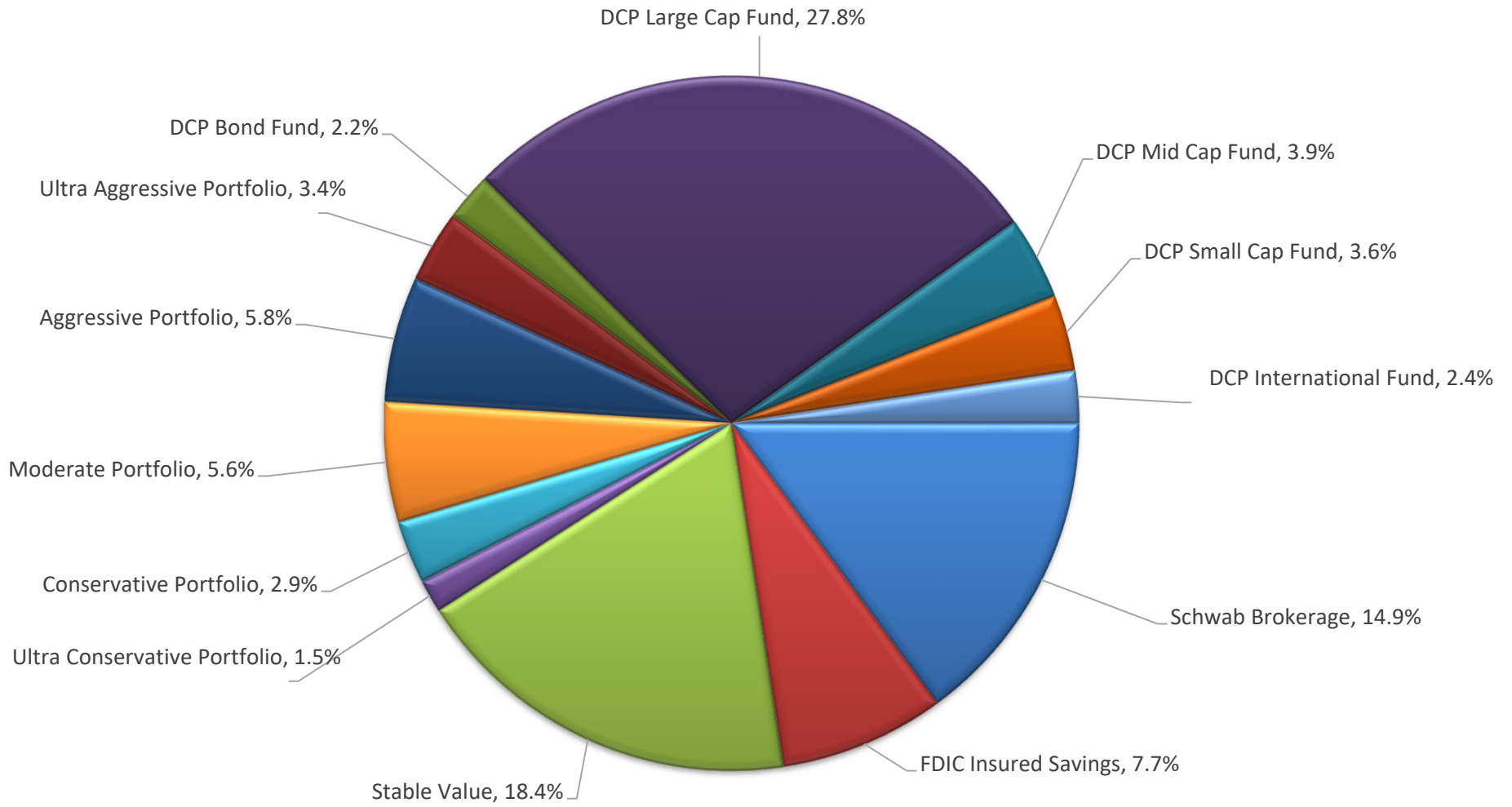


Balances by Investment

Investment	Investment Balance	Number of Participants	Average Participant	Percentage of Plan Assets
SCHWAB BROKERAGE	\$1,146,061,369.98	6,795	\$168,662.45	14.92%
FDIC INSURED SAVINGS ACCOUNT	\$589,400,912.30	12,925	\$45,601.62	7.68%
STABLE VALUE	\$1,409,291,774.26	13,746	\$102,523.77	18.35%
ULTRA CONSERVATIVE PORTFOLIO	\$116,564,909.71	3,041	\$38,331.11	1.52%
CONSERVATIVE PORTFOLIO	\$225,466,956.92	5,578	\$40,420.75	2.94%
MODERATE PORTFOLIO	\$427,676,577.07	12,052	\$35,485.94	5.57%
AGGRESSIVE PORTFOLIO	\$448,099,495.52	14,284	\$31,370.73	5.84%
ULTRA AGGRESSIVE PORTFOLIO	\$258,298,869.50	10,653	\$24,246.58	3.36%
DCP BOND FUND	\$171,393,212.23	6,807	\$25,178.96	2.23%
DCP LARGE CAP FUND	\$2,131,314,082.82	21,706	\$98,190.09	27.75%
DCP MID CAP FUND	\$297,425,620.33	8,545	\$34,806.98	3.87%
DCP SMALL CAP FUND	\$272,613,400.40	9,498	\$28,702.19	3.55%
DCP INTERNATIONAL FUND	\$185,785,325.40	8,810	\$21,088.01	2.42%
Total Investment Balance:	\$7,679,392,506.44			
Total Loan Fund:	\$168,564,833.65			



