

DEFERRED COMPENSATION PLAN BOARD REPORT 12-34

Date: June 11, 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

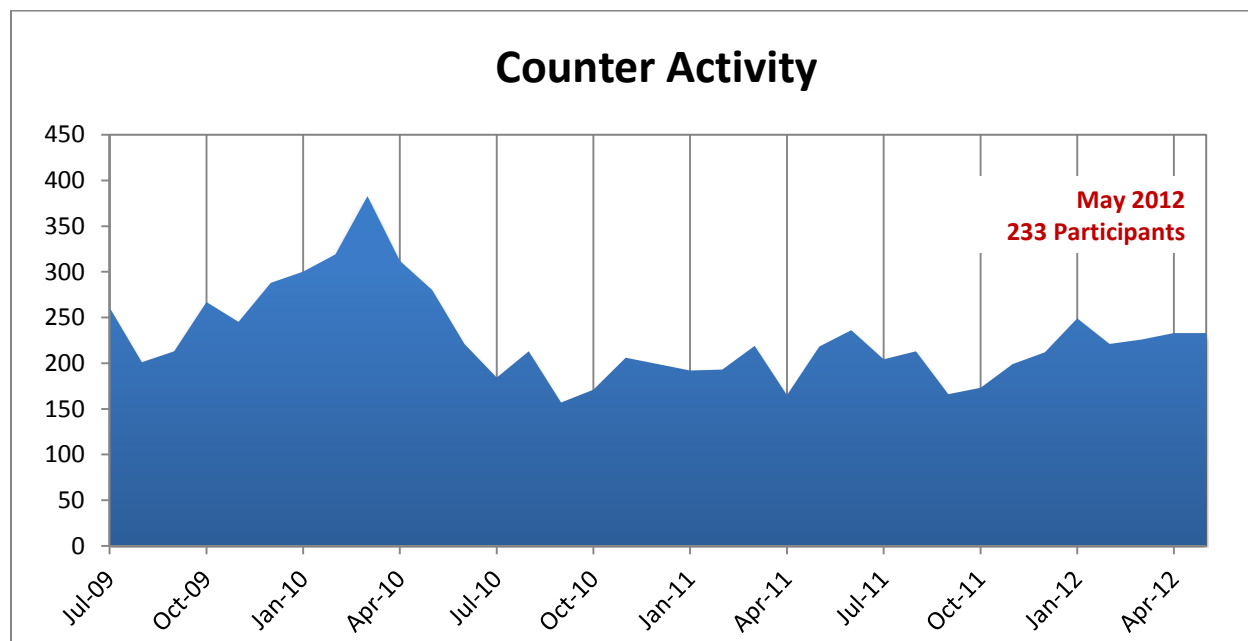
Recommendation:

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

Activity Reports:

