

Deferred Compensation Plan

BOARD REPORT 16-26

Date: September 1, 2016

To: Board of Deferred Compensation Administration

From: Staff

Subject: Staff Report – Projects & Activity Report

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

Recommendation:

That the Board of Deferred Compensation Administration receive and file staff's update on Plan projects and activities during July & August 2016.

Discussion

This report provides updates and informational items relative to the following:

A. CURRENT/UPCOMING PROJECTS & BOARD MEETING CALENDAR

Projects – Personnel Department staff are responsible for four primary functions relative to executing the City's Deferred Compensation Plan: communications, operations, administration, and governance. Below are certain key projects that staff has been working on:

Communications

- *Rebranding of Civilian Benefits Program* – Staff wishes to inform the Board that the Employee Benefits Division has been working on a rebranding of the Civilian Benefits Program from "My Flex L.A." to "LAwell." The goal of the rebranding has been to (a) integrate Civilian employee benefits services and programs together with the City's developing Wellness program, and (b) develop a more consistent, user-friendly means for employees to navigate the City's benefit offerings. For the purpose of navigating the benefits program, the new logo is indicated right. →



In response to focus group feedback/preferences, the Civilian Benefits program will also include "jumping off" points to other City benefits that are consistent with the "well" theme. As a result, on the Personnel Department's benefit websites, participants will be able to click on links that that will take them to Open Enrollment, Commute Options & Parking, and Deferred Compensation Plan website and informational materials. For the Deferred Compensation Plan, the logo/link will be branded as "Save Well." However, that link will not otherwise alter the existing design of Deferred Compensation Plan

materials as reflected on the Plan website or other communication materials. The initial suite of branding logos is displayed as follows:



By integrating the organization of key programs from a communications perspective, employees will be better able to see these programs as part of a whole, rather than silo offerings. The Personnel Department is focused on programs which are directly under the administration of the Employee Benefits Division, but once this is implemented, opportunities may exist for creating additional communications consistency with other City programs.

- *National Retirement Security Week (NRSW) 2016*: Each year Congress passes a resolution for NRSW to help American workers focus on the importance of saving for a secure retirement. In following the Plan's annual tradition, staff created a marketing proposal and strategy to coincide with the NRSW event to leverage the opportunity to promote engagement, awareness, and successful outcomes for its participants. NSRW is scheduled to take place from October 16-22.

This year's objectives remain unchanged from the previous year's campaign. They are:

- Increasing participant engagement with three distinct audiences: Active Employee Plan Participants, Retired Plan Participants, and Active Employee Non-Participants
- Promote use of the Plan's Retirement Income Projection Calculator
- Promote voluntary enrollment (since participating in the Plan is a prerequisite for achieving retirement income security)
- Engage active and retired participants on the topic of achieving a successful retirement (including, but not limited to, achieving retirement income security)
- Increase participant utilization of the Plan website
- Introduce new communication content that employs video, testimonials, and other user-friendly information that will be available beyond the conclusion of the campaign.

The following chart lists the components as well as the general timeline for this year's campaign.

Campaign Component	Target Development Launch Date	Target Completion Date	Target Roll-Out Date
Interactive Exercise	9/7/16	9/23/16	10/16/16
Mayoral Proclamation	9/7/16	9/16/16	10/16/16
Video Content	9/7/16	10/7/16	10/16/16
Microsite	9/7/16	9/30/16	10/14/16
Retiree Postcard	9/7/16	9/30/16	10/12/16
Citywide and Plan Participant Email	9/7/16	9/30/16	10/16/16
InsideLA and Plan website banners	9/7/16	9/30/16	10/16/16

The theme of the campaign will focus on promoting the concept of “Financial Wellness,” helping employees to see their retirement income security in the context of their overall financial health.

Civilian Wellness Program “Financial Wellness” Campaign: Oct-Dec 2016 - To reinforce and build upon these themes, the Civilian Benefits program will be engaging in its first engagement campaign for its developing Wellness Program. A series of educational seminars focused on a variety of financial topics (including estate planning, credit/debt management, household budgeting, etc.) will be scheduled at a variety of worksite in the October-December quarter.

By creating a coherent hand-off between these two initiatives (National Retirement Security Week and Financial Wellness), the Personnel Department's objective is to foster engagement, education and improved communication about the financial-related benefits and services available to the workforce.

- *2Q Newsletter & Statements: Newsletters and statements were printed and mailed on July 29, 2016.*
- *3Q Newsletter:* Initial drafts of the 3Q newsletter articles are currently being reviewed by Plan staff.
- *New Employee Welcome Packet:* Empower and City staff continues its review drafts of the materials and anticipates the new hire mailers will be sent out effective October 2016.
- *Targeted E-mail Beneficiary Campaign:* In a proactive effort to raise awareness regarding updating beneficiary information, Empower sent an e-mail targeted to participants that have previously provided an e-mail address, but have to designate a beneficiary with the Plan. Preliminary reporting showed significant

engagement, and staff expects to receive a more detailed report from Empower describing the overall response to the campaign.