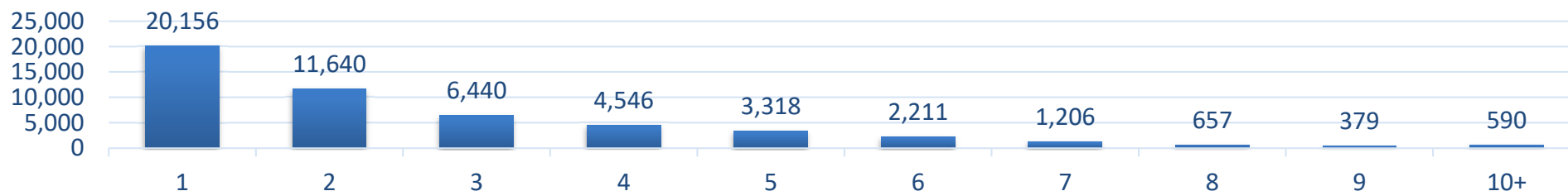
Percentage of Plan Assets



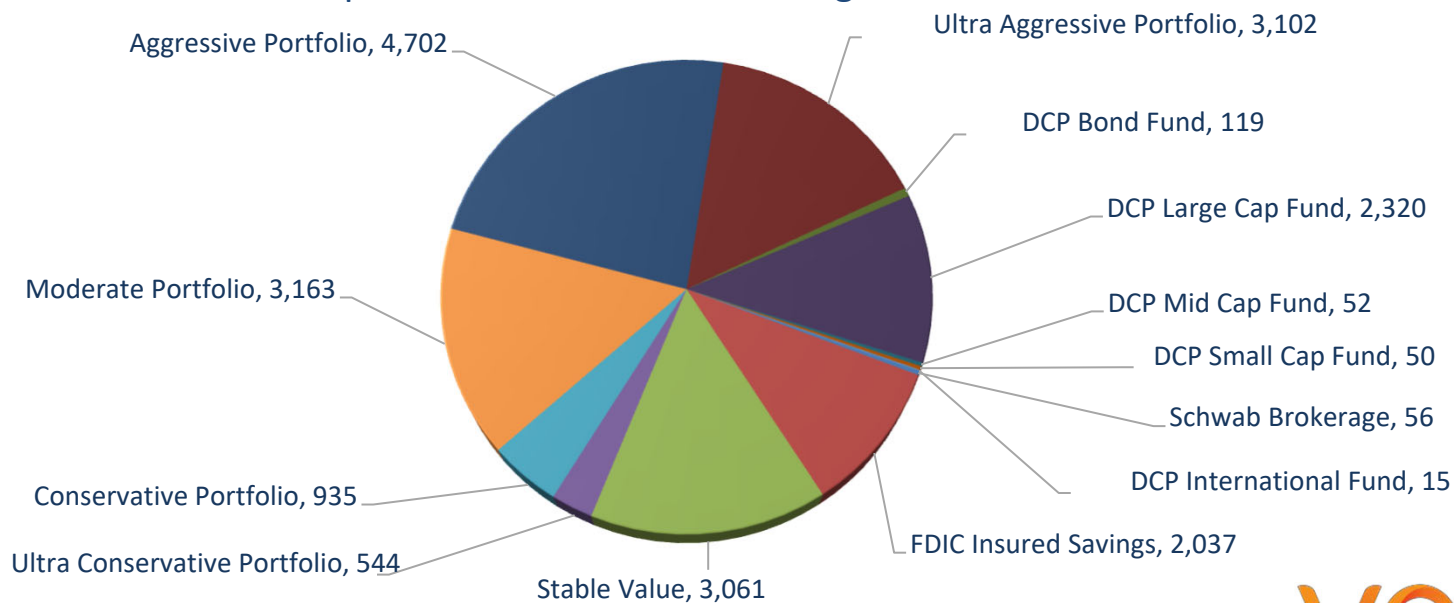


Diversification- All Investment Options

Participants with Balances by Number of Investments



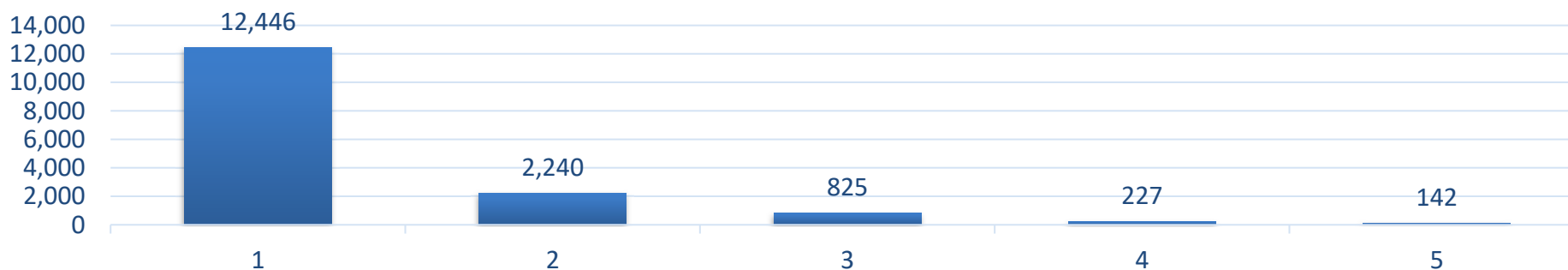
Participants with a Balance in a Single Investment



