

# DEFERRED COMPENSATION PLAN BOARD REPORT 12-47

Date: September 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  
William Raggio  
Robert Schoonover  
Margaret M. Whelan

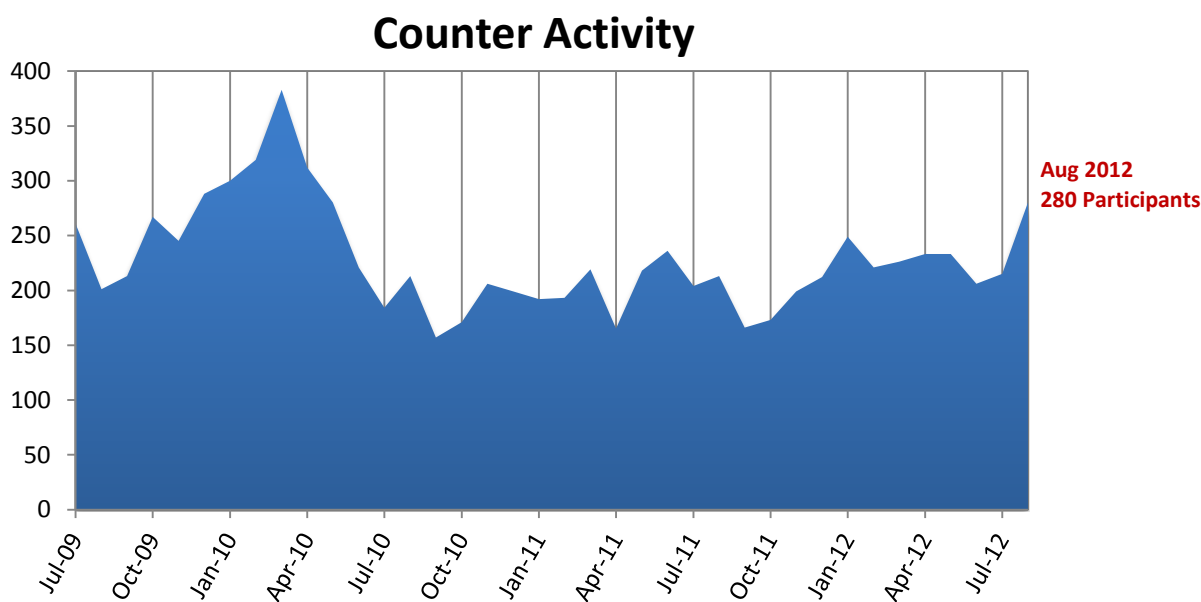
## Recommendation:

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 August 2012. During the month of August, 280 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 August 2012:

