

# DEFERRED COMPENSATION PLAN BOARD REPORT 09-56

Date: December 16, 2009  
To: Board of Deferred Compensation Administration  
From: Staff  
Subject: Staff Report: Pending Projects & Information Items

*Members*  
Eugene K. Canzano, Chairperson  
Richard Kraus, Vice-Chairperson  
Shelley Smith, First Provisional Chair  
Sally Choi, Second Provisional Chair  
Maggie Whelan, Third Provisional Chair  
Sangeeta Bhatia  
Cliff Cannon  
Michael Perez

## Recommendation:

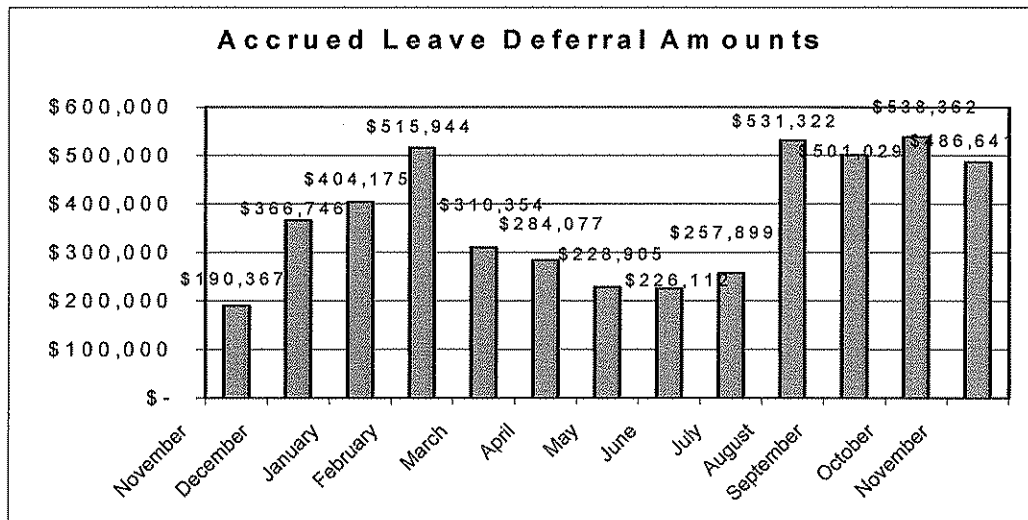
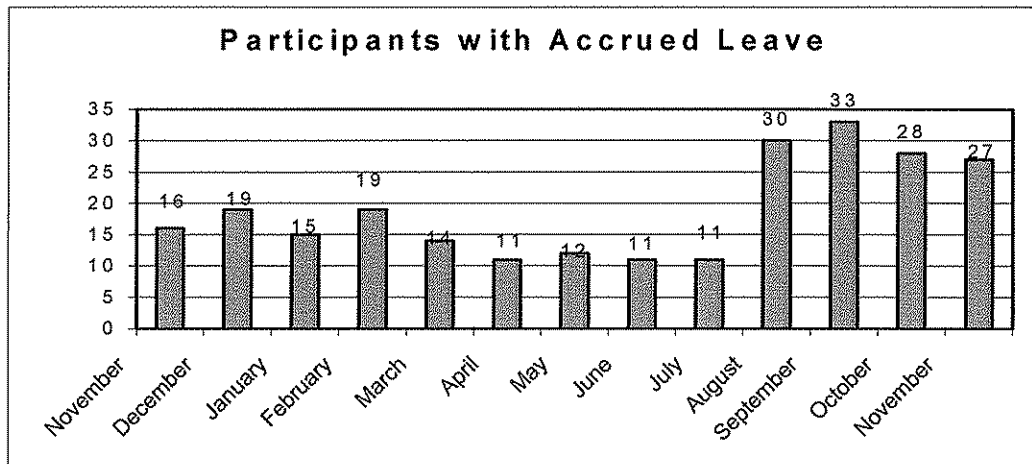
That the Board of Deferred Compensation Administration receive and file the following information.

