

# DEFERRED COMPENSATION PLAN BOARD REPORT 12-31

Date: May 9, 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

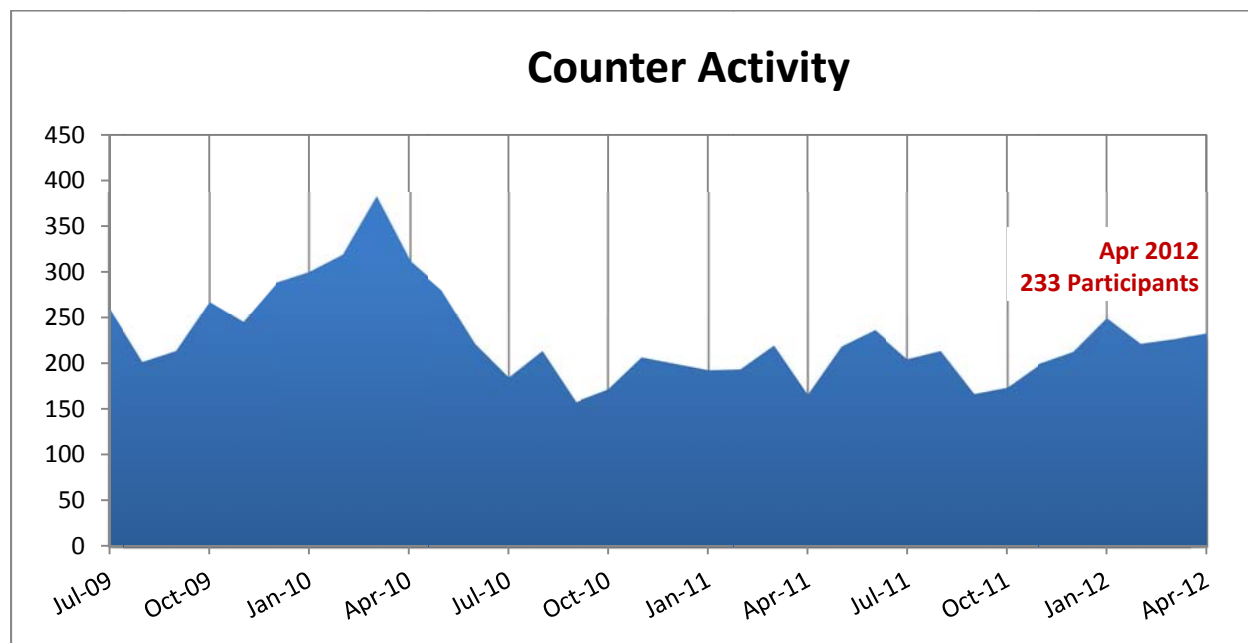
## Recommendation:

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

## Activity Reports:

### **Counter Activity Employee Benefits Division**

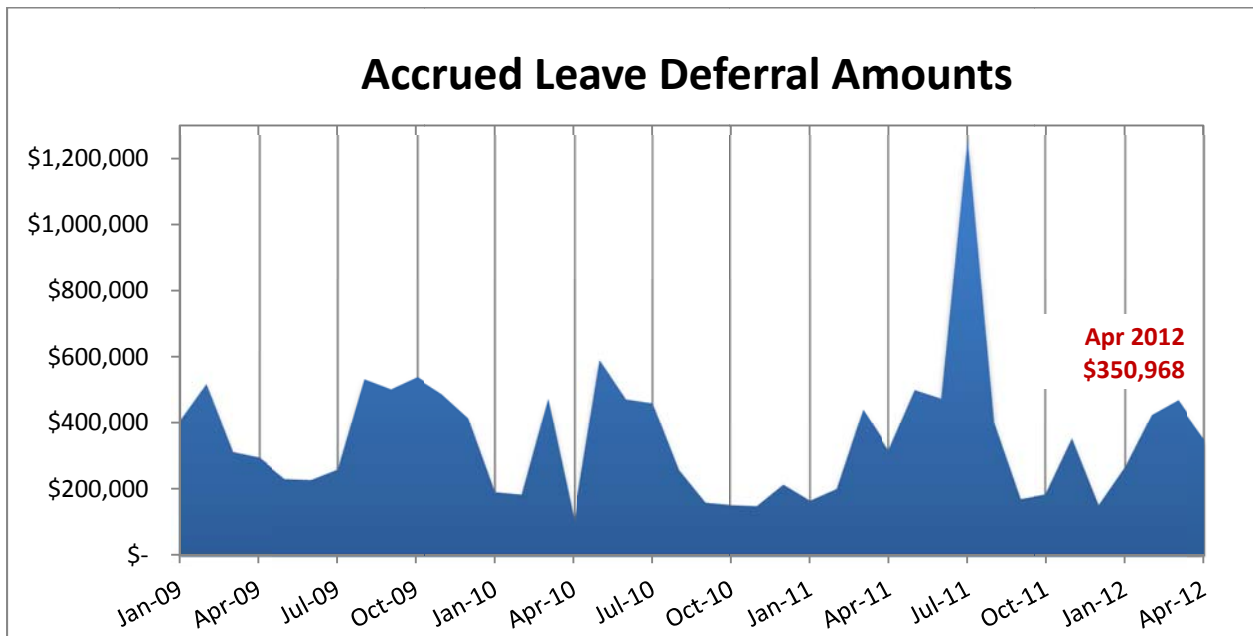
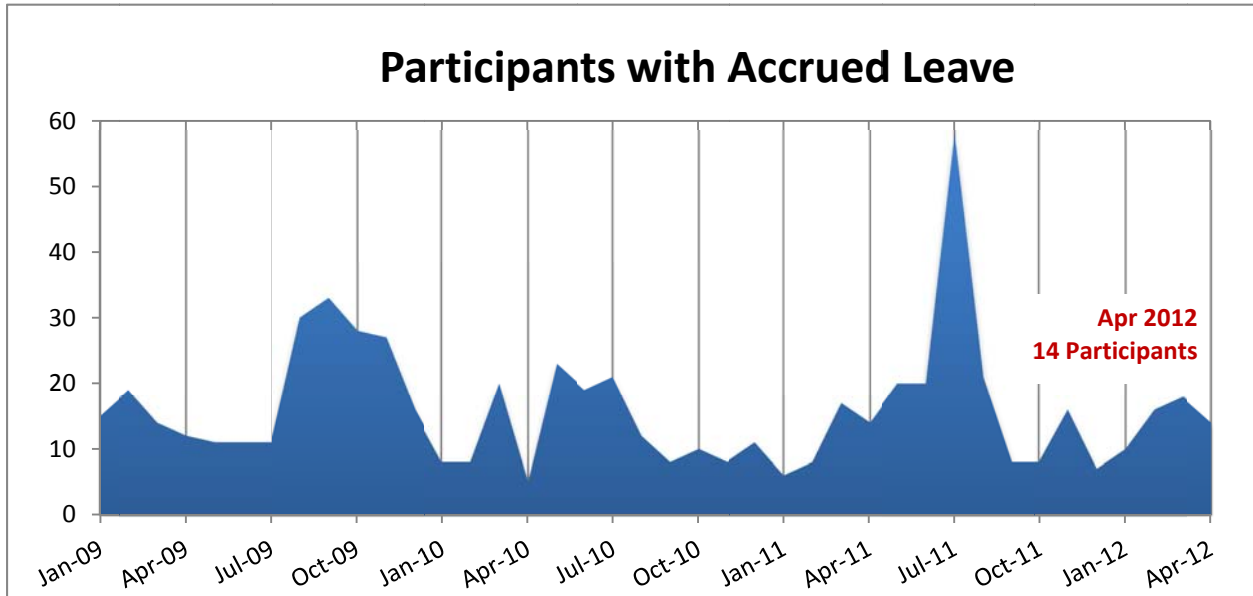
Staff has compiled the following results of Counter Activity flow for the month of April 2012. During the month of April, 233 participants visited the Employee Benefits Division to discuss their Deferred Compensation accounts with the Great-West representatives and/or staff. Following are counter activity results from July 2009 through April 2012:



### Accrued Leave Activity

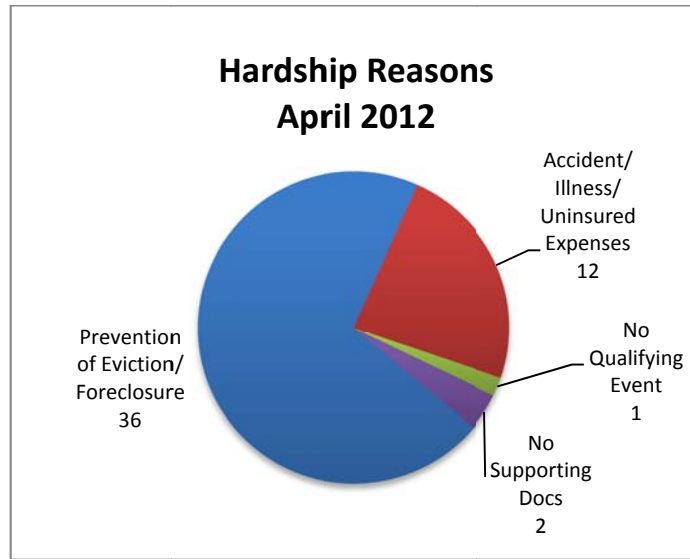
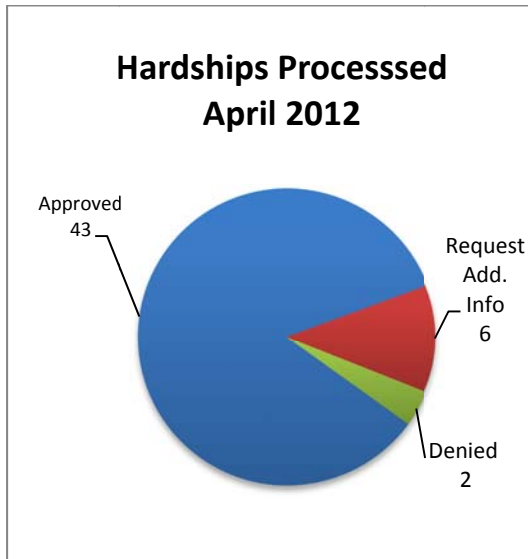
Staff has compiled the following results of Accrued Leave enrollment for the month of April 2012. During the month of April, 14 participants elected to enroll in Accrued Leave and **\$350,968** was contributed into the Plan from their Accrued Leave payouts.