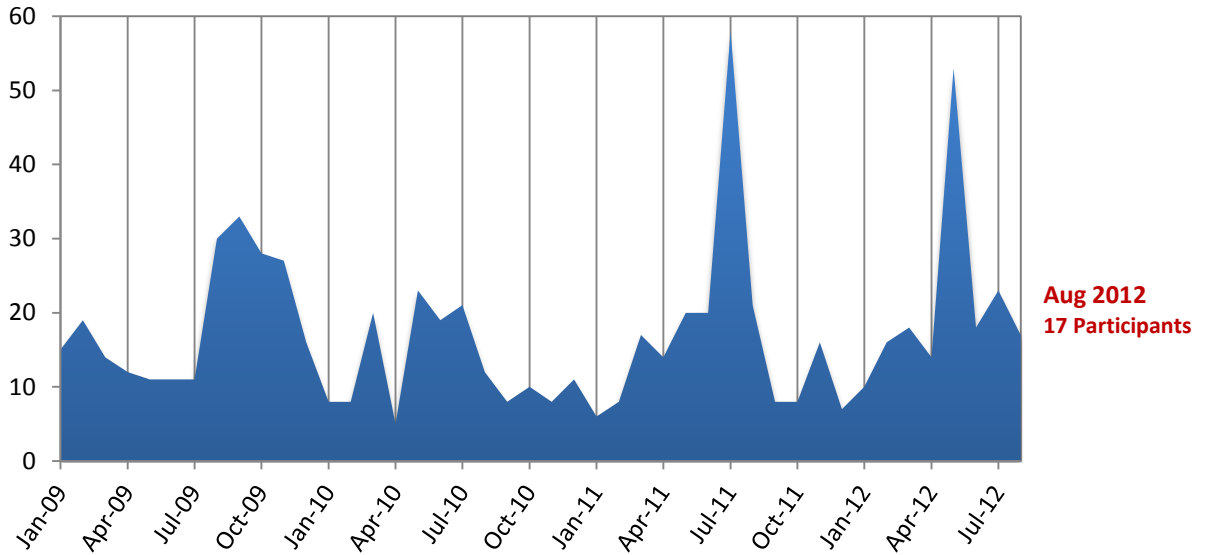


### Accrued Leave Activity

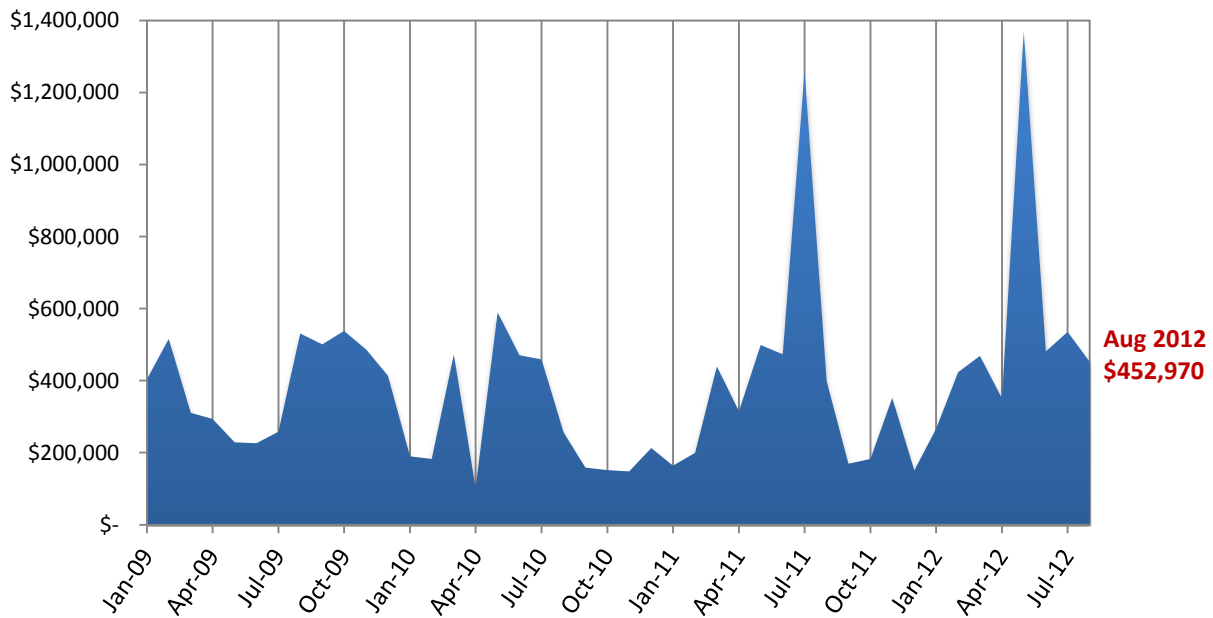
Staff has compiled the following results of Accrued Leave enrollment for the month of August 2012. During the month of August, 17 participants elected to enroll in Accrued Leave and **\$452,970** was contributed into the Plan from their Accrued Leave payouts.