Counter Activity Employee Benefits Division

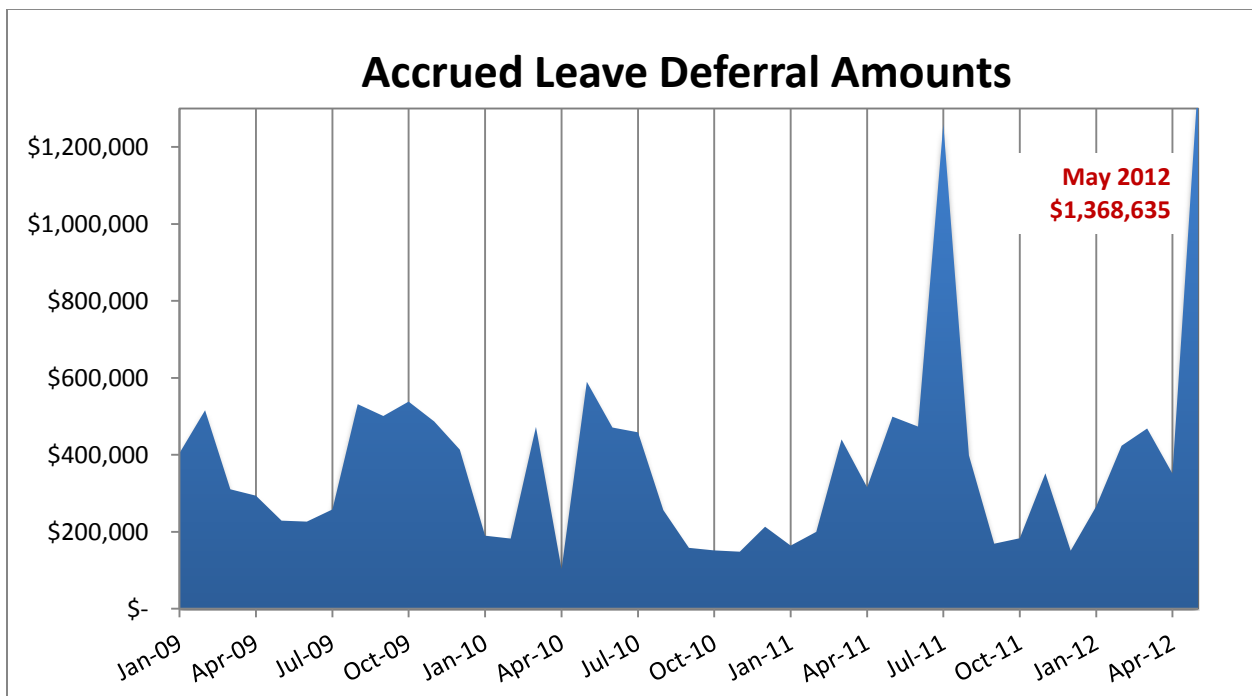
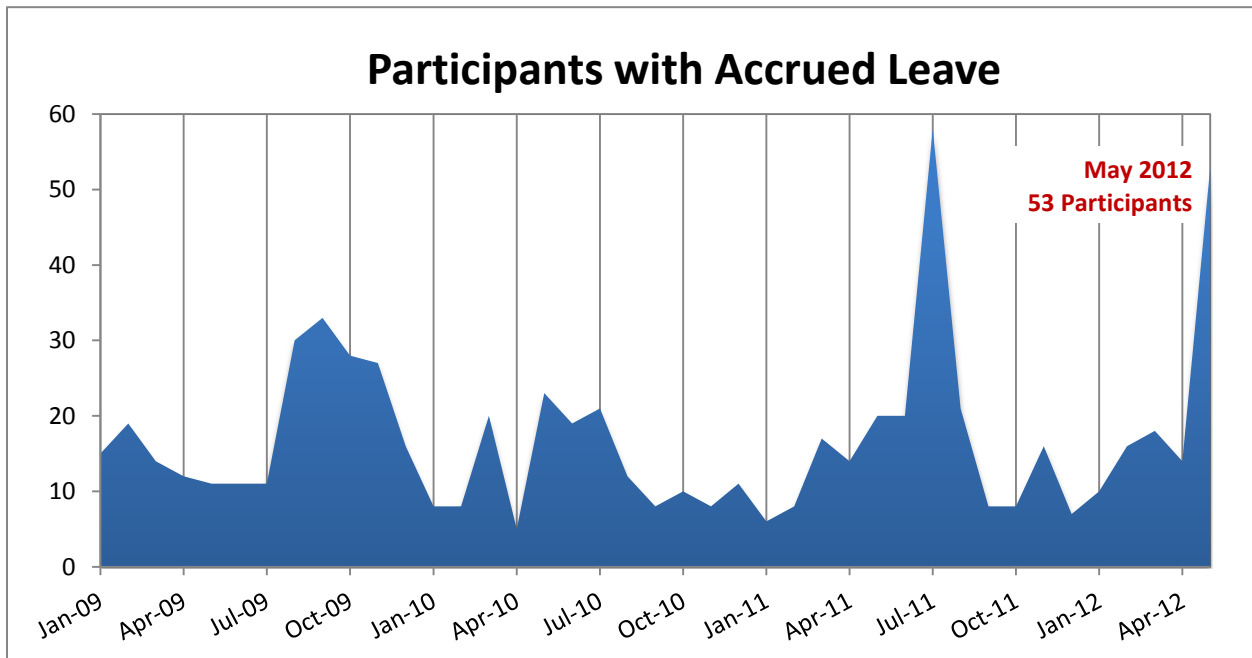
Staff has compiled the following results of Counter Activity flow for the month of May 2012. During the month of May, 233 participants visited the Employee Benefits Division to discuss their Deferred Compensation accounts with the Great-West representatives and/or staff. Following are counter activity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