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

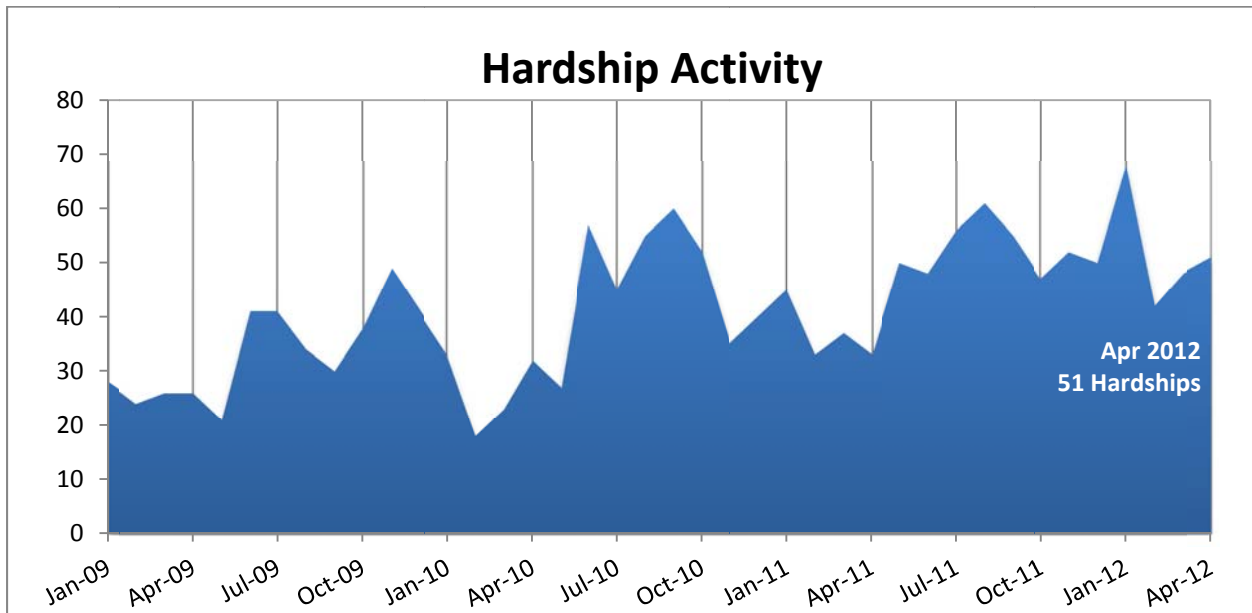


## Hardship Activity

Staff has compiled the following results of hardship processing with Great-West for the month of April 2012. During the month of April, 51 hardship cases were submitted to Great-West. There were 43 cases approved, 2 cases denied, and 6 cases pending further documentation. The dollar amount for hardships withdrawn from the plan in April 2012 was approximately **\$344,559**.

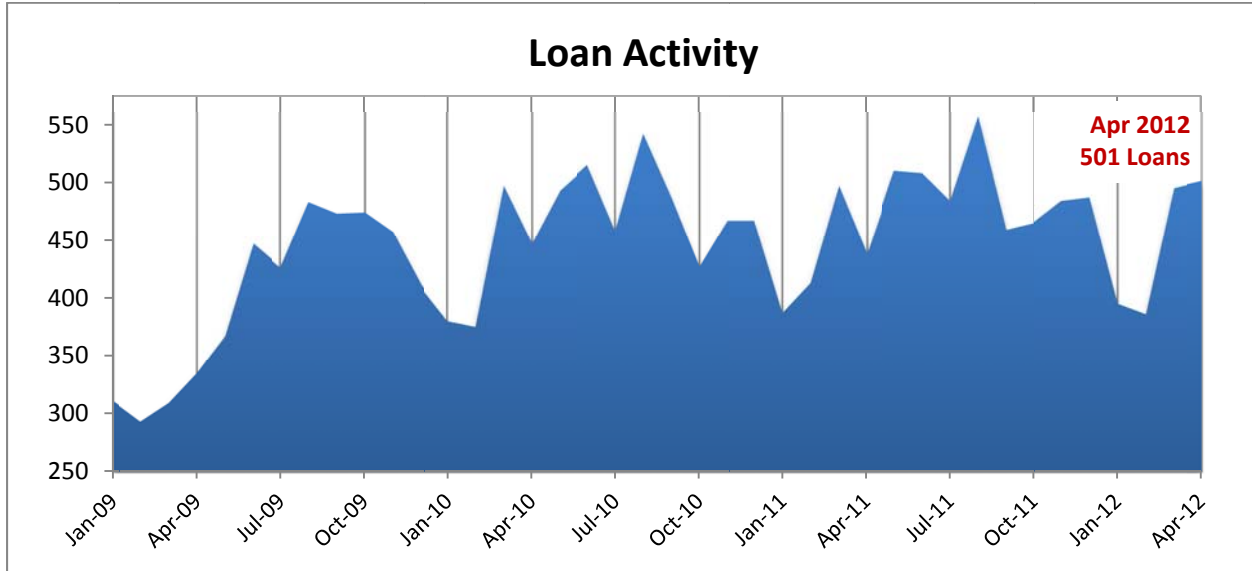


Following are hardship activity results from January 2009 to April 2012:



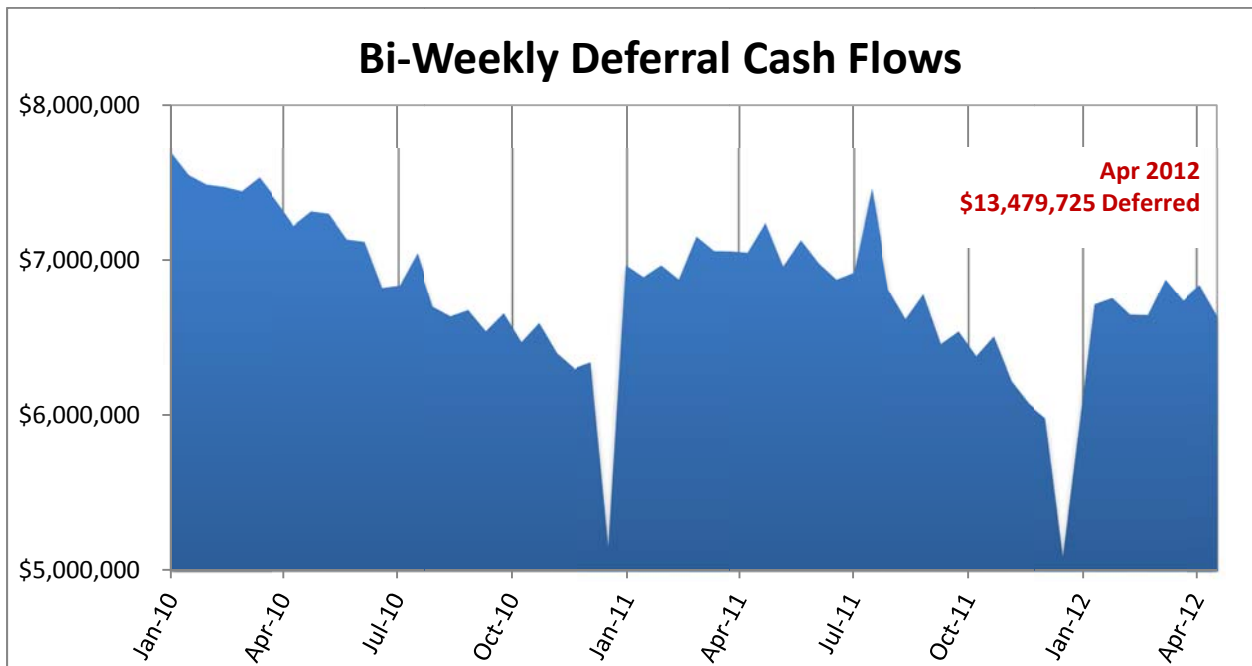
### Loan Activity

Staff has compiled the following results of new loans acquired for the month of April 2012. During the month of April, 501 participants elected to obtain a new loan and **\$6,501,420** was withdrawn from the Plan for their loan payouts.