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

### Participants with Accrued Leave

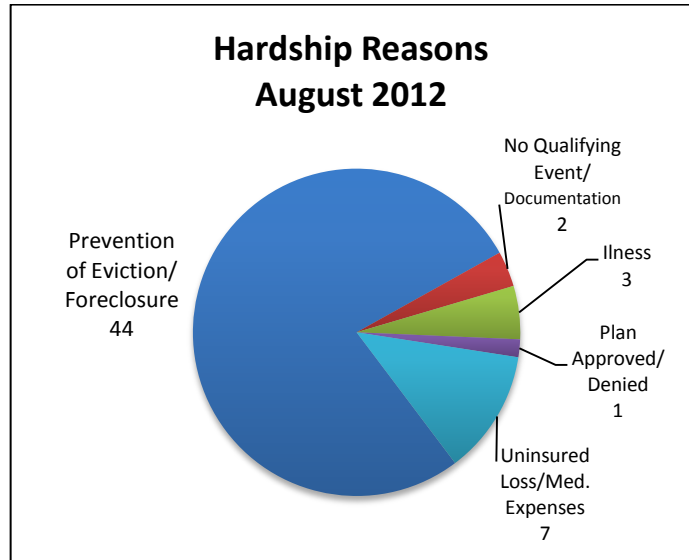
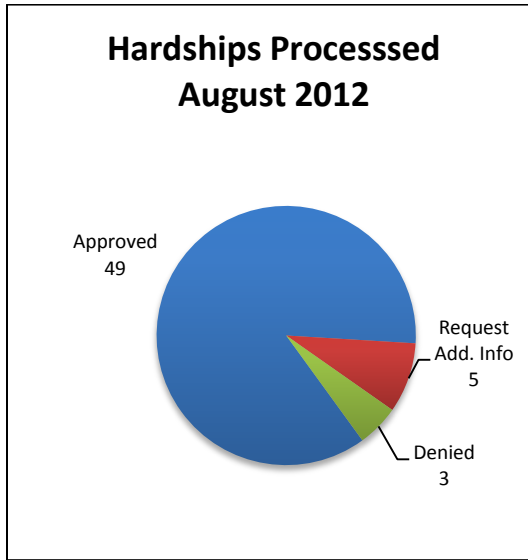


### Accrued Leave Deferral Amounts

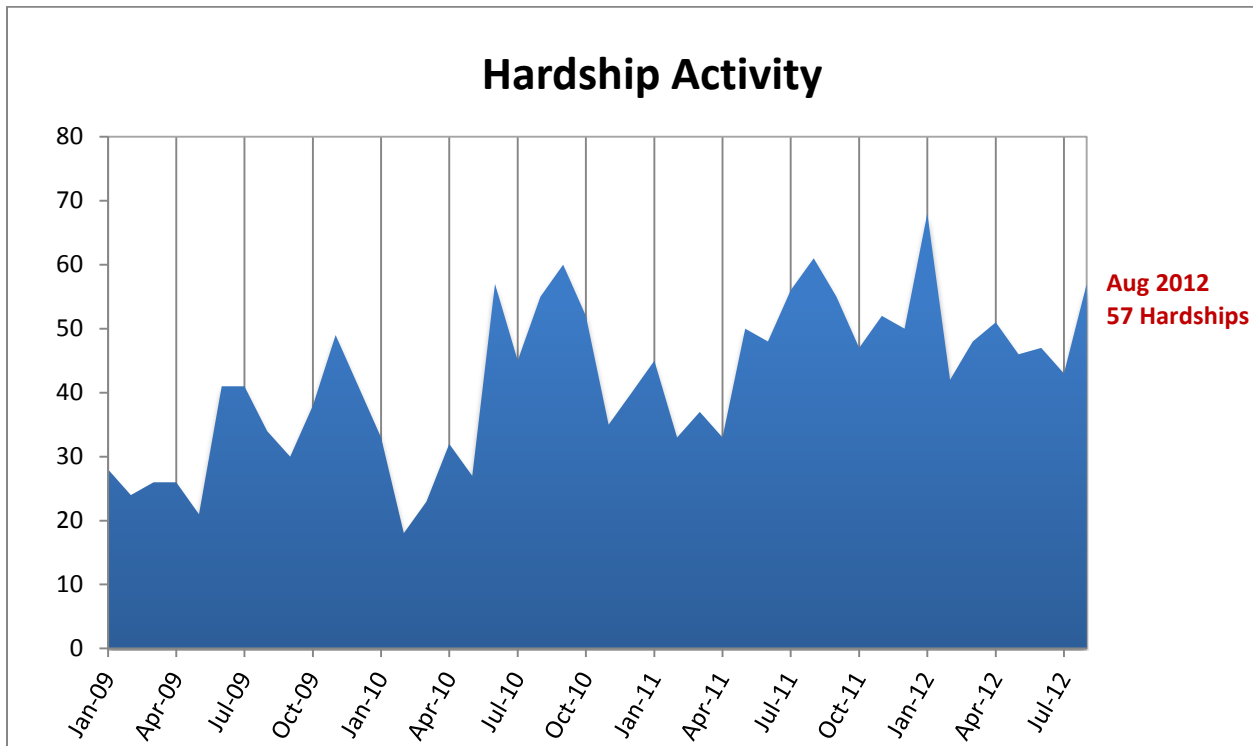


## Hardship Activity

Staff has compiled the following results of hardship processing with Great-West for the month of August 2012. During the month of August, 57 hardship cases were submitted to Great-West. There were 49 cases approved, 3 cases denied, and 5 cases pending further documentation. The dollar amount for hardships withdrawn from the plan in August 2012 was approximately \$254,947.