Accrued Leave Activity

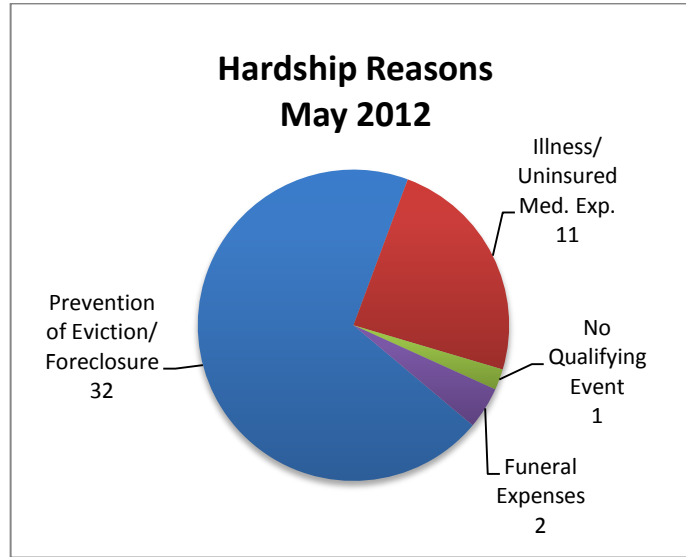
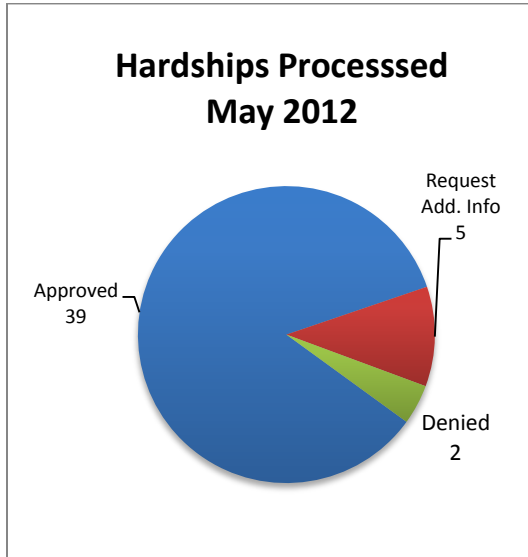
Staff has compiled the following results of Accrued Leave enrollment for the month of May 2012. During the month of May, 53 participants elected to enroll in Accrued Leave and **\$1,368,635** was contributed into the Plan from their Accrued Leave payouts. The number of participants was more than double the average number of accrued leave enrollments.