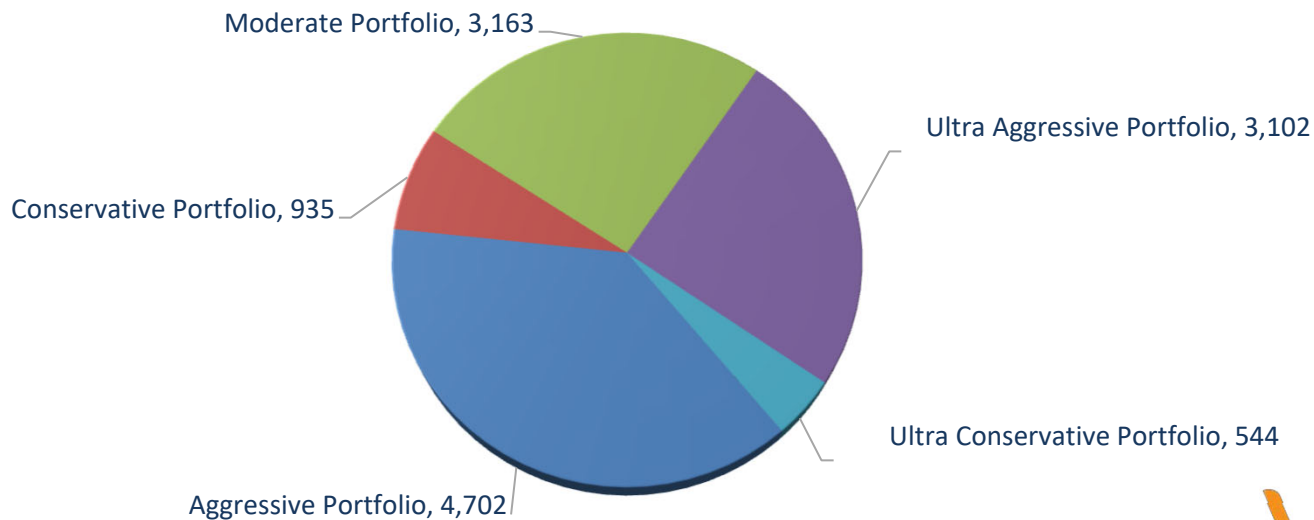


Diversification- Portfolio Funds Only

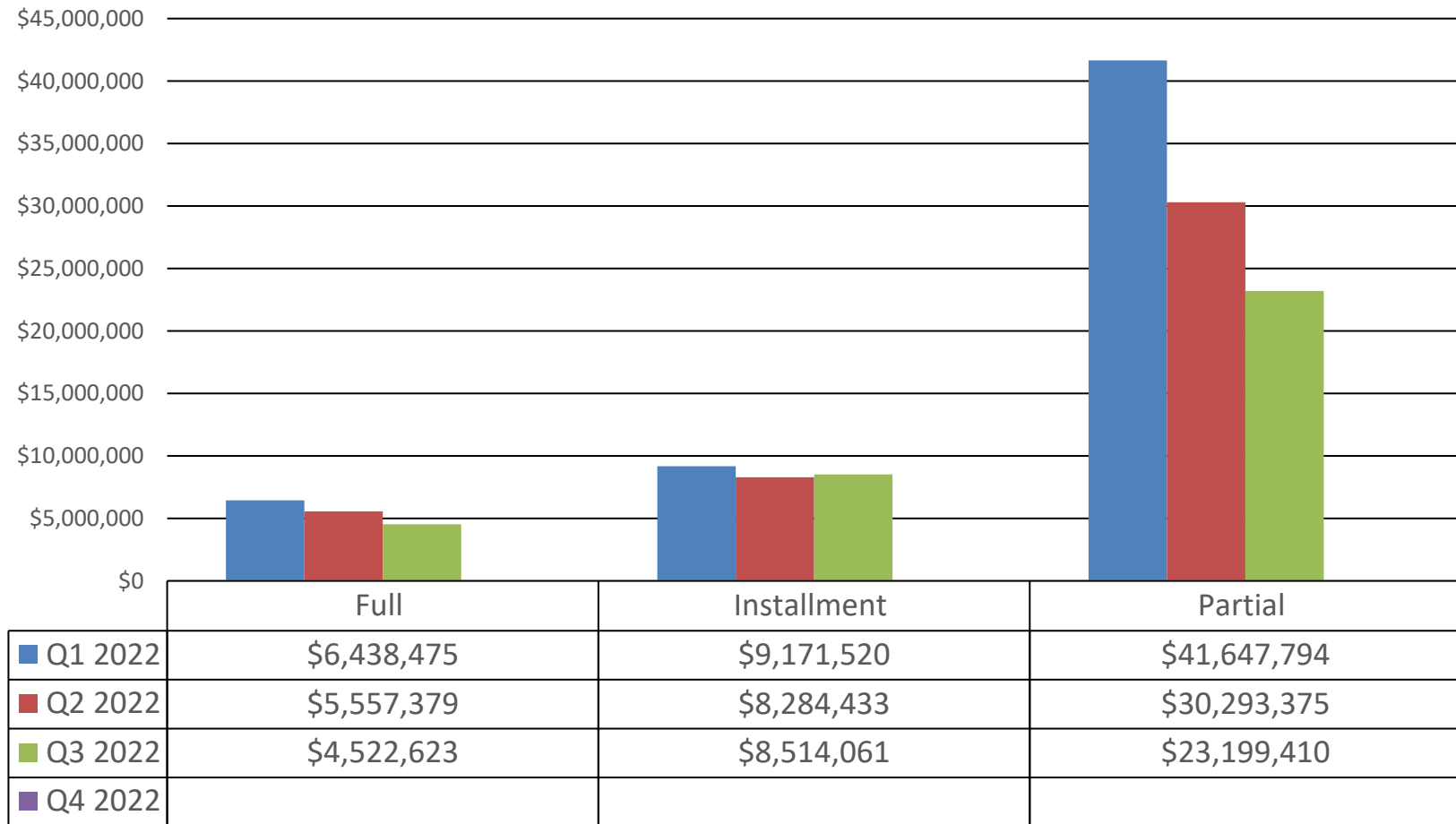
Participants with Balances by Number of Investments



Participants with a Balance in a Single Investment



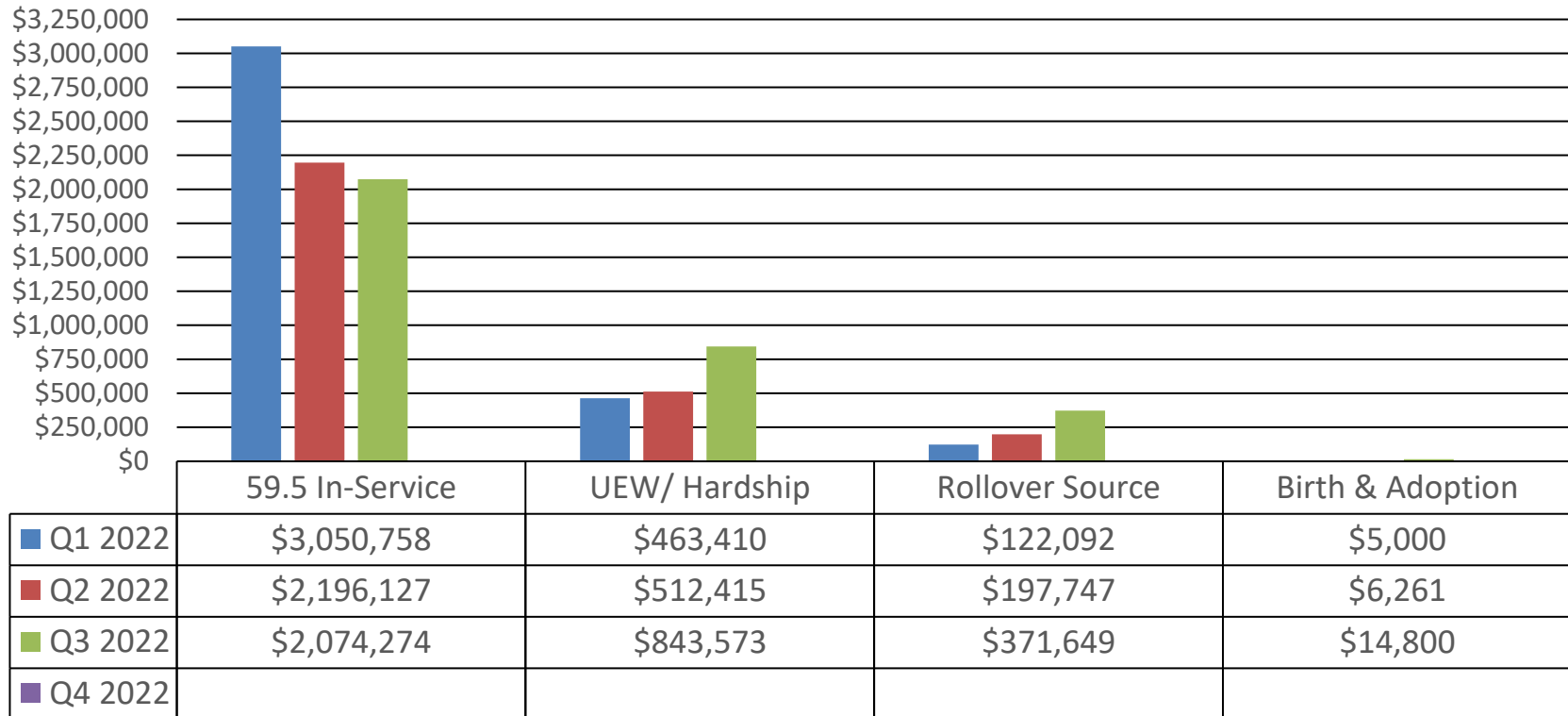
Participant Outcomes: Distribution Types by Quarter