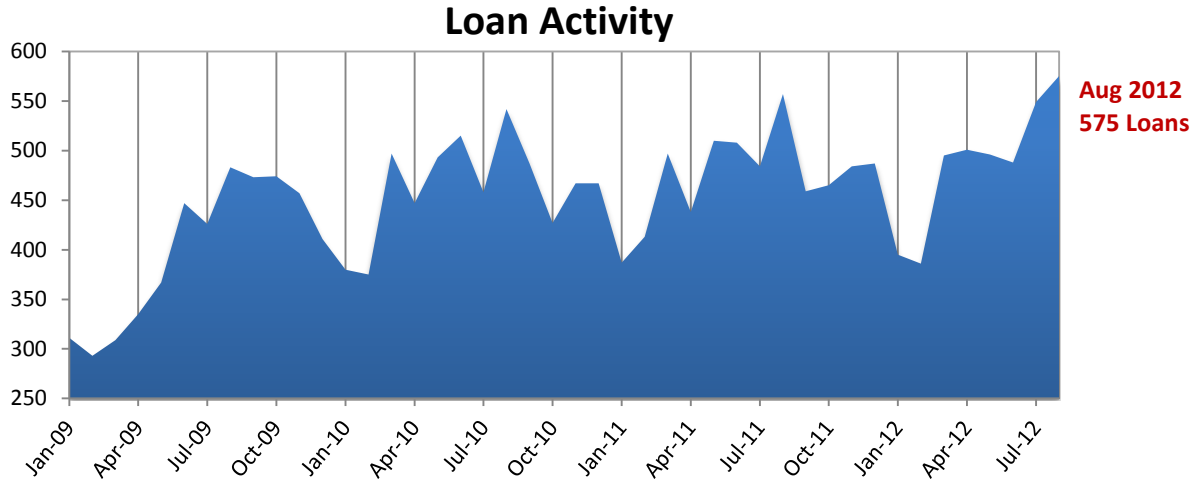


Following are hardship activity results from January 2009 to August 2012:



### Loan Activity

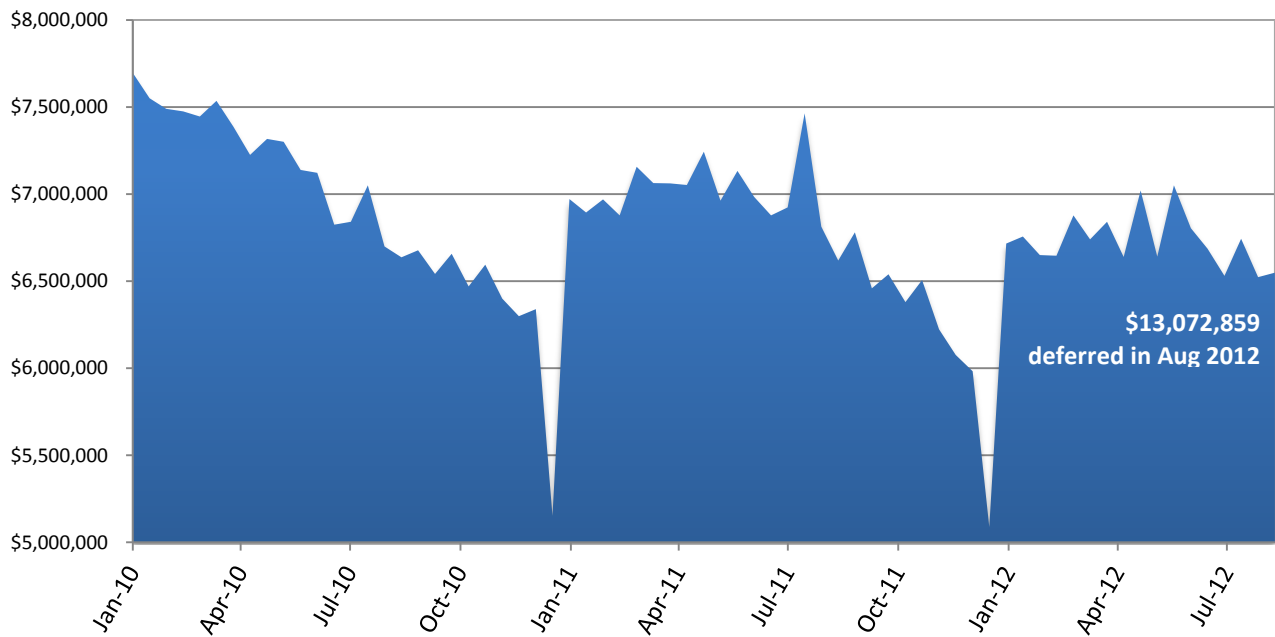
Staff has compiled the following results of new loans acquired for the month of August 2012. During the month of August, 575 participants elected to obtain a new loan and **\$6,707,873** was withdrawn from the Plan for their loan payouts.



