

DEFERRED COMPENSATION PLAN ACCOUNTABILITY SUMMARY

This Exhibit of the Deferred Compensation Plan Governance Policies/Bylaws provides a summary of essential duties and obligations of those entities involved in administering and providing services for the City's Deferred Compensation Plan ("the Plan."). This document is intended to be descriptive, not proscriptive. It is a summary of these duties and obligations as established by applicable law, the Plan's governing documents and/or service contracts. Any conflicts between the information provided in this document and applicable law, Plan governing documents and/or service contracts, shall be resolved in favor of the latter.

Accountability Category: **PLAN AUTHORITY**
Responsible Entity: **LOS ANGELES CITY COUNCIL**
Documentary/ Legal Authority(ies): - **City of L.A. Administrative Code, Div. 4, Chapter 14**

Responsibility and/or Authority To:

- Establish and terminate the Plan "The Plan may be amended or terminated by the City at any time." (LAAC Div. 4/Chapter 14, Sec. 4.1409).
 - Establish and amend the governance structure (LAAC Div. 4/Chapter 14, Sec. 4.1407).
 - Establish participation eligibility (LAAC Div. 4/Chapter 14, Sec. 4.1402).
 - Establish satisfaction of Federal Trust requirement for Internal Revenue Code Section 457 plans (LAAC Div. 4/Chapter 14, Sec. 4.1404).
 - Authorize the establishment, powers and authority to amend the Plan Document by the Board (LAAC Div. 4/Chapter 14, Sec. 4.1400).
 - Establish rights of Plan Participants (LAAC Div. 4/Chapter 14, Sec. 4.1408).
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Accountability Category: **PLAN GOVERNANCE**
Responsible Entity: **BOARD OF DEFERRED COMPENSATION
ADMINISTRATION**
Documentary/ Legal Authority(ies): - **City of L.A. Administrative Code, Div. 4, Chapter 14**
- **Plan Document**
- **Board Bylaws**

Responsibility and/or Authority To:

- Administer the Plan: "Have the sole authority for the operation of the Plan in accordance with its terms and shall rule on all questions arising out of the administration, interpretation and application of the Plan, which determination shall be conclusive and binding on all Participants." (LAAC Div. 4/Chapter 14, Sec. 4.1407(a)).
- Contract for Plan services: "One or more organization(s) shall be selected and contracted with by the Board to assist the Board in the administration of the Plan and to provide Plan investment options, Plan consulting services, Plan auditing services, and other services related to the administration of the Plan. The contractor(s) shall be governed by the Board." (LAAC Div. 4/Chapter 14, Sec. 4.1407(b)).
- Create and modify as appropriate the Plan Document: "The City of Los Angeles Board of Deferred Compensation Administration shall prepare and adopt a Plan Document which together

with the provisions of (LAAC Div. 4/Chapter 14) shall be the governing document for the Plan.” (LAAC Div. 4/Chapter 14, Sec. 4.1400).

- Create and establish Board Bylaws for the purpose of establishing rules governing the conduct of the Board, its Committees, Board meetings, oversight of the Deferred Compensation Plan Trust Fund, staff and counsel responsibilities, procurement procedures and ethics responsibilities: “(The Board... shall promulgate rules and bylaws for the conduct of its meetings within the Deferred Compensation Plan Document.” (LAAC Div. 4/Chapter 14, Sec. 4.1407(e)(9)).
- “The Board shall also report annually to the City Council and to all Plan Participants concerning the administration and financial condition of the Plan.” (LAAC Div. 4/Chapter 14, Sec. 4.1407(d)).

Accountability Category: **PLAN ADMINISTRATION**
Responsible Entity: **GENERAL MANAGER PERSONNEL DEPARTMENT**
Documentary/ Legal Authority(ies): - **City Charter, City of L.A. Administrative Code**

Responsibility and/or Authority To:

- Provide staffing to the Plan: “The General Manager of the Personnel Department... shall coordinate and/or disseminate rulings and responses necessitated by Board actions; and shall, through his/her Office, provide staff assistance and support to the Board.” (LAAC Div. 4/Chapter 14, Sec. 4.1407(e)(1)).
- Provide direct operational oversight to the Plan’s contracted service providers.
- Facilitate all aspects of employee participation in the Plan.
- “Appoint, discharge, suspend, or transfer...employees...issue instructions to employees, in the line of their duties... expend the funds of the department or bureau in accordance with the provisions of the budget...” (City Charter Section 509 (b) (c) (d))

Accountability Category: **LEGAL COUNSEL**
Responsible Entity: **OFFICE OF THE CITY ATTORNEY**
Documentary/ Legal Authority(ies): - **City Charter, City of L.A. Administrative Code**

Responsibility and/or Authority To:

- Advise the Board regarding the conduct of its meetings, legal and regulatory matters, and administrative/policy issues relating to the proper administration of the Plan.

Accountability Category: **BOARD ELECTIONS**
Responsible Entity: **OFFICE OF THE CITY CLERK**
Documentary/ Legal Authority(ies): - **City Charter, City of L.A. Administrative Code**

Responsibility and/or Authority To:

- Administer elections for the Board of Deferred Compensation Administration in accordance with applicable City rules and procedures – “The Office of the City Clerk shall administer... elections.” (LAAC Div. 4/Chapter 14, Sec. 4.1407(e)(9)).

Accountability Category: **THIRD PARTY ADMINISTRATION**
Responsible Entity: **CONTRACTED PROVIDER(S)**
Documentary/ Legal Authority(ies): - **Applicable Contract(s)**

Responsibility and/or Authority To:

- Administer enrollment, distribution, loan processing, transfers/rollovers, investment and account recordkeeping, and all other aspects of employee participation in the Plan.
- Provide counseling and educational services to Plan participants.
- Facilitate investment in core menu of investment options (as selected by the Plan) and provide a Self-Directed Brokerage Option (SDBO).

Accountability Category: **TRUSTEE SERVICES**
Responsible Entity: **CONTRACTED PROVIDER(S)**
Documentary/ Legal Authority(ies): - **Applicable Contract(s)**

Responsibility and/or Authority To:

- In accordance with Federal law, hold Plan assets in trust for the exclusive benefit of Plan participants.

Accountability Category: **INVESTMENT MANAGEMENT**
Responsible Entity: **CONTRACTED PROVIDER(S)**
Documentary/ Legal Authority(ies): - **Applicable Contract(s)**

Responsibility and/or Authority To:

- Invest participant assets in accordance with applicable mutual fund prospectus or investment management services agreement, and in compliance with all applicable laws, regulations and rules pertaining thereto.

Accountability Category: **CONSULTING SERVICES**
Responsible Entity: **CONTRACTED PROVIDER(S)**
Documentary/ Legal Authority(ies): - **Applicable Contract(s)**

Responsibility and/or Authority To:

- Monitor, advise and report to the Board regarding the performance, organizational structure, investment process, and all other matters relevant to oversight of the Plan's current and prospective investment options.
- As directed by the Board, facilitate investment manager procurements and advise the Board regarding the selection, retention, and elimination of current and prospective investment providers.
- Monitor, advise and report to the Board regarding all applicable laws, regulations and rules pertaining to the proper administration of the City's Plan.
- As directed by the Board, monitor, advise and report to the Board regarding policy and administrative issues pertaining to the proper administration of the City's Plan.