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

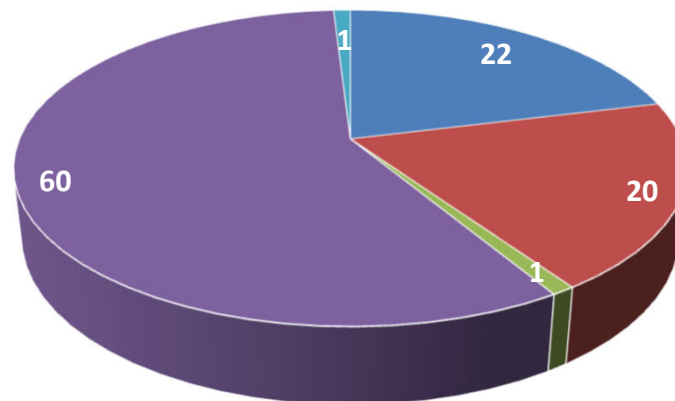


Participant Outcomes: In-Service Withdrawals by Quarter

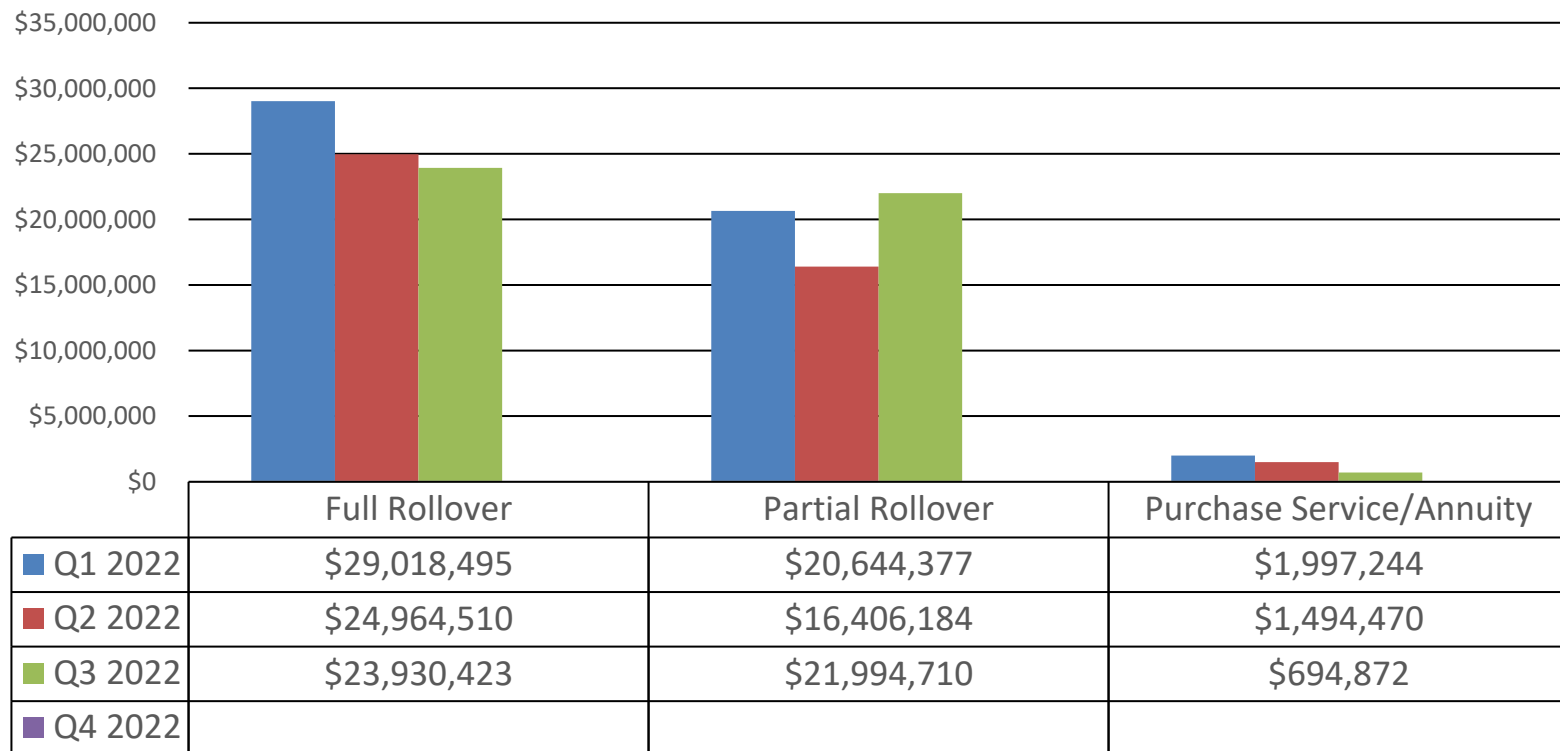


Unforeseeable Emergency Withdrawal (UEW) Reasons

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

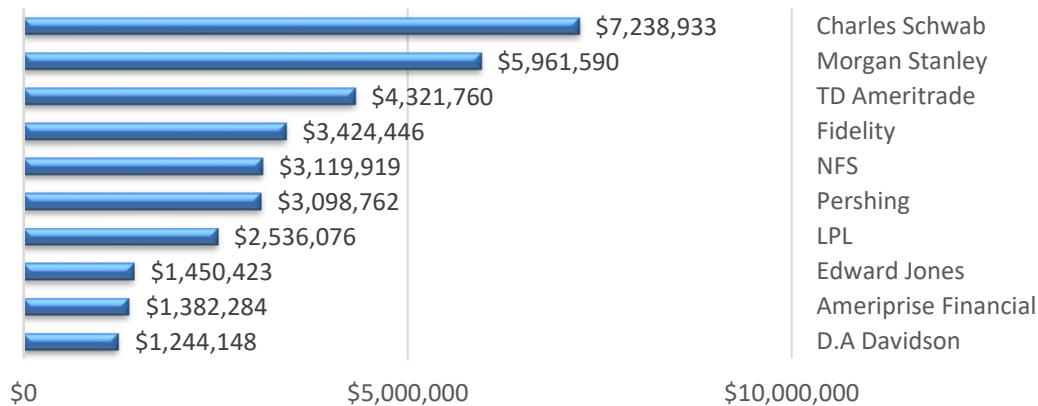


Participant Outcomes: Rollovers

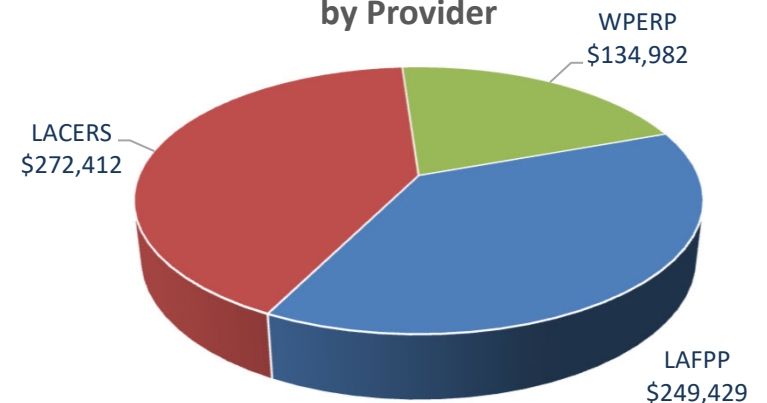


This data includes distributions from the active and separated populations (including QDRO and Beneficiary accounts).