### Deferral Tracking

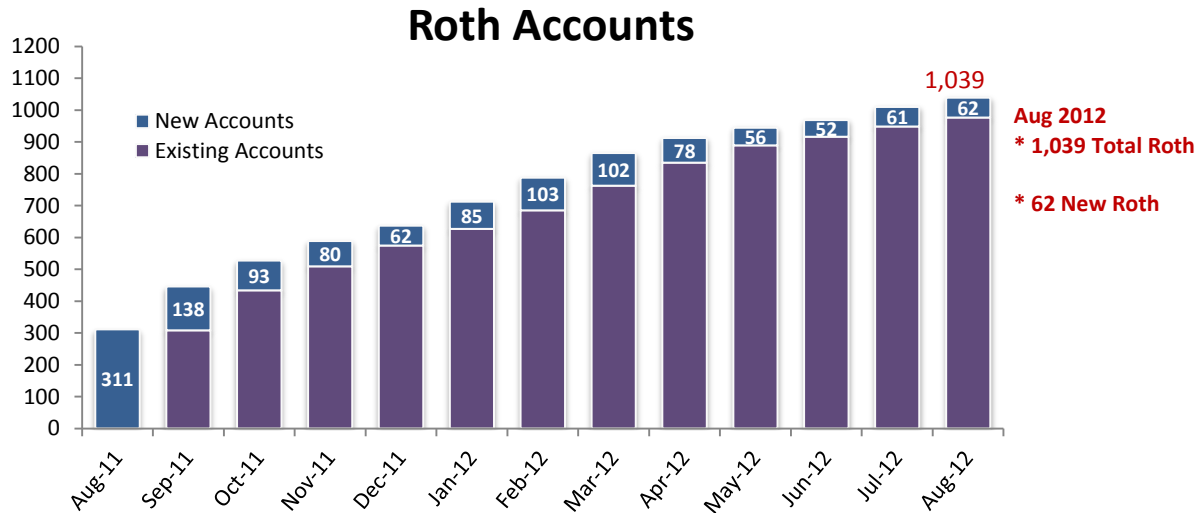
Staff has compiled the following results of bi-weekly deferral cash flows for the month of August 2012 for the City of Los Angeles and Department of Water and Power. During the month of August, the City and Department of Water and Power deferred **\$13,072,859** into the Deferred Compensation Plan. This compares to **\$13,433,035** in July 2011, which constitutes a 2.7% decrease year-over-year.

### Bi-Weekly Deferral Cash Flows



## Roth Accounts

The Roth deferral option was made available to participants starting July 2011, with actual deferrals being made by August 2011. For the month of August 2012, there were 62 new Roth accounts established. There are currently a total of 1,039 Roth accounts. This constitutes a **3.6%** participation rate of the 28,717 employees contributing to the plan<sup>1</sup>. The chart below illustrates the number of new Roth deferral accounts since August 2011.



## Other Updates

- *NAGDCA Board Election*

Staff member Steven Montagna has been elected to the Board of the National Association of Government Defined Contribution Administrators (NAGDCA). He was elected to a two-year term for the "Member at Large" position. His term begins at the conclusion of this year's conference.