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

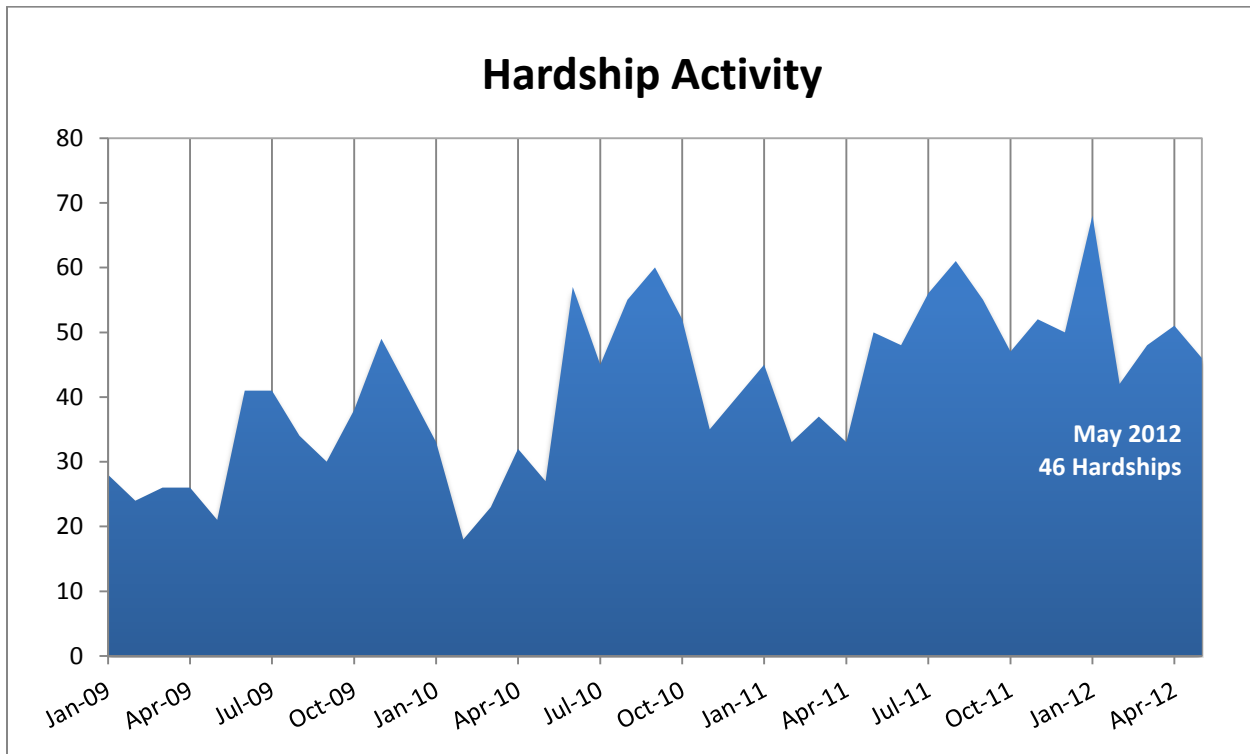


Hardship Activity

Staff has compiled the following results of hardship processing with Great-West for the month of May 2012. During the month of May, 46 hardship cases were submitted to Great-West. There were 39 cases approved, 2 cases denied, and 5 cases pending further documentation. The dollar amount for hardships withdrawn from the plan in May 2012 was approximately **\$364,663**.

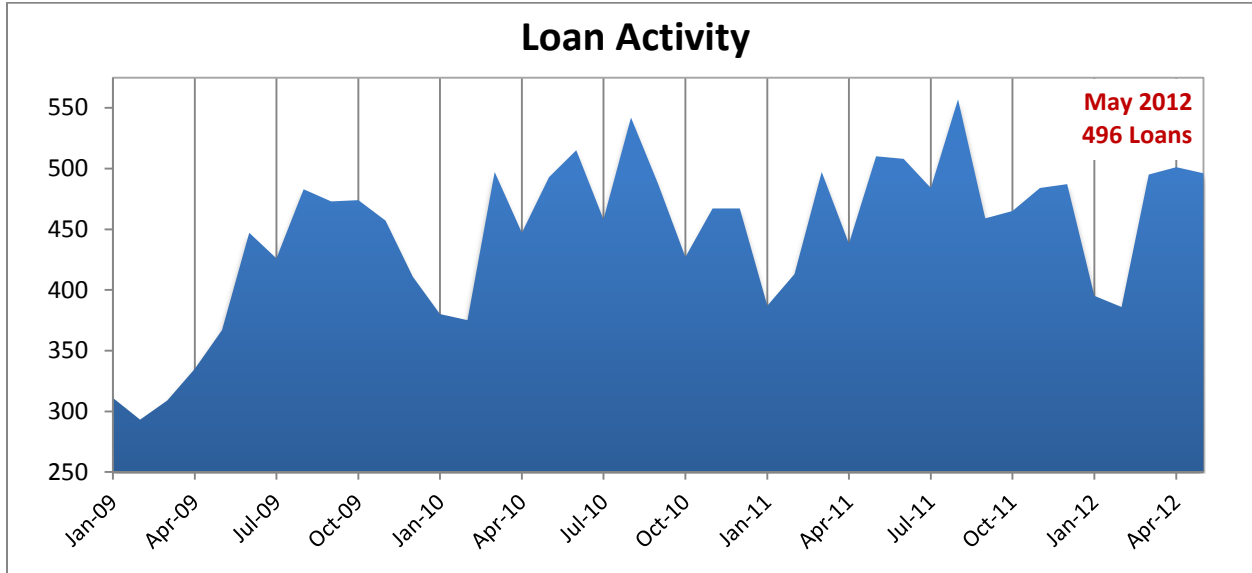


Following are hardship activity results from January 2009 to May 2012:



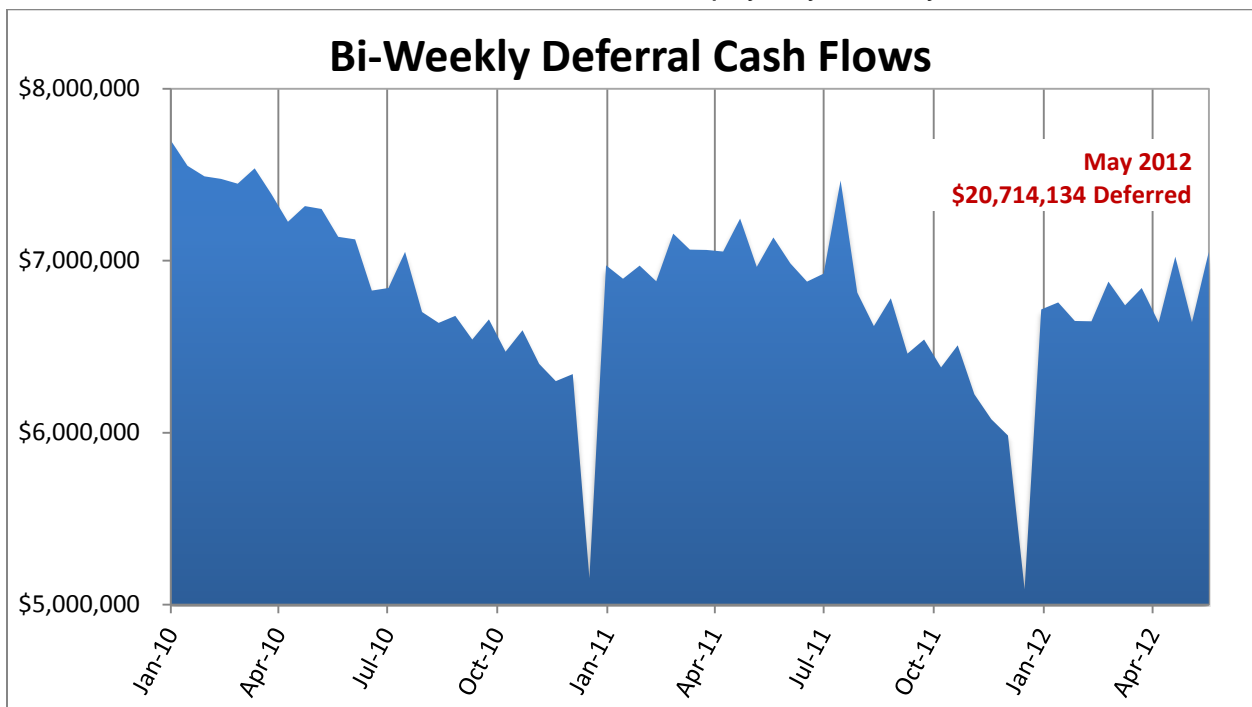
Loan Activity

Staff has compiled the following results of new loans acquired for the month of May 2012. During the month of May, 496 participants elected to obtain a new loan and **\$5,776,341** was withdrawn from the Plan for their loan payouts.