## Pending Projects & Information Items:

- **Investment Manager Procurement Process** – Staff is in the process of developing a report for the Board summarizing the findings of the Personnel Department and City Attorney's Office regarding this issue.
- **Investments Committee** – The Investments Committee has met and has established positions on most of the pending issues for the Plan investment menu redesign. The Committee has elected to have staff memorialize those positions in a report to the full Board and submit the remaining decisions (regarding the composition/structure of certain core asset classes) to the Board as part of consideration of that report.
- **Plan Governance Committee** – The Plan Governance Committee met on December 1, 2009 and began its work on proposed Board bylaws. Additional meetings are pending.
- **Domestic Partner Benefits** – As a result of information gained at this year's NAGDCA Conference, City Attorney staff are reviewing the Plan's obligations as they relate to domestic partner benefits. Certain conflicts between State and Federal law must be resolved as they relate to account separations due to divorce and beneficiary designations. Staff is reaching out to other California entities as part of its research.
- **Beneficiary Form Focus Group and Report-Back to Board** – The revised beneficiary form recently considered by the Board has been revised based on domestic partner benefit information noted above and is now being reviewed by Great-West compliance staff. The focus group will follow that review, with the results subsequently reported back to the Board.
- **Fiduciary Liability Insurance** – Board member Richard Kraus has requested that staff provide information to the Board regarding fiduciary liability insurance.
- **SDBO Third-Party Trading** – A report on this item is pending.
- **Proxy Share Voting** – A report on this item is pending.
- **Pre-Audit Testing Phase II** – The next phase of pre-audit testing is pending.
- **Beneficiary Notifications** – This item is pending.

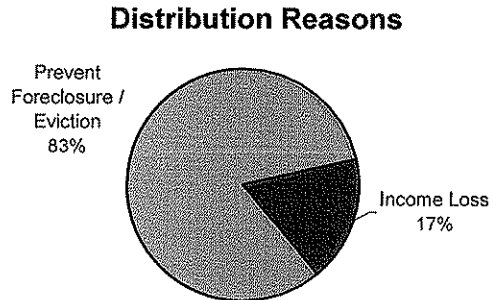
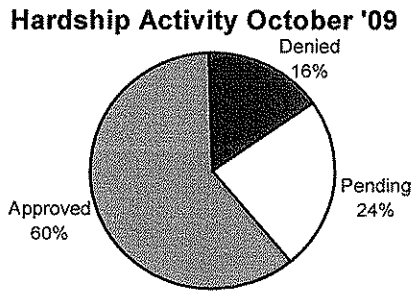
- **Deemed IRA Implementation** – This item is pending.
- **Refined Count of Non-Contributing Participants** – This item is pending.
- **Automatic Enrollment** – This item is pending and may be developed further within the California Large-Plans Working Group.
- **Distribution Guide Revisions** – Staff will be working with Great-West to revise/update the Plan distribution guide.
- **Abbreviated Enrollment Brochure** - Staff will be working with Great-West to revise/update the abbreviated enrollment brochure.
- **Retirement Plan Summit** – This item is pending.

**Accrued Leave Activity** – Staff has compiled the following results of Accrued Leave enrollment for the months of October and November 2009. During the months of October and November, fifty-five participants elected to enroll in Accrued Leave and \$1,025,003 was contributed into the Plan from their Accrued Leave payouts. Following are accrued leave activity results from November 2008 to November 2009:

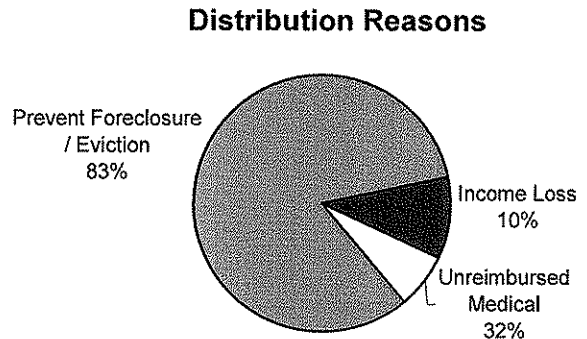
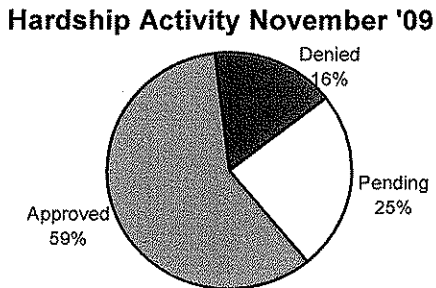


**Hardship Activity** – Staff has compiled the following results of hardship processing with Great-West for the months of October and November 2009. During the month of October, thirty-eight hardship cases were submitted to Great-West. Twenty-three cases were approved, six denied, and nine were pending further documentation. During the month of November, forty-nine hardship cases were submitted to Great-West. Twenty-nine cases were approved, eight denied, and twelve were pending further documentation.