Operations

- *Participant Services:* Staff continues to assist participants with questions and issues related to loan administration, distributions, contributions, special catch-up enrollment, and accrued leave deferrals.

Administration

- Union Bank: Staff continues to work on finalizing an agreement with Union Bank to provide services for the Plan's FDIC-Insured Savings Account. This contract is exempt from many of the City's general contracting requirements, which is helping to speed final execution. Staff expects a services commencement date of September 30, 2016.

A summary of all completed and upcoming projects for Division staff is provided as Attachment A.

Meeting Calendar – Staff maintains a calendar of upcoming Board meetings and proposed topics. This calendar includes the annual meeting plan and will be refined and updated as the Board meets and objectives/assignments are refined for the coming year. The current calendar is provided as Attachment B.

B. STAFFING AND COMMITTEE ASSIGNMENTS

Following is a summary of staff positions supporting the Deferred Compensation Plan:

Position Authority	Incumbent Class	Function	Est. Percent Reimbursed by DCP	Staff Member
Personnel				
Chief Personnel Analyst	Chief Personnel Analyst	Executive Director	20%	Steven Montagna
Senior Personnel Analyst II	Senior Personnel Analyst II	Operations Manager	60%	Ana Chavez
Management Analyst II	Management Analyst II	Administration/Policy	90%	Matthew Vong
Management Analyst II	Management Assistant	Metrics/Communications	90%	Daniel Powell
Management Analyst II	Management Assistant	Governance/Special Projects	90%	Angela Yin
Benefits Specialist	Sr. Administrative Clerk	Participant Services	90%	Claudia Guevara
City Attorney				
Assistant City Attorney	Assistant City Attorney	Board Counsel	25%	Curt Kidder
Legal Assistant	Legal Assistant	Participant Legal Services	40%	Vicky Williams

Committee Membership – Following is the new committee roster as designated by the Board Chairperson, effective July 20, 2015:

Plan Governance & Administrative Issues Committee
John R. Mumma, Chair
Cliff Cannon
Linda P. Le
Michael Amerian

Investments Committee
Raymond Ciranna, Chair
Thomas Moutes
Michael Amerian
Don Thomas

C. Other Items

- Empower Retirement's Quarterly Reports - These reports are normally presented to the Board as separate agenda items, but given Board meeting time constraints resulting from the recent focus on the TPA RFP, there have not been opportunities to present them as such. Overviews for 1Q and 2Q 2016 are therefore provided as attachments to this report; they can be scheduled as separate agenda items at a future point should the Board desire.
- Pew Center for Charitable Trusts: Standards & Metrics Seminar – Staff member Steven Montagna will be presenting at an event called "Standards & Metrics for Public Retirement Systems" Sep. 26-27 in Washington D.C. This is a closed event being put together by the PEW Charitable Trusts involving approximately 50 public policy professionals. Mr. Montagna's presentation will be specifically on the topic of retirement income security regarding the work the City of L.A. has done on its retirement income security theory, methodology, and participant tool. The cost of attending will be paid by the Pew Center.

Submitted by: _____
Matthew Vong

Approved by: _____
Steven Montagna

DEFERED COMPENSATION						
	Legend:					
	G = Governance					
	C = Communications					
	O = Operations					
	A = Administration					
COMPLETED PROJECTS: JULY 2016						
#	STATUS		PROJECT	DUE DATE	COMPLETED?	NOTES
1	Completed	G	Board Report – Minutes	07/31/16	Y	For May
2	Completed	G	Board Report - Staff Report	07/31/16	Y	For May & June
6	Completed	C	2016 NAGDCA Conference Travel Packet	08/31/16	Y	
7	Completed	C	2Q 2016 Newsletter - Mail & Print	07/31/16	Y	
8	Completed	C	Calculator Revisions	07/31/16	Y	Remove Tier 2, add Tier 3 for LACERS
9	Completed	C	Targeted Beneficiary Email Project – Development	07/31/16	Y	
10	Completed	C	Annual Update - "3 Legged Stool" Flyer	07/31/16	Y	
11	Completed	C	Fee Disclosure Flyer	07/31/16	Y	
12	Completed	O	Plan Payroll & Transaction Processing	07/31/16	Y	Ongoing
13	Completed	O	Participant & Payroll Issues Resolution	07/31/16	Y	Ongoing
COMPLETED PROJECTS: AUGUST 2016						
#	STATUS		PROJECT	DUE DATE	COMPLETED?	NOTES
	Completed	A	NAGDCA Travel Preparations	08/31/16	Y	
13	Completed	C	3Q 2016 Newsletter - Article Development	08/31/16	Y	
	Completed	C	Annual Update - "Why Join" Flyer	08/31/16	Y	
15	Completed	O	Plan Payroll & Transaction Processing	08/31/16	Y	Ongoing
16	Completed	O	Participant & Payroll Issues Resolution	08/31/16	Y	Ongoing
17	Completed	O	Participant & Payroll Issues Resolution	08/31/16	Y	Ongoing
PENDING PROJECTS						
SEPTEMBER 2016						

