

DEFERRED COMPENSATION PLAN BOARD REPORT 12-16

Date: February 10, 2012
To: Board of Deferred Compensation Administration
From: Staff
Subject: Staff Report – Completed & Pending Projects & Activity Report

Members
Eugene K. Canzano, Chairperson
John R. Mumma, Vice-Chairperson
Cliff Cannon, First Provisional Chair
Tom Moutes, Second Provisional Chair
Sangeeta Bhatia, Third Provisional Chair
Michael Amerian
Michael A. Perez
Robert Schoonover
Margaret M. Whelan

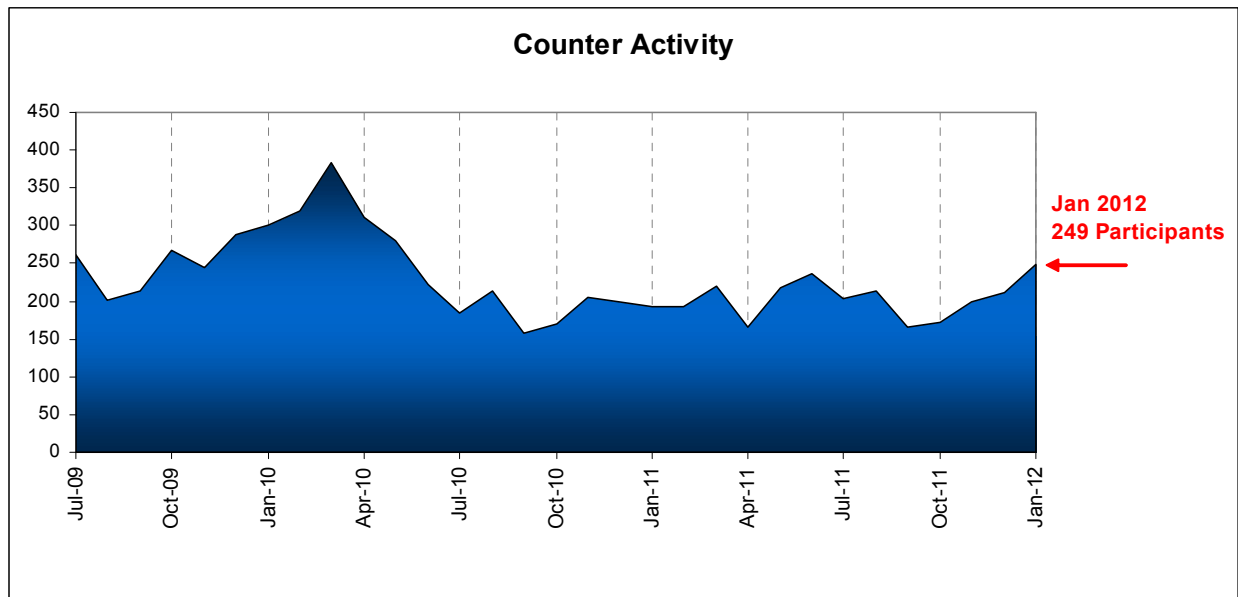
Recommendation:

That the Board of Deferred Compensation Administration receive and file the following information.

Activity Reports:

Counter Activity Employee Benefits Division

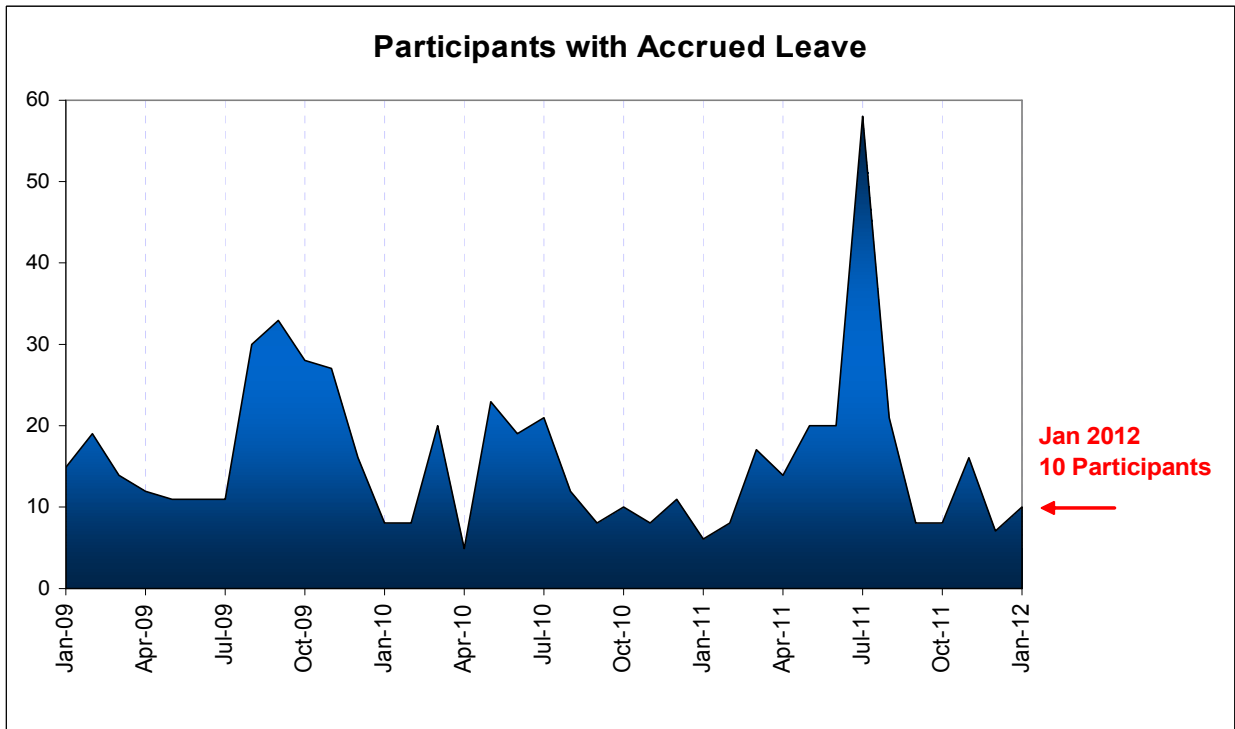
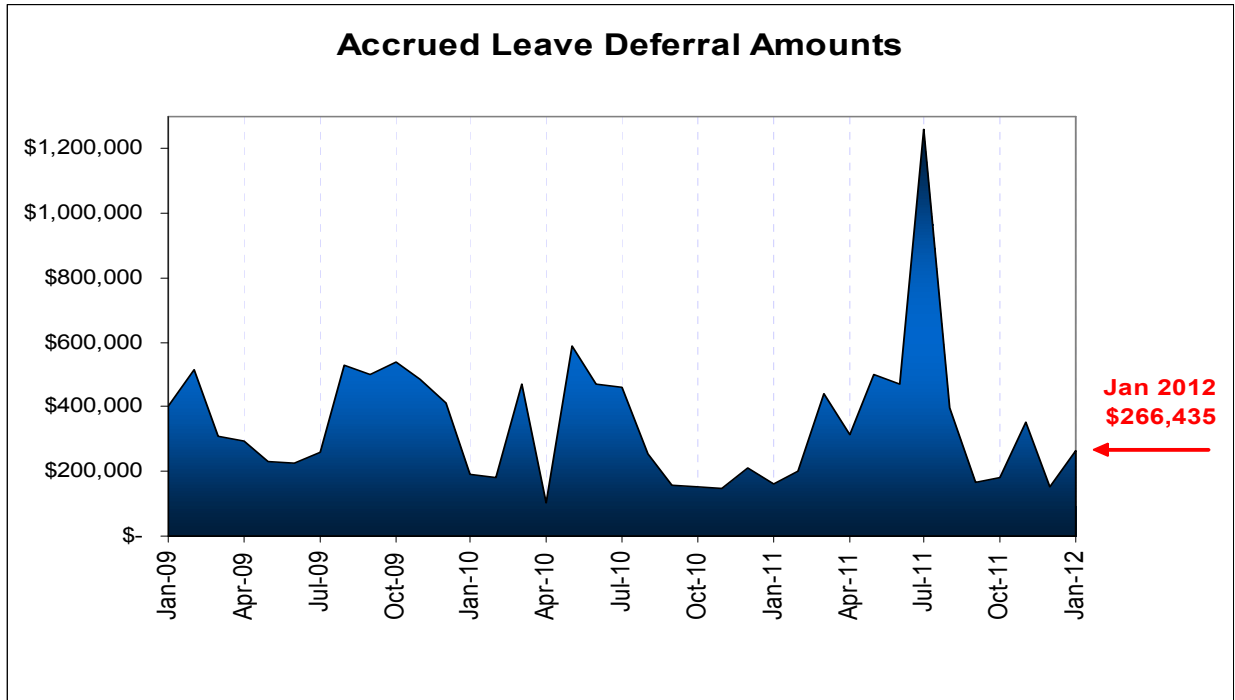
Staff has compiled the following results of Counter Activity flow for the month of January 2012. During the month of January, 249 participants visited the Employee Benefits Division to discuss their Deferred Compensation accounts with the Great-West representatives and/or staff. Following are counter activity results from July 2009 through January 2012:



Accrued Leave Activity

Staff has compiled the following results of Accrued Leave enrollment for the month of January 2012. During the month of January, 10 participants elected to enroll in Accrued Leave and **\$266,435** was contributed into the Plan from their Accrued Leave payouts.

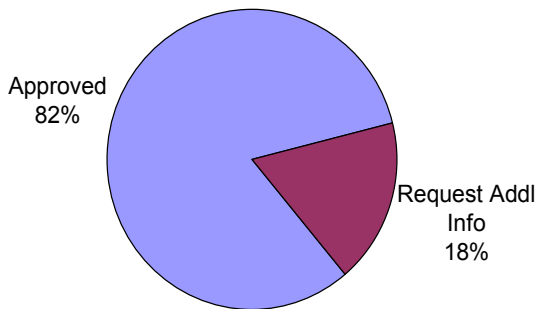
Following are accrued leave activity results from January 2009 to January 2012:



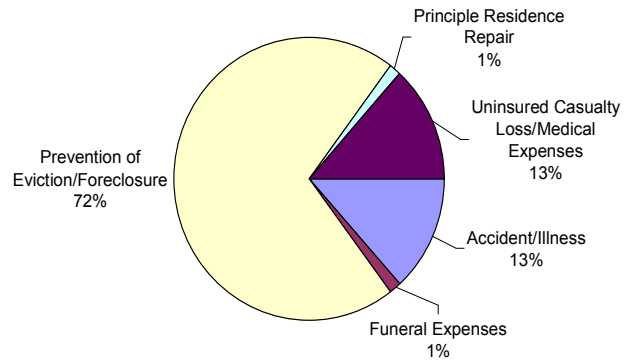
Hardship Activity

Staff has compiled the following results of hardship processing with Great-West for the month of January 2012. During the month of January, 68 hardship cases were submitted to Great-West. There were 56 cases approved and 12 pending further documentation. The dollar amount for hardships withdrawn from the plan in January 2012 was approximately **\$397,418**.