- *NAGDCA 2012 Leadership Recognition Award*

The Plan was awarded a 2012 NAGDCA Leadership Recognition Award for Effective Communication for its communication efforts in launching the Roth savings option. This award recognizes defined contribution plans for achievements in three categories: Effective Communication, Plan Design, and National Save for Retirement Week. An awards committee selected the top five projects in each category. NAGDCA will recognize the winners on October 1, 2012 at its annual conference.

- *NAGDCA Government 457(b) Primer*

Recently, NAGDCA released a new publication, a brochure entitled *Government 457(b) Primer*, which contains a brief overview of the features and rules applicable to governmental 457(b) plans. This publication is attached for informational purposes.

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<sup>1</sup> There are 28,717 employees contributing to the Plan as of 6/30/2012 (Great-West Quarterly Report).

**PROJECT UPDATE**  
(reflects project activity for period 08/01/12 through 08/30/12)

DCP						
Legend:						
G = Governance						
C = Communications						
P = Procurements/Contracts						
A = Administration						
COMPLETED PROJECTS: AUGUST 2012						
#	STATUS		PROJECT	DUE DATE	COMPLETED	NOTES
1	Completed	G	Minutes - July 2012 BDCA Meeting	08/31/12		N/A
2	Completed	G	Board Report - Tax Counsel	08/31/12		N/A
3	Completed	G	Board Report - Staff Report August	08/31/12		N/A
4	Completed	G	Plan Administrative Training - End of Career Savings	08/31/12		N/A
5	Completed	C	DCP Bond Fund Fact Sheet Revisions	08/31/12		N/A
6	Completed	C	Enrollment Form Update	08/31/12		N/A
7	Completed	C	20/20 Retirement Vision	08/31/12		N/A
8	Completed	C	KeyTalk/Web site Flier	08/31/12		N/A
9	Completed	C	NAGDCA Leadership Recognition Awards	08/31/12		Won in Effective Communications category for Roth materials; top 5 in category selected.
10	Completed	C	Incoming Rollover Mailing	09/30/12		Mailed 8/15/2012 Total participants: 1,978
11	Completed	C	Quarterly Communications/Admin Meeting	09/30/12		Held 8/23/2012
PENDING PROJECTS						
#	STATUS		PROJECT	DUE DATE	COMPLETED	NOTES
1	PENDING	C	Draft Citywide Memo re Marketing by Non-Contracted Financial & Benefit Services Providers	09/30/12		Pending
2	PENDING	A	Online Enrollment Functionality	09/30/12		Staff tested web functionality, errors identified; Great-West reviewing
3	PENDING	A	Online Distribution Functionality	09/30/12		Great-West reviewing functionality
4	PENDING	A	Retiree Loans Functionality	09/30/12		Great-West drafting procedures
5	PENDING	P	Consulting Contract - Mercer Investment Consulting	09/30/12		Pending
6	PENDING	P	Great-West Contract Amendment Extension PSP Services 2012-2016	09/30/12		Pending
7	PENDING	G	Board Report - EIN Request	09/30/12		Pending
8	PENDING	G	Board Report - Proposed Education Program FY 13/14	09/30/12		Pending

9	PENDING	G	Board Report - Strategic Plan V	09/30/12	Pending
10	PENDING	G	Board Report - Electronic Processing Update	09/30/12	Pending
11	PENDING	G	Board Report - DROP Mailing	09/30/12	Draft materials developed and now being revised
12	PENDING	G	Board Report - Historical Contribution History	09/30/12	Draft materials developed and now being revised
13	PENDING	G	Board Report - Contractor Evaluation Policy	09/30/12	Pending
14	PENDING	G	Board Report - History of funds on monitor/watch	09/30/12	Pending
15	PENDING	G	Investments Committee Meeting: Investment Policy Statement - Termination	09/30/12	Pending
16	PENDING	G	Annual Report 2011 - PSP	09/30/12	Pending
17	PENDING	C	Planning Meeting - DCP Health Checklist Communications	09/30/12	Pending
18	PENDING	C	Fee Disclosure to Non-Participants Communications & Special Mailing	09/30/12	Pending
19	PENDING	C	Online Enrollment Communications Document	09/30/12	Pending
20	PENDING	C	Online Distribution Communications Document	09/30/12	Pending
21	PENDING	C	DCP Monthly Newsletter	09/30/12	Pending
22	PENDING	C	Plan Highlights Revision	09/30/12	Pending
23	PENDING	C	DCP Participant Photos/Stats for Newsletter	09/30/12	Pending
24	PENDING	A	Retirement Calculator - Develop Prototype w/Great-West	09/30/12	Pending
25	PENDING	G	Board Report - review of consistency of access to separating City employees	10/31/12	Pending
26	PENDING	C	Create Catch-Up Flyer Incorporating Roth	10/31/12	Pending
27	PENDING	C	Loan Highlights Flier Revisions	10/31/12	Pending
28	PENDING	G	Board Report - Contribution History & Rollovers	10/31/12	Pending
29	PENDING	G	Board Report - In-Kind Transfers from SDBO	10/31/12	Pending
30	PENDING	G	Board Report - SAS Form from Great-West	10/31/12	Pending
31	PENDING	A	Domestic Partners Research and Discussion with City Attorney and California Peers	10/31/12	Pending
32	PENDING	C	Revise Distribution Form	10/31/12	Pending
33	PENDING	C	Revise Enrollment Guide	10/31/12	Pending