1	PENDING	G	Board Report – Minutes	09/31/16		For July
2	PENDING	G	Board Report - Staff Report	09/31/16		For July & August
3	PENDING	G	Board Report - 2016 National Retirement Security Week Campaign Proposal	09/06/16		Pending
4	PENDING	G	Board Report - DCP TPA RFP Selection Recommendation	09/31/16		Pending
	PENDING	G	Board Report – Hardship Appeal	09/31/16		Pending
	PENDING	A	NAGDCA Travel PES reimbursements	09/31/16		Pending
5	PENDING	A	Union Bank - Contract Review by City Attorney	09/31/16		Pending
6	PENDING	A	Union Bank - Contract Review by Vendor	09/31/16		Pending
7	PENDING	A	Union Bank - Trading Agreement with Empower	09/31/16		Pending
8	PENDING	A	PSP TPA RFP – Posting	09/31/16		Pending
9	PENDING	A	Union Bank - Contract Approval from CAO/Mayor	09/31/16		Pending
10	PENDING	A	Union Bank - Contract Execution	09/31/16		Pending
11	PENDING	A	Governance Documents Review	09/31/16		Plan Document, Bylaws, Travel Policy - review of Board's authority, etc.
12	PENDING	C	New Employee Welcome Packet – Development	09/31/16		Pending
13		C	NRSW Campaign E-mail, Website & Postcard Development	09/31/16		Pending
14	PENDING	C	Investment Performance Document – Revisions	09/31/16		FNs to be updated for FDIC; review for other fund changes as well.
15	PENDING	C	Distribution Options Guide - Tax and Loan revisions	09/31/16		Pending
16	PENDING	C	3Q 2016 Newsletter Article Draft review and evisions			Pending
17	PENDING	C	3Q 2016 Newsletter - Formatting & Layout Review	09/31/16		Pending
18	PENDING	C	FDIC - Fund Sheet Revision	09/31/16		Pending
19	PENDING	C	Catch Up - Form revisions	09/31/16		Pending
20	PENDING	O	Catch Up Unused Bucket - To fix amounts reset at 2015 end.	09/31/16		Pending. SOS Ticket #767404
21	PENDING	O	Plan Payroll & Transaction Processing	09/31/16		Ongoing
22	PENDING	O	Participant & Payroll Issues Resolution	09/31/16		Ongoing

OCTOBER 2016						
23	PENDING	G	Board Report – Minutes	10/31/16		For September
24	PENDING	G	Board Report - Staff Report	10/31/16		For September
25	PENDING	G	Board Report - Travel Policy	10/31/16		Pending
26	PENDING	G	Board Report - Plan Governance Documents Review Schedule	10/31/16		Pending
27	PENDING	G	Board Report - Investment Issues Review Schedule	10/31/16		Pending
28	PENDING	G	Board Report - Quarterly Reimbursements, 1Q & 2Q 2016	10/31/16		Pending
29	PENDING	G	Board Report - Participation & Communications	10/31/16		Pending
30	PENDING	C	Revise Pension Savings Plan Highlights	10/31/16		Pending
31		C	NRSW Campaign E-mail, Website & Postcard Rollout	10/11/16		Pending
32	PENDING	C	Accrued Leave - Flier and Form Revisions	10/31/16	y	Pending
33	PENDING	C	3Q 2016 Compliance Review	10/31/16		
34	PENDING	C	3Q 2016 Newsletter - Mail & Print	10/31/16		
35	PENDING	C	Catch Up - Form revisions	10/31/16		Pending
36	PENDING	O	Plan Payroll & Transaction Processing	10/31/16		Ongoing
37	PENDING	O	Participant & Payroll Issues Resolution	10/31/16		Ongoing
UPCOMING						
36	PENDING	G	Board Report - Beneficiary Campaign Summary	TBD		Pending
37	PENDING	G	Board Report - Distributions & Contributions - Retirees who return to work	TBD		Pending
38	PENDING	G	Report back recapping presentation on Financial Wellness from Strategic Planning Meeting	TBD		Pending
39	PENDING	G	Letter to City Council re 10% Early Distribution Penalty	TBD		Pending
40	PENDING	G	Board Report - Proxy Share Voting	TBD		To add to Gov Review
41	PENDING	G	PSP Program Review - Proposal for Terminated Accounts	TBD		Pending
42	PENDING	G	Loan Policy Document	TBD		Pending