Top 10 Rollover Providers by Dollar Amount



Purchase of Service/Annuity by Provider

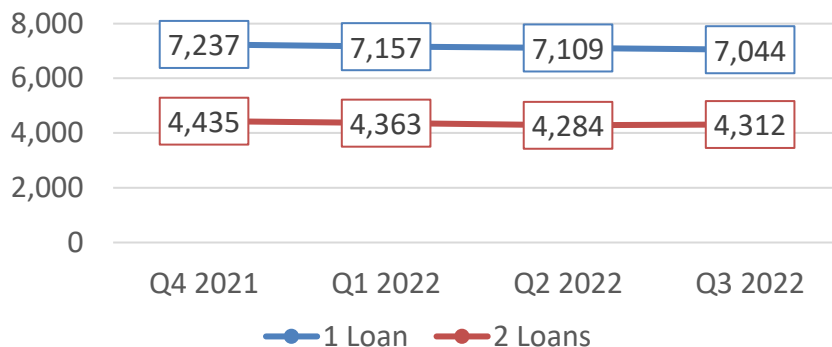




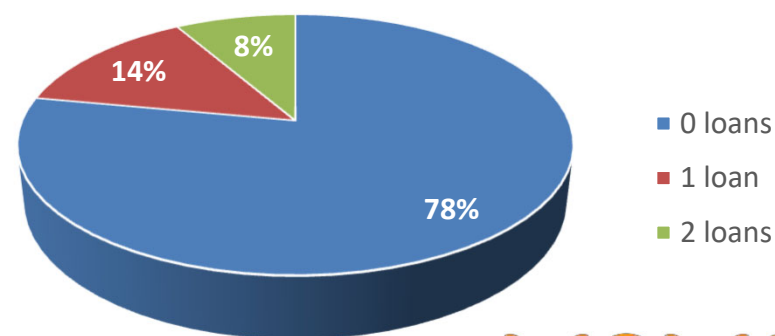
Loan Trending

	Q4 2021	Q1 2022	Q2 2022	Q3 2022
Total Participants with Loans	11,672	11,520	11,393	11,356
Total Number of Outstanding Loans	16,107	15,883	15,677	15,668
Number of General Loans	14,492	14,292	14,094	14,114
Number of Residential Loans	1,615	1,591	1,583	1,554
Total Outstanding Loan Balance	\$164,383,821	\$162,952,309	\$161,456,537	\$162,342,369
General Loan Balance	\$136,368,369	\$135,517,269	\$134,274,513	\$135,892,892
Residential Loan Balance	\$28,015,453	\$27,435,040	\$27,182,024	\$26,449,477
Average Loan Balance per Borrower	\$14,083	\$14,145	\$14,172	\$14,296
Number of Re-amortized	149	148	218	217
Number of Loan Defaults	207	181	206	162
Total New Loans Initiated	1,295	1,280	1,388	1,473
New Loans Active	1,243	1,217	1,298	1,392
New Loans Separated from Service	52	63	90	81

1 Loan versus 2 loans



Loan Summary



The Schwab Personal Choice Retirement Account (PCRA) Quarterly Report

CITY OF LA 457 DEFERRED COMP as of 9/30/2022

Plan Profile Information

Plan Type	457B
Total PCRA Assets	\$1,144,860,523
Total Funded PCRA Accounts	8,054
Total Roth Assets	\$50,648,737
Total Funded Roth Accounts	1,568
Total Advisor Managed PCRA Assets	\$539,721,998
Total Advisor Managed Funded PCRA Accounts	3,693
PCRA Accounts Opened This Quarter	224
PCRA Assets In and Out This Quarter*	\$35,833,443
Average PCRA Account Balance	\$142,148

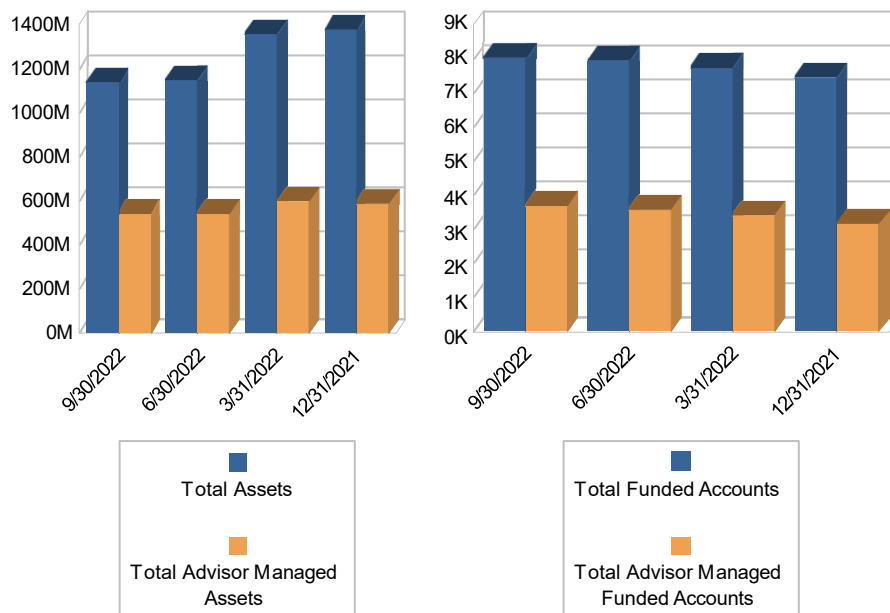
PCRA Participant Profile Information

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

Total Assets by Category

Cash Investments	\$168,014,345
Equities	\$472,900,885
ETFs	\$236,223,805
Fixed Income	\$70,459,396
Mutual Funds	\$197,638,304
Other	-\$376,212

Assets and Accounts (Trailing 4 Quarters)



Average Positions Per Account

Cash Investments	1.0
Equities	11.2
ETFs	3.5
Fixed Income	0.4
Mutual Funds	1.8
Other	0.0
Total	18.0

Average Trades Per Account

Equities	7.2
ETFs	1.9
Fixed Income	0.0
Mutual Funds	6.5
Other	0.2
Total	15.9

* Assets In and Out includes contributions and distributions.