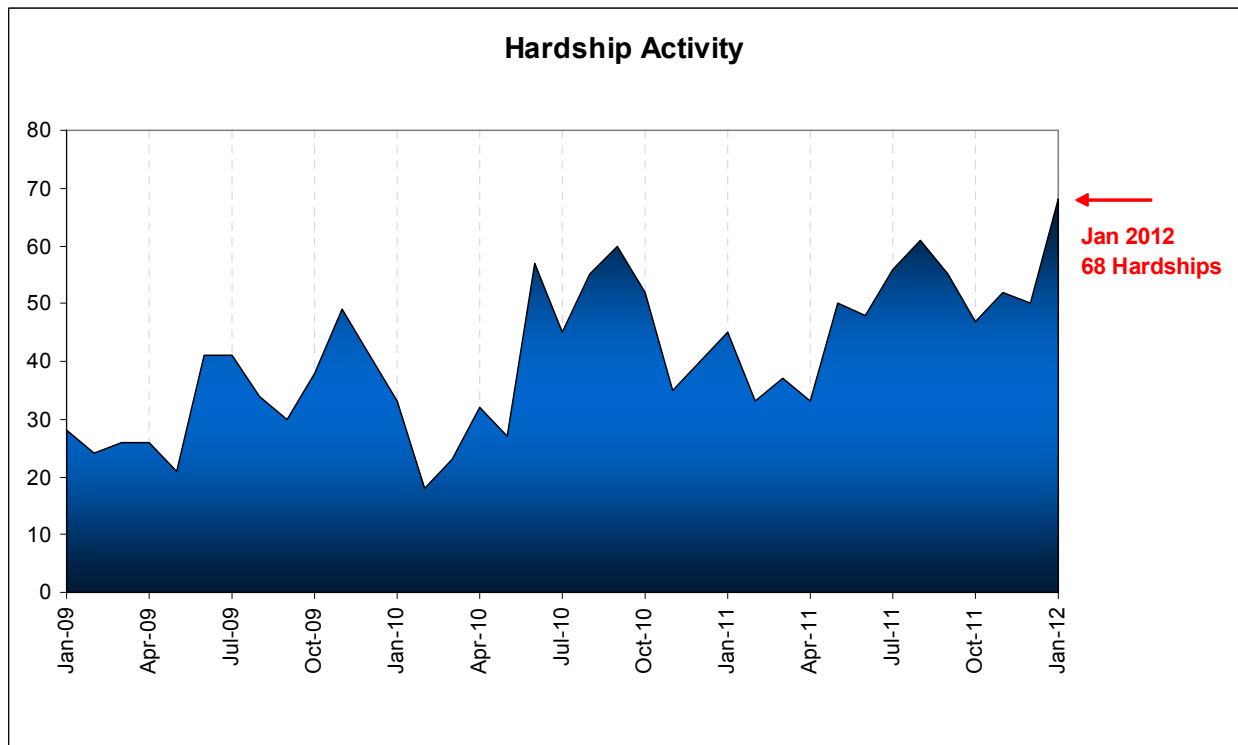
Hardship Activity January 2012



Distribution Reasons

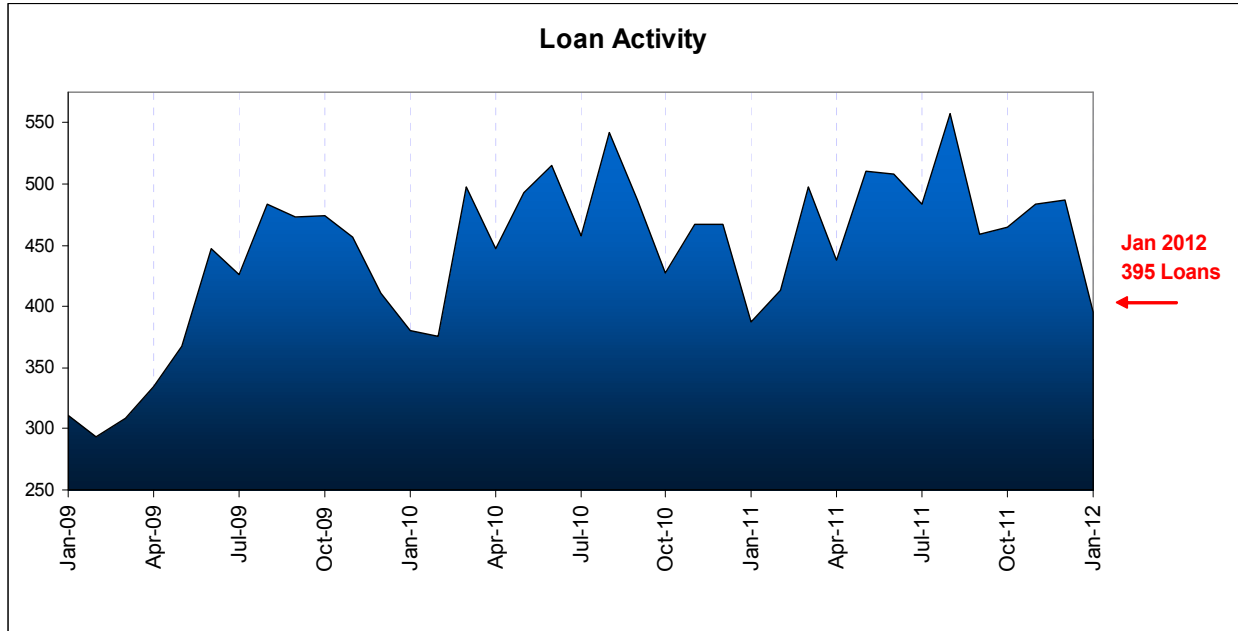


Following are hardship activity results from January 2009 to January 2012:



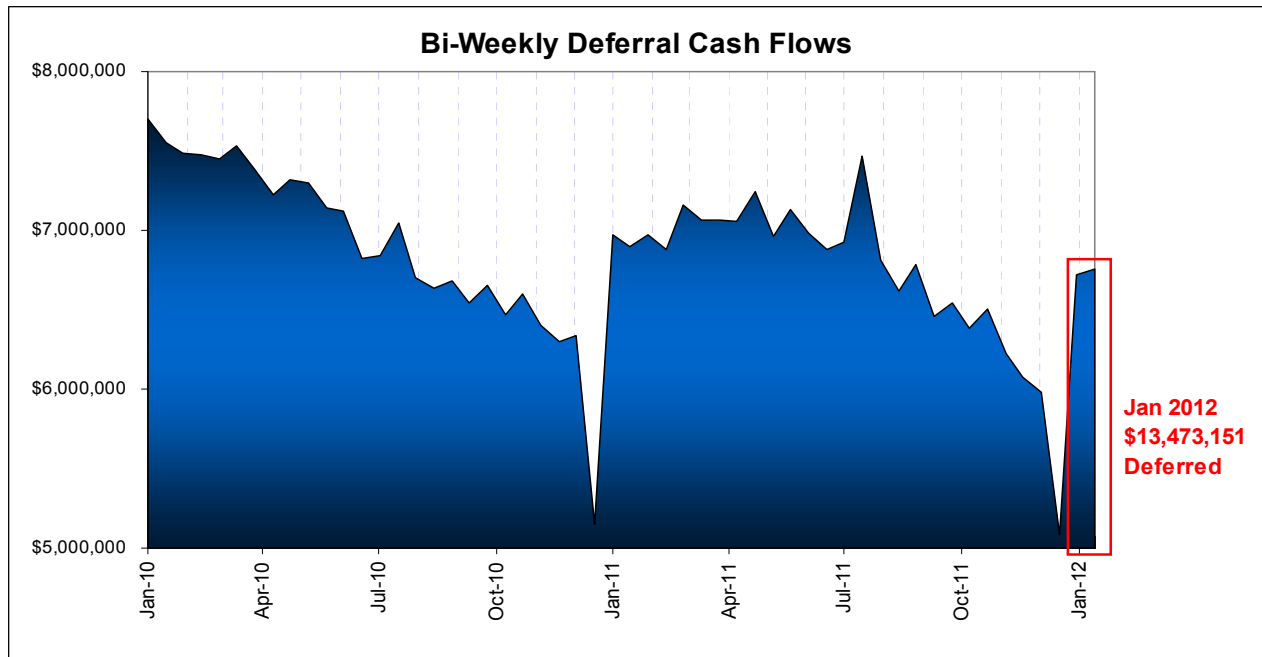
Loan Activity

Staff has compiled the following results of new loans acquired for the month of January 2012. During the month of January, 395 participants elected to obtain a new loan and **\$4,337,838** was withdrawn from the Plan for their loan payouts.