34		G	Board Report - Retirement/Pension System Retired Loan Payments	10/31/12		Pending
35	PENDING	G	Roth Conversion Form & Process	11/30/12		Pending
36	PENDING	G	Review and report back on City of New York financial advice program	11/30/12		Pending
37	PENDING	G	Board Report - Merrill Lynch - Communication to Outside Vendors	11/30/12		Pending
38	PENDING	G	Beneficiary Addresses	11/30/12		Pending
39	PENDING	G	Review and report back on PIMCO hedge fund strategy	11/30/12		Pending
40	PENDING	C	Communications Plan: List of alternative DC publications and outlets (LACERS, Pensions, Union pubs, etc.)	11/30/12		Pending
41	PENDING	G	Board Report - Social Media Options	11/30/12		Pending
42	PENDING	G	Board Report - Auto Glide-Path for Asset Allocation Funds	11/30/12		Pending
43	PENDING	G	Board Report - Proxy Share Voting	11/30/12		Pending
44	PENDING	C	Meet Your Rep Online Calendar	11/30/12		Pending
45	PENDING	C	DROP Brochure Ad	11/30/12		Pending
46	PENDING	C	DROP Brochure	11/30/12		Pending
47	PENDING	C	Website Conversion	11/30/12		Pending
48	PENDING	C	P&I Innovator Awards	11/30/12		Pending
49	PENDING	C	Notification of Participants - Catch-Up Eligibility	11/30/12		Pending
50	PENDING	C	Pre-Audit Testing - Phase II	11/30/12		Pending
51	PENDING	C	Revise Pension Savings Plan Highlights	11/30/12		Pending
52	PENDING	C	MarCom 2012 Awards	11/30/12		Pending
53	PENDING	C	FDIC Savings Account - Communication of Changes	12/31/12		
54	PENDING	G	Retirement Plan Summit	12/31/12		Pending
55	PENDING	G	Revisit Plan Audit	12/31/12		Pending
56	PENDING	A	PSP Account Consolidation	12/31/12		Pending
57	PENDING	G	Research adding other Plan type in order to increase savings opportunities (from 8/21/12 BDCA meeting)	12/31/12		Pending
58	PENDING	G	Statistical Project: Refined Count of Non-Contributing Participants	12/31/12		Pending
59	PENDING	G	Board Report - Transition Manager Procurement	12/31/12		Pending



60	PENDING	G	Deemed IRA Implementation	12/31/12	Pending
61	PENDING	C	3Q 2012 Great-West Newsletter	12/31/12	Pending
62	PENDING	C	Eddy 2013 Awards	12/31/12	Pending
63	PENDING	C	Quarterly Communications/Admin Meeting	12/30/12	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
<b>Personnel</b>			
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
<b>City Attorney</b>			
Assistant City Attorney	Assistant City Attorney	25%	Curt Kidder
Legal Assistant	Legal Assistant	40%	Vicky Williams

### Committee Membership

Plan Governance & Administrative Issues Committee
<i>Eugene Canzano, Chair</i> Cliff Cannon John Mumma Margaret Whelan

Investments Committee
<i>John Mumma, Chair</i> Sangeeta Bhatia Tom Moutes

Submitted by: \_\_\_\_\_  
Esther Chang

Reviewed by: \_\_\_\_\_  
Steven Montagna

Approved by: \_\_\_\_\_  
Alex Basquez