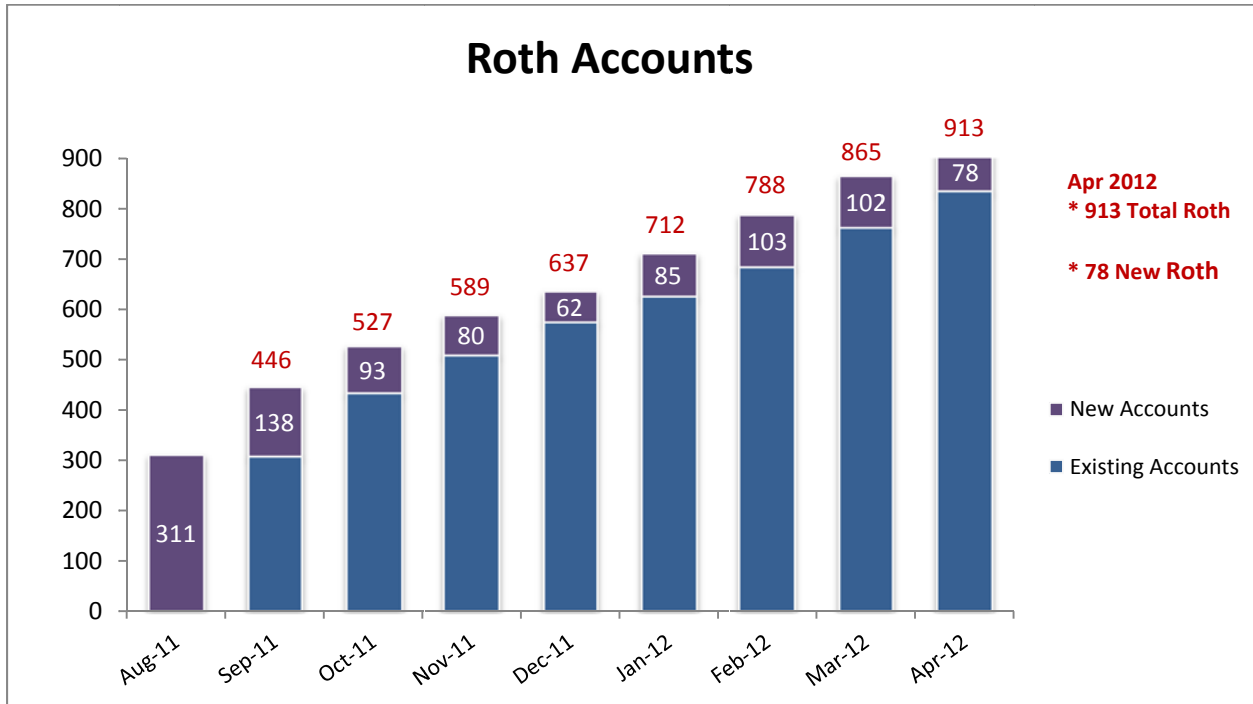
### Deferral Tracking

Staff has compiled the following results of bi-weekly deferral cash flows for the month of April 2012 for the City of Los Angeles and Department of Water and Power. During the month of April, the City and Department of Water and Power deferred **\$13,479,725** into the Deferred Compensation Plan. This compares to **\$14,114,943** in April 2011, or a decrease of **4.5%** year-over-year.



## 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 April 2012, there were 78 new Roth accounts established. There are currently a total of 913 Roth accounts. This constitutes a **3.19%** participation rate of the 28,647 employees contributing to the plan<sup>1</sup>. The chart below illustrates the number of new Roth deferral accounts since August.



<sup>1</sup> There are 28,647 employees contributing to the Plan as of 12/31/2011 (Great-West Quarterly Report).

**PROJECT UPDATE**  
(reflects project activity for period 04/01/12 through 04/30/12)

COMPLETED PROJECTS: APRIL 2012					
#	STATUS	PROJECT	DUE DATE	COMPLETED	NOTES
1	Completed	Fund Transition & Consolidation	04/20/12	04/20/12	N/A
2	Completed	Minutes - 3/20/12 Meeting	04/30/12	04/06/12	N/A
3	Completed	Board Report - Consulting Services	04/30/12	04/06/12	N/A
4	Completed	Board Report - Plan Staffing and Fees	04/30/12	04/06/12	N/A
5	Completed	Board Report - Training & Education Policy	04/30/12	04/06/12	N/A
6	Completed	Board Report - Contract Status Update	04/30/12	04/06/12	N/A
7	Completed	Board Report - Quarterly Communications Activity Report	04/30/12	04/06/12	N/A
8	Completed	Board Report - Elections Update	04/30/12	04/06/12	N/A
9	Completed	Board Report - Staff Report April 2012	04/30/12	04/06/12	N/A
PENDING PROJECTS					
#	STATUS	PROJECT	DUE DATE	COMPLETED	NOTES
1	PENDING	Memo from Benefits to City Attorney re Outside Legal Counsel Services	04/30/12		Pending
2	PENDING	Draft Citywide Memo re Marketing by Non-Contracted Financial & Benefit Services Providers	04/30/12		Pending
3	PENDING	Investments Committee Meeting: Investment Policy Statement - Termination	05/31/12		Identifying schedule availability for Committee meeting
4	PENDING	Plan Governance Committee Meeting - Sr. M.A. & Travel Policy	05/31/12		Identifying schedule availability for Committee meeting
5	PENDING	Online Enrollment	05/31/12		Staff tested web functionality, errors identified; Great-West reviewing
6	PENDING	Minutes - 4/17/12 Meeting	05/31/12		Pending
7	PENDING	Board Report - Plan Document Changes	05/31/12		Pending
8	PENDING	Board Report - EIN Request	06/30/12		Pending
9	PENDING	Board Report - Fee Disclosure	06/30/12		Pending
10	PENDING	Board Report - Strategic Plan V	06/30/12		Pending
11	PENDING	Board Report - DROP Mailing	06/30/12		Draft materials developed and now being revised