43	PENDING	G	Board Report - Historical Contribution History	TBD		Pending
44	PENDING	G	Board Report - SAS Form	TBD		Pending
45	PENDING	G	Review of CA Governmental Plan - Demographic Files	TBD		Pending
46	PENDING	G	Board Report - Contractor Evaluation Policy	TBD		Pending
47	PENDING	G	Board Report - Retirement/Pension System Retired Loan Payments	TBD		Pending
48	PENDING	G	Investments Committee Meeting: Investment Policy Review – Termination	TBD		Pending
49	PENDING	G	Research adding other Plan type in order to increase savings opportunities (from 8/21/12 BDCA meeting)	TBD		Pending
50	PENDING	G	Deemed IRA	TBD		Pending
51	PENDING	G	Auto-Glide Investment Allocations	TBD		Pending
52	PENDING	G	Board Report - Transition Manager Procurement	TBD		Pending
53	PENDING	G	Revisit Plan Audit	TBD		Pending
54	PENDING	G	Board Report - 2014 PSP Annual Report	TBD		Pending
55	PENDING	C	Research - Video Content Development & Social Media Capabilities	TBD		Pending
56	PENDING	C	Website Tutorial/Education Videos	TBD		Pending
57	PENDING	C	Letter Notification to Participants RE: Catch-Up Eligibility ("Attained Age Letters")	TBD		Pending
58	PENDING	C	EZ Enrollment Form	TBD		Pending
59	PENDING	C	Enrollment Guide Revision	TBD		Pending
60		C	DROP Options Guide update-revisions	TBD		Pending
61	PENDING	C	Enrollment Form Revision Phase 2 (Auto escalation & PSP Rollover addition)	TBD		Pending
62	PENDING	C	DROP participant fee comparison graphic flier	TBD		Pending
63	PENDING	C	Roth 457 Intro Guide Revise/Redesign	TBD		Pending
64	PENDING	C	DCP Glossary	TBD		Pending
65	PENDING	C	Communications Plan: List of alternative DC publications and outlets (LACERS, Pensions, Union pubs, etc.)	TBD		Pending
66	PENDING	A	Budget procedural revisions	TBD		Pending
67		O	Catch Up Contribution changes allowed online	TBD		Pending

68	PENDING	O	PSP Account Consolidation	TBD		Pending
69	PENDING	O	Domestic Partners Research and Review with City Attorney and California Peers	TBD		Pending
70	PENDING	O	Online Enrollment Functionality	TBD		Pending
71	PENDING	O	Pre-Audit Testing - Phase II	TBD		Pending
72	PENDING	O	PST Retroactive Adjustments - Meeting w/ LACERS & Controller	TBD		Pending
73	PENDING	O	DCP Workprocesses Review & Documentation	Ongoing		Pending

BDCA UPCOMING AGENDA TOPICS

	Administrative Issues	Presentations/Training
Sep. 2016	TPA RFP Review/Selection NRSW Marketing Proposal	TPA RFP Bidder Presentations
Oct. 2016	2016 NAGDCA Conference Update DCP Proposed Metrics FY 16/17 DCP Committees - Issues & Schedule DCP Travel Policy Proposed DCP Training Program, FY 17-18 Plan Participation & Communications Strategy Quarterly Reimbursements, 1Q 2016 Quarterly Reimbursements, 2Q 2016	Quarterly Investment & Economic Review (2Q 2016) TPA/Plan Statistics Review (2Q 2016)
Nov. 2016	Quarterly Reimbursements, 3Q 2016	Quarterly Investment & Economic Review (3Q 2016) Fund Manager Presentation (Galliard, Vanguard) Fund Manager Presentation (FDIC Banks)
Dec. 2016	NRSW Campaign Follow Up	TPA/Plan Statistics Review (3Q 2016)
Jan. 2017	2016 Meeting Attendance 2017 Plan Year Budget 2017 Board Elections - Overview	
Feb. 2017	Quarterly Reimbursements, 4Q 2016	Quarterly Investment & Economic Review (4Q 2016) Fund Manager Presentation (DFA, Brandes, MFS)
Mar. 2017		TPA/Plan Statistics Review (4Q 2016)
Apr. 2017	2017 Board Elections - Update DCP Annual Report 2016	
May 2017	2016-2017 Conference Training Preferences	Quarterly Investment & Economic Review (1Q 2017)
June 2017	2017 Board Elections - Results	TPA/Plan Statistics Review (1Q 2017)