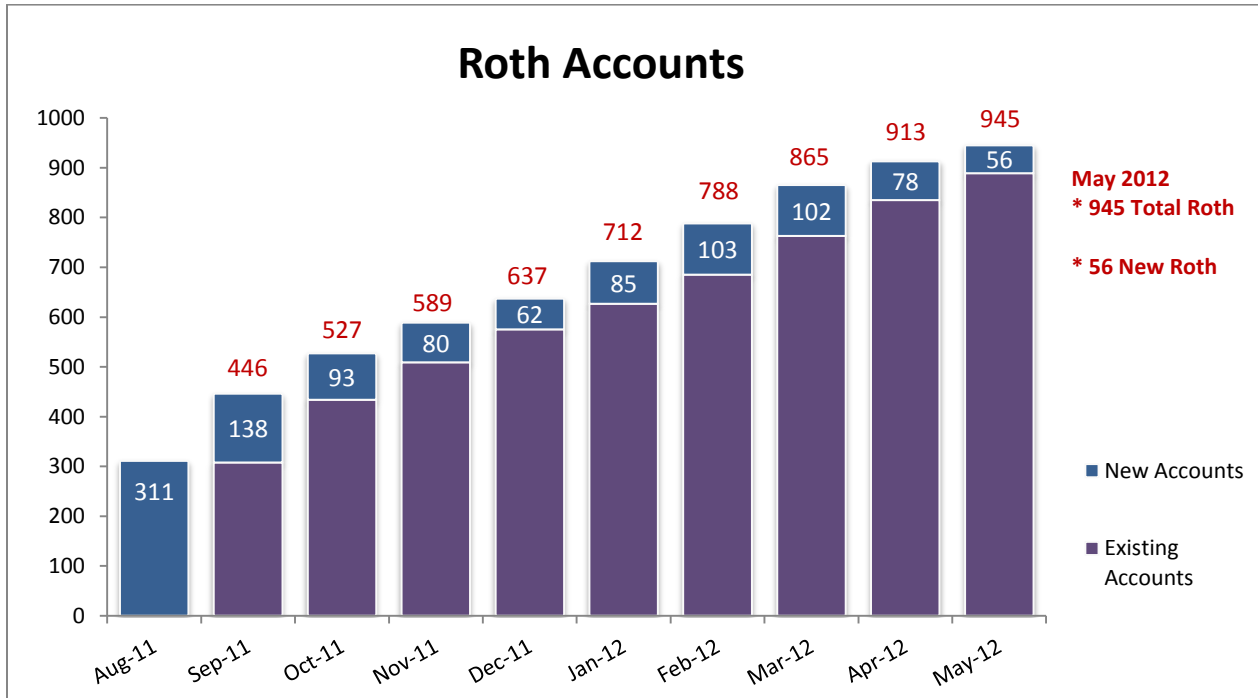
Deferral Tracking

Staff has compiled the following results of bi-weekly deferral cash flows for the month of May 2012 for the City of Los Angeles and Department of Water and Power. During the month of May, the City and Department of Water and Power deferred **\$20,714,134** into the Deferred Compensation Plan. This compares to **\$14,206,681** in May 2011, however, it should be noted that there were three pay days in May 2012.



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 May 2012, there were 56 new Roth accounts established. There are currently a total of 945 Roth accounts. This constitutes a **3.3%** participation rate of the 28,674 employees contributing to the plan¹. The chart below illustrates the number of new Roth deferral accounts since August.



¹ There are 28,674 employees contributing to the Plan as of 3/31/2012 (Great-West Quarterly Report).

PROJECT UPDATE
(reflects project activity for period 05/01/12 through 05/31/12)