CITY OF *Los Angeles*
DEFERRED COMPENSATION PLAN



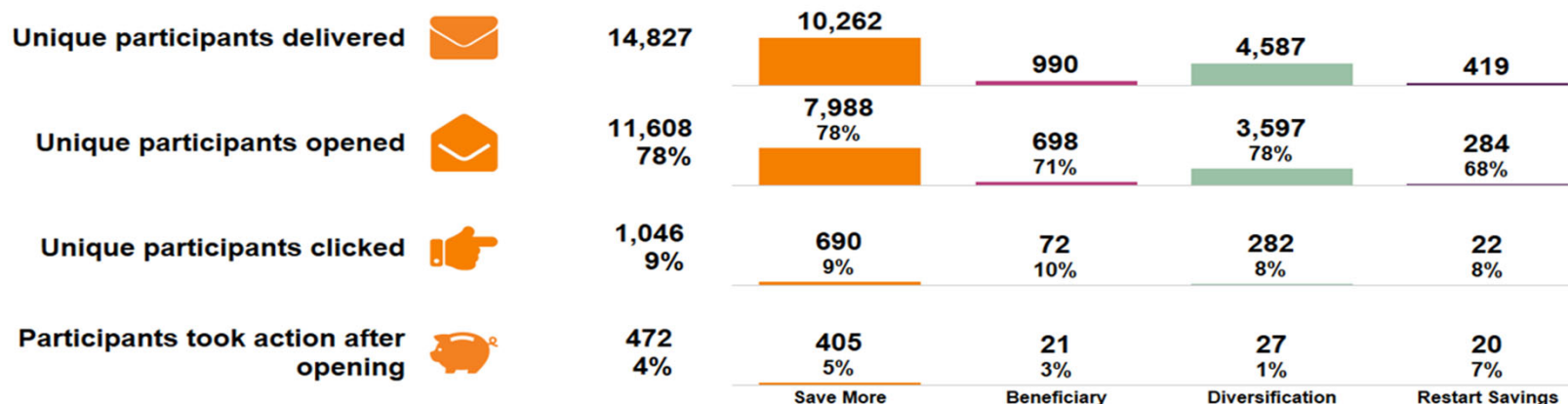
DCP Communications



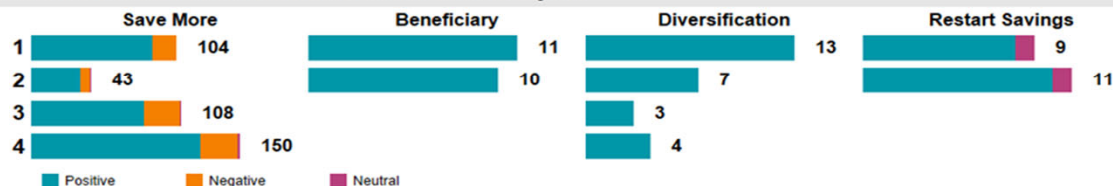


Personalized Financial Wellness Messaging | Q3 2022

This data is reflective of the action taken by participants enrolled in the automated financial wellness email journeys in Q3 2022



Action details: total actions after email open

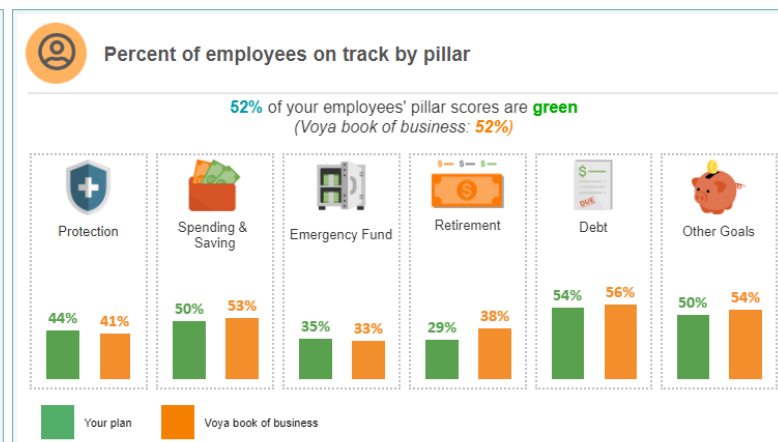
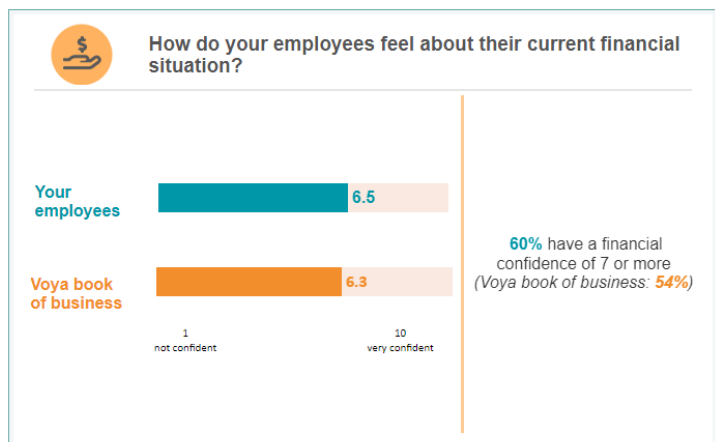


Potential financial impact: (those who changed deferral rate, excludes deferral amt)

- Save More** \$125,192 of additional contributions per year. (81 participants increased their savings rate by 1.7% on average)
- Restart Savings** \$51,998 of additional contributions per year. (4 participants increased their savings rate by 12.1% on average)



Financial Wellness Snapshot Q3 2022

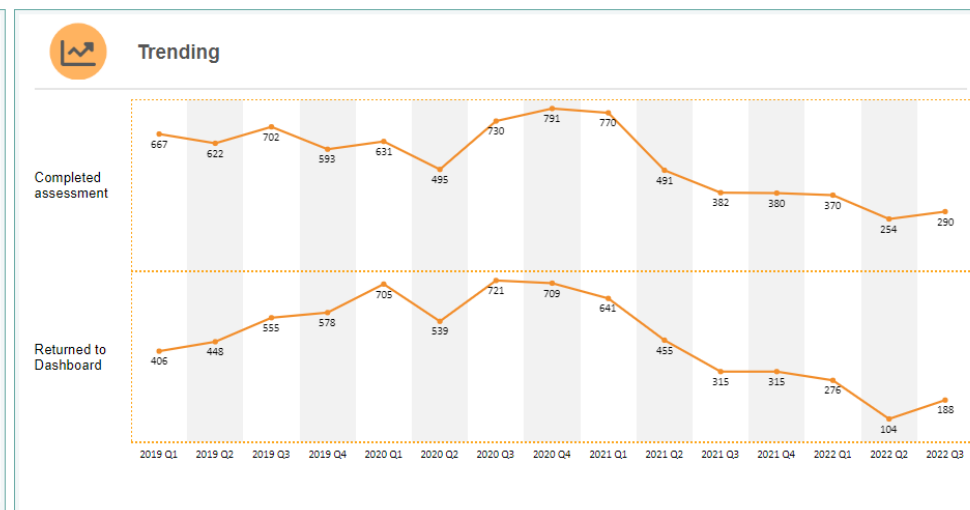


Commentary:

Current financial attitudes and “on-track pillars” remain largely unchanged from Q2 2022.

Engagement

	# of participants	% of participants	Voya Book of Business
Started Financial Wellness assessment	5,852	--	--
Completed assessment and viewed results	5,207	89%	89%
Viewed dashboard after completing assessment	4,521	87%	82%