Following are hardship activity results for the month of October:

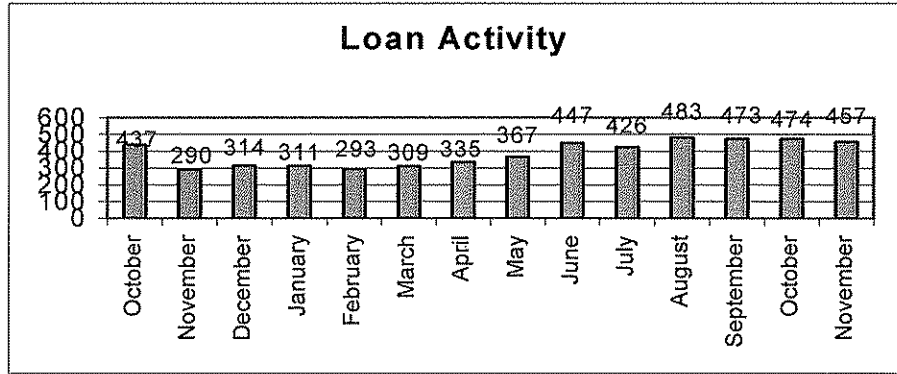


Following are hardship activity results for the month of November:



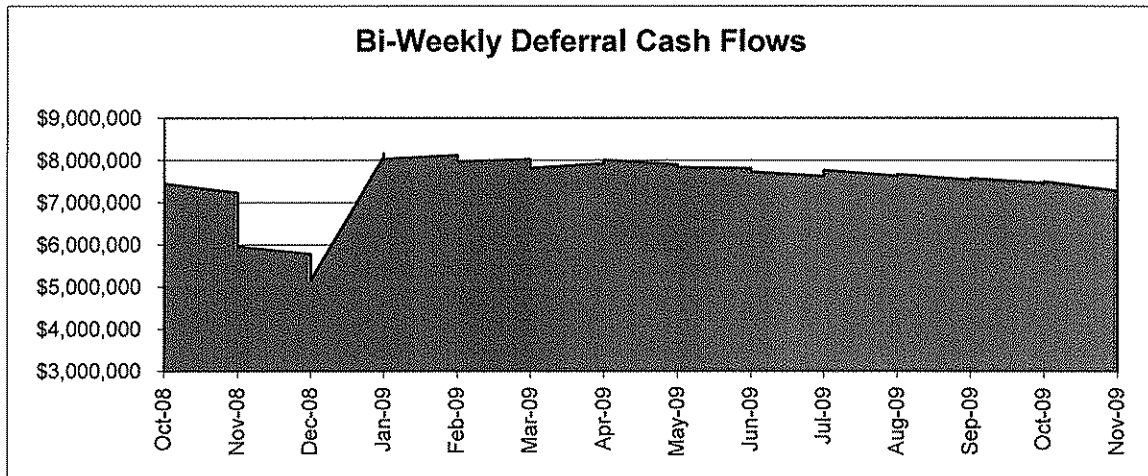
As part of regular reporting, Board member Richard Kraus previously asked to include data indicating (a) the reasons for denial and (b) the number of applicants that were approved for a hardship but for less than the amount they requested. Staff contacted Great-West regarding this. Great-West indicated its data-capture process does not presently record this information and, since that process and its reporting is standardized across all of its clients, they are not prepared to change their standardized process. Great-West did, however, indicate that it could provide a one-time manual ad-hoc report for a specific time period.

**Loan Activity** – Staff has compiled the following results of new loans acquired for the months of October 2008 – November 2009. During the month of October, 474 participants elected to obtain a new loan and \$5,265,268 was



withdrawn from the Plan from their loan payouts. During the month of November, 457 participants elected to obtain a new loan and \$5,494,545 was withdrawn from the Plan from their loan payouts.

**Deferral Tracking** - Staff has compiled the following results of bi-weekly deferral cash flows for the months of October 2008 – November 2009 for the City of Los Angeles and Department of Water and Power. During the month of October, the City and Department of Water and Power deferred \$14,958,865 into the Deferred Compensation Plan. During the month of November, the City and Department of Water and Power deferred \$14,299,360 into the Deferred Compensation Plan.



Submitted by: \_\_\_\_\_  
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