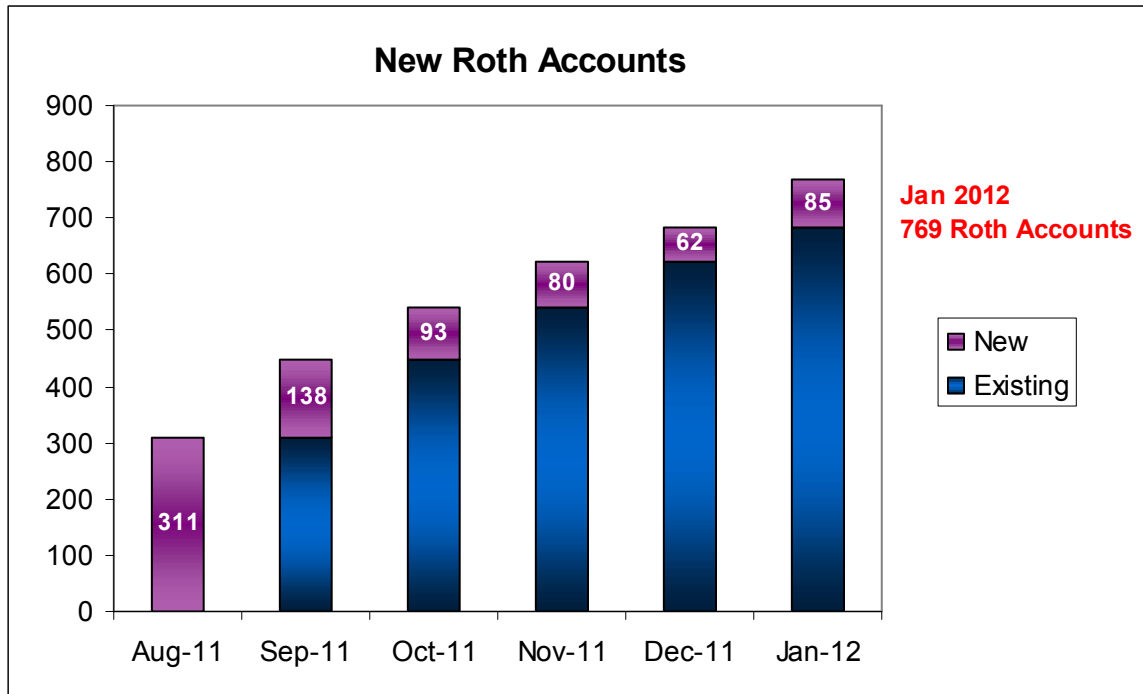
Deferral Tracking

Staff has compiled the following results of bi-weekly deferral cash flows for the month of January 2012 for the City of Los Angeles and Department of Water and Power. During the month of January, the City and Department of Water and Power deferred **\$13,473,151** into the Deferred Compensation Plan. This compares to **\$13,865,968** in January 2011, or a decrease of **0.03%** year-over-year.



Roth Accounts

Since deferrals for the Roth option began in August 2011, there have been 769 new Roth accounts established. This constitutes a 2.69% participation rate of the 28,855 employees contributing to the plan¹. The chart below illustrates the number of new Roth deferral accounts since August.



¹ There are 28,855 employees contributing to the Plan as of 09/30/11.

PROJECT UPDATE
(reflects project activity for period 01/01/12 through 01/31/12)

COMPLETED PROJECTS: JANUARY 2012					
#	STATUS	PROJECT	DUE DATE	COMPLETED	NOTES
1	Completed	Minutes - 12/20/11 Meeting	01/31/12		N/A
2	Completed	Board Report - Investment Manager Presentations Proposal	01/31/12		N/A
3	Completed	Board Report - Bank Deposit Account Policy & Update re Bank of the West	01/31/12		N/A
4	Completed	Board Report - Investment Menu Changes	01/31/12		N/A
5	Completed	Board Report - Mercer Contract Extension	01/31/12		N/A
6	Completed	Board Report - 2012 Plan Budget	01/31/12		N/A
7	Completed	Board Report - Contract Status Update	01/31/12		N/A
8	Completed	Board Report - Communications Report	01/31/12		N/A
9	Completed	Board Reports - Staff Report January	01/31/12		N/A
10	Completed	Board Report & Training Presentation - Plan Demographics	01/31/12		N/A
PENDING PROJECTS					
#	STATUS	PROJECT	DUE DATE	COMPLETED	NOTES
1	PENDING	Memo from Benefits to City Attorney re Outside Legal Counsel Services	02/29/12		Pending
2	PENDING	Consulting RFP Review - Scoring of Written Responses	02/29/12		Pending
3	PENDING	Board Report - Strategic Plan 4	02/29/12		Pending
4	PENDING	Board Report - Investment Menu Update	02/29/12		Pending
5	PENDING	Board Report - Consulting RFP Review Update	02/29/12		Pending
6	PENDING	Board Report - Staff Report February 2012	02/29/12		Pending
7	PENDING	Board Report - Elections Update February 2012	02/29/12		Pending
8	PENDING	Investment Communication Materials - Focus Group 2	02/29/12		Pending
9	PENDING	Draft Citywide Memo re Marketing by Non-Contracted Financial & Benefit Services Providers	02/29/12		Pending
10	PENDING	Great-West Contract Amendment Extension PSP Services 2012-2016	02/29/12		Pending
11	PENDING	Performance Exams: Admin Consulting	02/29/12		Pending
12	PENDING	Performance Exams: Communications Consulting	02/29/12		Pending
13	PENDING	Performance Exams: Investment Consulting	02/29/12		Pending
14	PENDING	Retirement Calculator - Develop Prototype w/Great-West	02/29/12		Pending