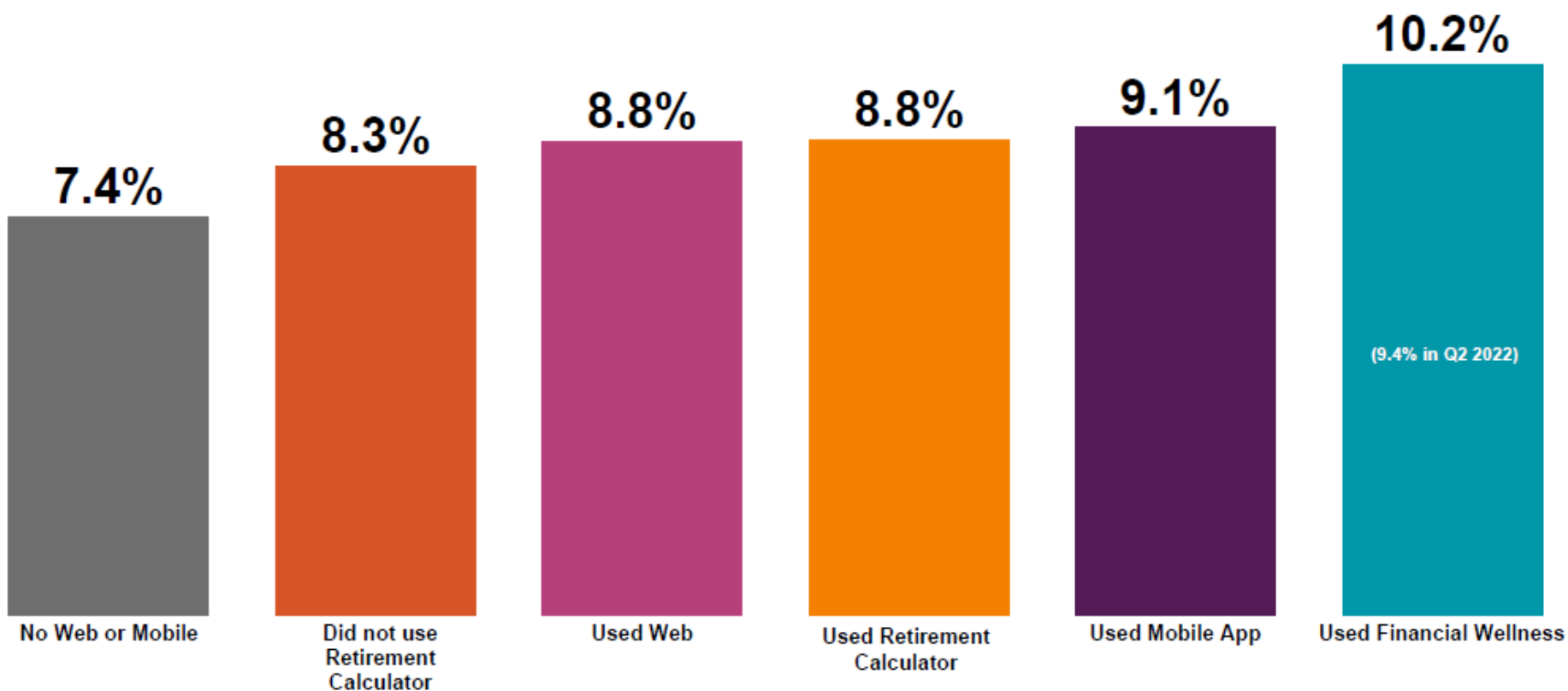
Financial wellness assessment usage is trending up from Q2 2022, and there was additional promotion of the wellness assessment in October 2022.





Digital Engagement Savings Report Q3 2022

Participant savings rate (%) associated with digital engagement tools



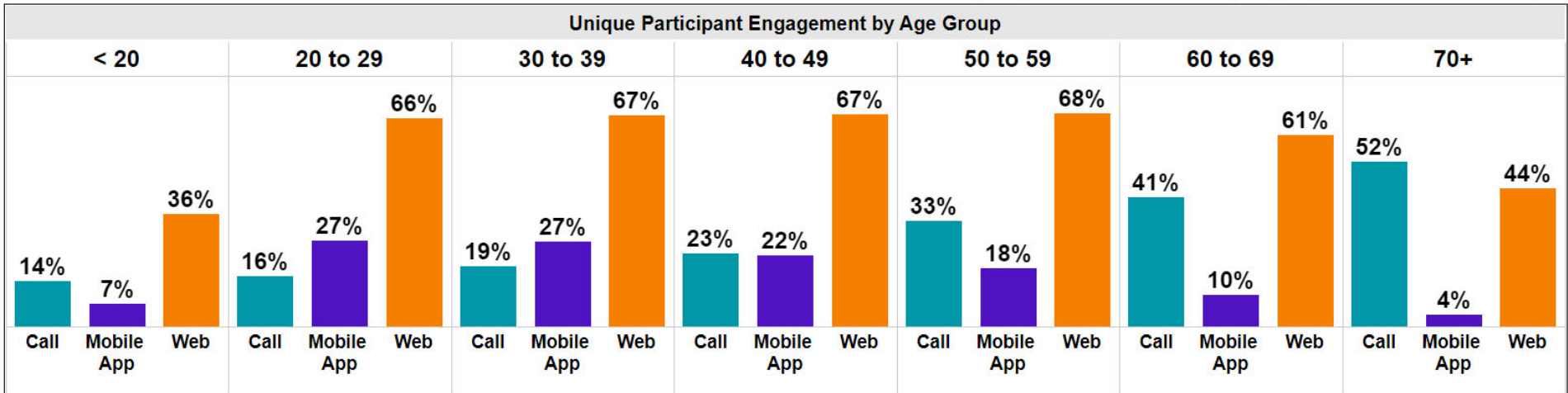
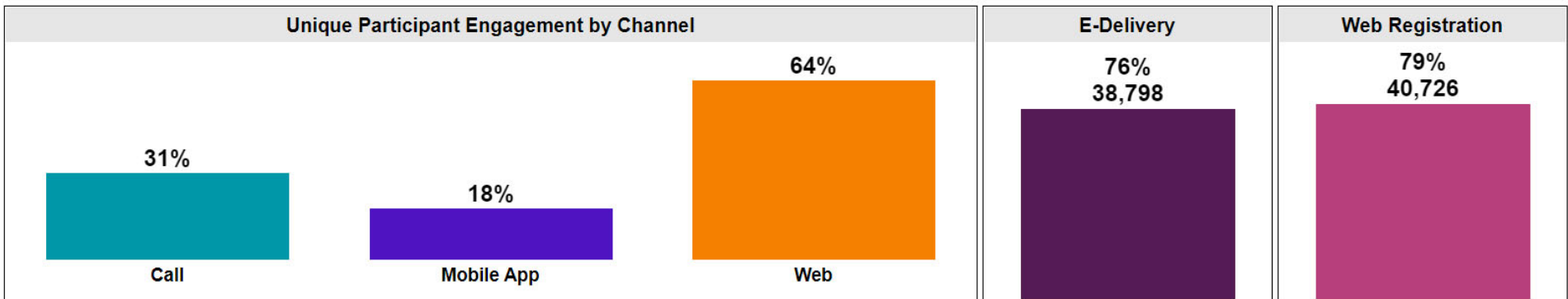
Data as of 9/30/2022