COMPLETED PROJECTS: MAY 2012					
#	STATUS	PROJECT	DUE DATE	COMPLETED	NOTES
1	Completed	Minutes - 4/17/12 Meeting	05/31/12		N/A
2	Completed	Board Report - Plan Document Changes	05/31/12		N/A
3	Completed	Board Report - Communications Consulting Contract	05/31/12		N/A
4	Completed	Board Report - Staff Report May 2012	05/31/12		N/A
5	Completed	Board Report - NAGDCA Conference & Buck Seminar	05/31/12		N/A
PENDING PROJECTS					
#	STATUS	PROJECT	DUE DATE	COMPLETED	NOTES
1	PENDING	Memo from Benefits to City Attorney re Outside Legal Counsel Services	06/30/12		Pending
2	PENDING	Draft Citywide Memo re Marketing by Non-Contracted Financial & Benefit Services Providers	06/30/12		Pending
3	PENDING	Investments Committee Meeting: Investment Policy Statement - Termination	06/30/12		Identifying schedule availability for Committee meeting
4	PENDING	Plan Governance Committee Meeting - Sr. M.A. & Travel Policy	06/30/12		Identifying schedule availability for Committee meeting; drafting reports
5	PENDING	Online Enrollment	06/30/12		Staff tested web functionality, errors identified; Great-West reviewing
6	PENDING	Minutes - 5/15/12 Meeting	06/30/12		Pending
7	PENDING	Board Report - EIN Request	06/30/12		Pending
8	PENDING	Board Report - Fee Disclosure	06/30/12		Pending
9	PENDING	Board Report - Strategic Plan V	06/30/12		Pending
10	PENDING	Consulting Contract - Buck Consultants	06/30/12		Pending
11	PENDING	Consulting Contract - Mercer Investment Consulting	06/30/12		Pending
12	PENDING	Board Report - DROP Mailing	06/30/12		Draft materials developed and now being revised
13	PENDING	Board Report - Historical Contribution History	06/30/12		Draft materials developed and now being revised
14	PENDING	Board Report - Contractor Evaluation Policy	06/30/12		Pending
15	PENDING	Board Report - History of funds on monitor/watch	06/30/12		Pending
16	PENDING	Annual Report 2011 - PSP	06/30/12		Pending

17	PENDING	Annual Report 2011 - DCP	06/30/12		Pending
18	PENDING	Board Report - Elections Results	06/30/12		Pending
19	PENDING	Great-West Contract Amendment Extension PSP Services 2012-2016	06/30/12		Pending
20	PENDING	Retirement Calculator - Develop Prototype w/Great-West	06/30/12		Pending
21	PENDING	Board Report - Loan Repayment Policy	06/30/12		Pending
22	PENDING	Board Report - review of consistency of access to separating City employees	06/30/12		Pending
23	PENDING	Create Catch-Up Flyer Incorporating Roth	06/30/12		Pending
24	PENDING	Board Report - Contribution History & Rollovers	06/30/12		Pending
25	PENDING	Board Report - In-Kind Transfers from SDBO	06/30/12		Pending
26	PENDING	Board Report - SAS Form from Great-West	06/30/12		Pending
27	PENDING	Domestic Partners Research and Discussion with City Attorney and California Peers	07/31/12		Pending
28	PENDING	Revise Distribution Form	07/31/12		Pending
29	PENDING	Revise Enrollment Guide	07/31/12		Pending
30	PENDING	Produce files for elections/Clean-Up payroll codes	07/31/12		Pending
31	PENDING	Board Report - Retirement/Pension System Retired Loan Payments	07/31/12		Pending
32	PENDING	Board Report - Document Retention Policy	07/31/12		Pending
33	PENDING	Review and report back on City of New York financial advice program	07/31/12		Pending
34	PENDING	Board Report - Merrill Lynch - Communication to Outside Vendors	07/31/12		Pending
35	PENDING	Beneficiary Addresses	07/31/12		Pending
36	PENDING	Review and report back on PIMCO hedge fund strategy	07/31/12		Pending
37	PENDING	Review and report back on Plan statistics broken down by constituency	07/31/12		Pending
38	PENDING	Communications Plan: List of alternative DC publications and outlets (LACERS, Pensions, Union pubs, etc.)	07/31/12		Pending

39	PENDING	Board Report - Social Media Options	07/31/12	Pending
40	PENDING	Board Report - Auto Glide-Path for Asset Allocation Funds	07/31/12	Pending
41	PENDING	Board Report - Proxy Share Voting	07/31/12	Pending
42	PENDING	Investment Advice Review and Proposal	07/31/12	Pending
43	PENDING	Notification of Participants - Catch-Up Eligibility	07/31/12	Pending
44	PENDING	Pre-Audit Testing - Phase II	07/31/12	Pending
45	PENDING	Revise Pension Savings Plan Highlights	07/31/12	Pending
46	PENDING	Retirement Plan Summit	08/31/12	Pending
47	PENDING	Revisit Plan Audit	08/31/12	Pending
48	PENDING	PSP Account Consolidation	08/31/12	Pending
49	PENDING	Statistical Project: Refined Count of Non-Contributing Participants	08/31/12	Pending
50	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
Personnel			
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
City Attorney			
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