15	PENDING	Board Report - Retiree Loans	02/29/12	Meeting held with Great-West on 11/3/11 to review implementation options
16	PENDING	Board Report - DROP Mailing	02/29/12	Draft materials developed and now being revised
17	PENDING	Board Report - BIP Requirements	02/29/12	Pending
18	PENDING	Board Report - P&I March Conference	02/29/12	Pending
19	PENDING	Annual Report 2011 - PSP	02/29/12	Pending
20	PENDING	Annual Report 2011 - DCP	02/29/12	Pending
21	PENDING	Investments Committee Meeting: Investment Policy Statement - Termination	02/29/12	Identifying schedule availability for Committee meeting
22	PENDING	Board Report - History of funds on monitor/watch	02/29/12	Pending
23	PENDING	Board Report - Loan Repayment Policy	02/29/12	Pending
24	PENDING	Investments Committee Minutes - 4-18-11 Meeting	03/31/12	Pending
25	PENDING	Board Report - review of consistency of access to separating City employees	03/31/12	Pending
26	PENDING	Create Catch-Up Flyer Incorporating Roth	03/31/12	Pending
27	PENDING	Board Report - Contribution History & Rollovers	03/31/12	Pending
28	PENDING	Board Report - In-Kind Transfers from SDBO	03/31/12	Pending
29	PENDING	Board Report - Beneficiary Notifications and Focus Group Results	03/31/12	Pending
30	PENDING	Board Report - SAS Form from Great-West	03/31/12	Pending
31	PENDING	Domestic Partners Research and Discussion with City Attorney and California Peers	03/31/12	Pending
32	PENDING	Revise Distribution Form	03/31/12	Pending
33	PENDING	Revise Enrollment Guide	03/31/12	Pending
34	PENDING	Board Report - Document Retention Policy	04/28/12	Pending
35	PENDING	Review and report back on City of New York financial advice program	04/28/12	Pending
36	PENDING	Board Report - Merrill Lynch - Communication to Outside Vendors	04/28/12	Pending
37	PENDING	Beneficiary Addresses	04/28/12	Pending
38	PENDING	Review and report back on PIMCO hedge fund strategy	04/28/12	Pending
39	PENDING	Review and report back on Plan statistics broken down by constituency	04/28/12	Pending
40	PENDING	Communications Plan: List of alternative DC publications and outlets (LACERS, Pensions, Union pubs, etc.)	04/28/12	Pending
41	PENDING	Board Report - Social Media Options	04/28/12	Pending
42	PENDING	Board Report - Auto Glide-Path for Asset Allocation Funds	04/28/12	Pending

43	PENDING	Board Report - Proxy Share Voting	04/28/12	Pending
44	PENDING	Investment Advice Review and Proposal	04/28/12	Pending
45	PENDING	Notification of Participants - Catch-Up Eligibility	04/28/12	Pending
46	PENDING	Pre-Audit Testing - Phase II	04/28/12	Pending
47	PENDING	Revise Pension Savings Plan Highlights	04/28/12	Pending
48	PENDING	Retirement Plan Summit	04/28/12	Pending
49	PENDING	Revisit Plan Audit	05/31/12	Pending
50	PENDING	PSP Account Consolidation	05/31/12	Pending
51	PENDING	Statistical Project: Refined Count of Non-Contributing Participants	05/31/12	Pending
52	PENDING	Deemed IRA Implementation	05/31/12	Pending

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

Position Authority	Incumbent Class	Est. Percent Reimbursed by DCP	Staff Member
Personnel			
Chief Personnel Analyst	Chief Personnel Analyst	20%	Alejandrina Basquez
Senior Personnel Analyst II	Senior Personnel Analyst II	60%	Steven Montagna
Management Analyst II	Management Analyst II	90%	Natasha Gameroz
Management Analyst II	Personnel Analyst II	90%	Esther Chang
Benefits Specialist (prior incumbent left under ERIP)	Clerk Typist	90%	Claudia Guevara
City Attorney			
Assistant City Attorney	Assistant City Attorney	25%	Curt Kidder
Legal Assistant	Legal Assistant	40%	Vicky Williams

Submitted by: _____
Esther Chang

Reviewed by: _____
Steven Montagna

Approved by: _____
Alex Basquez