12	PENDING	Board Report - Historical Contribution History	06/30/12		Draft materials developed and now being revised
13	PENDING	Board Report - Contractor Evaluation Policy	06/30/12		Pending
14	PENDING	Board Report - History of funds on monitor/watch	06/30/12		Pending
15	PENDING	Annual Report 2011 - PSP	06/30/12		Pending
16	PENDING	Annual Report 2011 - DCP	06/30/12		Pending
17	PENDING	Great-West Contract Amendment Extension PSP Services 2012-2016	06/30/12		Pending
18	PENDING	Retirement Calculator - Develop Prototype w/Great-West	06/30/12		Pending
19	PENDING	Board Report - Loan Repayment Policy	06/30/12		Pending
20	PENDING	Board Report - review of consistency of access to separating City employees	06/30/12		Pending
21	PENDING	Create Catch-Up Flyer Incorporating Roth	06/30/12		Pending
22	PENDING	Board Report - Contribution History & Rollovers	06/30/12		Pending
23	PENDING	Board Report - In-Kind Transfers from SDBO	06/30/12		Pending
24	PENDING	Board Report - SAS Form from Great-West	06/30/12		Pending
25	PENDING	Domestic Partners Research and Discussion with City Attorney and California Peers	07/31/12		Pending
26	PENDING	Revise Distribution Form	07/31/12		Pending
27	PENDING	Revise Enrollment Guide	07/31/12		Pending
28	PENDING	Produce files for elections/Clean-Up payroll codes	07/31/12		Pending
29	PENDING	Board Report - Document Retention Policy	07/31/12		Pending
30	PENDING	Review and report back on City of New York financial advice program	07/31/12		Pending
31	PENDING	Board Report - Merrill Lynch - Communication to Outside Vendors	07/31/12		Pending
32	PENDING	Beneficiary Addresses	07/31/12		Pending
33	PENDING	Review and report back on PIMCO hedge fund strategy	07/31/12		Pending
34	PENDING	Review and report back on Plan statistics broken down by constituency	07/31/12		Pending

35	PENDING	Communications Plan: List of alternative DC publications and outlets (LACERS, Pensions, Union pubs, etc.)	07/31/12	Pending
36	PENDING	Board Report - Social Media Options	07/31/12	Pending
37	PENDING	Board Report - Auto Glide-Path for Asset Allocation Funds	07/31/12	Pending
38	PENDING	Board Report - Proxy Share Voting	07/31/12	Pending
39	PENDING	Investment Advice Review and Proposal	07/31/12	Pending
40	PENDING	Notification of Participants - Catch-Up Eligibility	07/31/12	Pending
41	PENDING	Pre-Audit Testing - Phase II	07/31/12	Pending
42	PENDING	Revise Pension Savings Plan Highlights	07/31/12	Pending
43	PENDING	Retirement Plan Summit	08/31/12	Pending
44	PENDING	Revisit Plan Audit	08/31/12	Pending
45	PENDING	PSP Account Consolidation	08/31/12	Pending
46	PENDING	Statistical Project: Refined Count of Non-Contributing Participants	08/31/12	Pending
47	PENDING	Deemed IRA Implementation	08/31/12	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
<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**

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

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

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

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

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