Digital Engagement Usage Q3 2022

Engagement

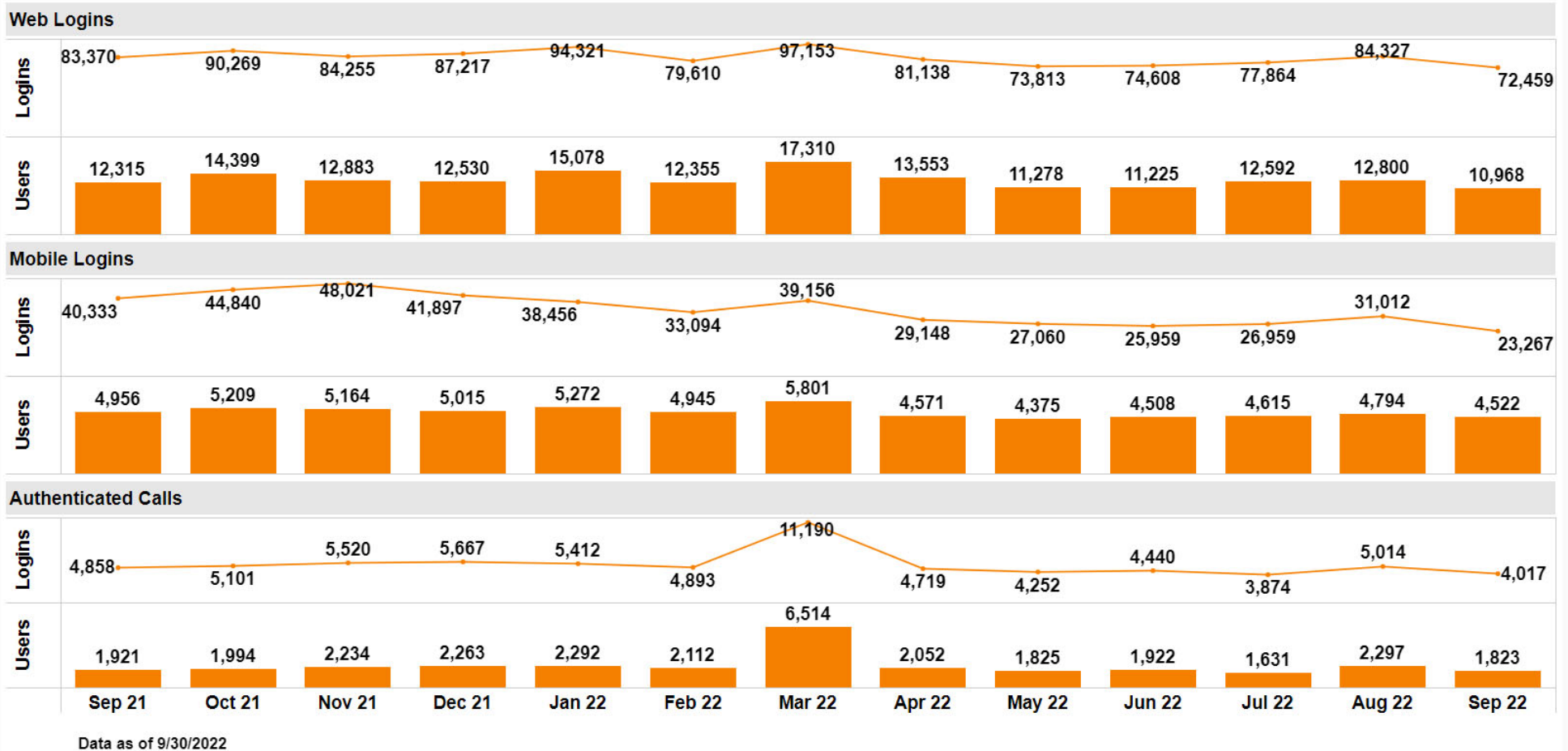
76% of plan participants have engaged (used web, mobile, or called) over the past 12 months
64% of plan participants have digitally engaged over the past 12 months



Data as of 9/30/2022



Digital Engagement Trends Q3 2022





Communications Update #1

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.

+ Blog post on LA457.com
+ Social media promotion

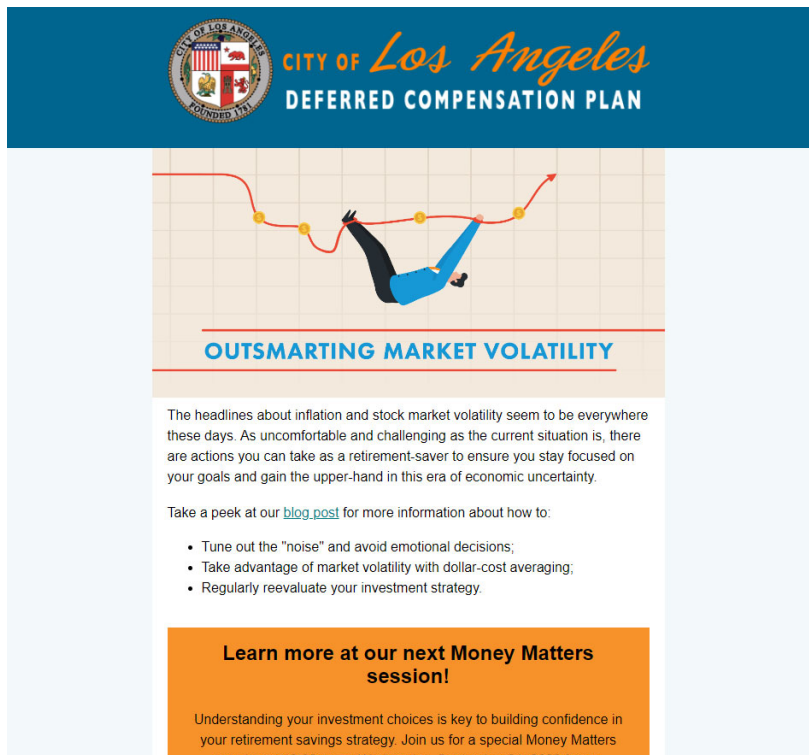
40+ appointments set with retirement counselors within hours of email send!



Communications Update #2

Market Volatility Campaign: COMPLETE

Email Campaign



- + Blog post on LA457.com
- + Social media promotion
- + Money Matters Session



Highest attended Money Matters session ever!



Communications Update #3

Year-End Checklist Campaign: **COMPLETE**

Email Campaign

City of Los Angeles
DEFERRED COMPENSATION PLAN

Your Year-End Checklist has ARRIVED!

With 2022 nearly coming to a close, there are few important deadlines you need to be aware of to ensure your Deferred Compensation Plan (DCP) account is working hard for you this year and into 2023. Visit our blog post on LA457.com for all the details, including these important deadlines:

- Are you maximizing your contributions for 2022? The last day to **make a contribution change for 2022** is [November 30, 2022](#).
- Roth In-Plan Conversions** must be completed by [December 10, 2022](#).

- + Blog post on LA457.com
- + Social media promotion
- + Postcard to Active participants



Communications Update #4

NRSM “Foodies and Finance”: **COMPLETE**

Email Campaigns



- + 9 new blog posts on LA457.com
- + 3 unique engagement activities
- + 1 custom video presentation
- + 2 Money Matters sessions
- + Weekly social media promotion
- + Citywide mailer to all employees

172,000+ emails sent in October



CITY OF *Los Angeles*
DEFERRED COMPENSATION PLAN



Employee Engagement

PLAN | INVEST | PROTECT





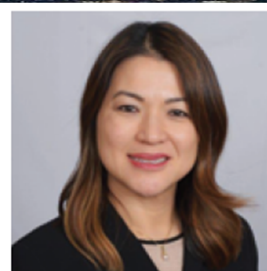
La Tanya Harris



Vincent Alvarez



Steve Harman



Carol Say

3Q 2022 Representative Activity

	3Q 2021	4Q 2021	1Q 2022	2Q 2022	3Q 2022
Virtual Meetings	28	31	30	34	31
Meeting Attendees	663	1,043	787	934	708
Call Totals	2,617	3,271	3,386	2,381	2,152
Emails	1,708	2,215	2,274	1,730	1,627
Total Participation	4,988	6,529	6,447	5,045	4,487
Enrollments	32	38	59	50	104



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Thank You

