

Deferred Compensation Plan

BOARD REPORT 17-13

Date: April 18, 2017

To: Board of Deferred Compensation Administration

From: Staff

Subject: Third Party Administrator Transition Update

*Board of Deferred
Compensation Administration
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Recommendation:

That the Board of Deferred Compensation Administration receive and file staff update regarding the Deferred Compensation Plan's Third Party Administrator (TPA) transition.

Discussion:

At the Board's special meeting of **September 6, 2016**, the Board approved the selection of Voya Institutional Plan Services ("Voya") as the Third Party Administrator (TPA) for the City's Deferred Compensation Plan. This report provides an update on various developments related to the transition.

A. Payroll/TPA File Exchange

As previously reported, efforts are well underway with both the City Controller and Department of Water and Power payroll staff to develop the interfaces between the City's payroll systems and Voya. Both systems have essentially finalized the file layouts for the "Payroll-Census File," which will provide bi-weekly eligibility and contribution information from the City's payroll systems to Voya, and the "Contribution-Loan File," which will provide participant contribution and loan repayment information from Voya to the City's payroll systems. With respect to auto enrollment, it has not yet been determined whether the communication of new auto enrollment eligible employees will be included within the Payroll-Census File or generated as a separate file. Discussions are now proceeding as to the schedule of the testing processes.

B. Participant Transactional Communications and Forms

Staff and Voya have begun the process of reviewing participant transactional communications as well as participant forms. Transactional communications refer to such items as loan confirmations and late payment warnings, and contribution or investment confirmations. Staff and Voya are working together to identify communication gaps and improve the quality and efficacy of materials.

A particular focus involves communications regarding loans. Voya is supporting the City in its efforts to move the communications beyond the more disclosure-based emphasis, which is not very effective from a participant communication perspective, to a greater

focus on more user-friendly and user-tested materials that can assist members in understanding the complex rules and requirements associated with loans.

Although the initial emphasis is on certain core documents that must be established by the implementation date, efforts to improve and enhance communications will be an ongoing focus for the City's Plan. As the Board may recall, the City's 2016 Request for Proposal requested, and Voya proposed, a full-time and locally based Senior Communications Consultant. That individual will come on board on or around September 30, 2017 at the and will work with staff on expanding, improving, and leveraging the Plan's communications efforts to increase engagement, provide more effective education, and improve member outcomes.

Submitted by:

Steven Montagna