

DEFERRED COMPENSATION PLAN BOARD REPORT 12-43

Date: July 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

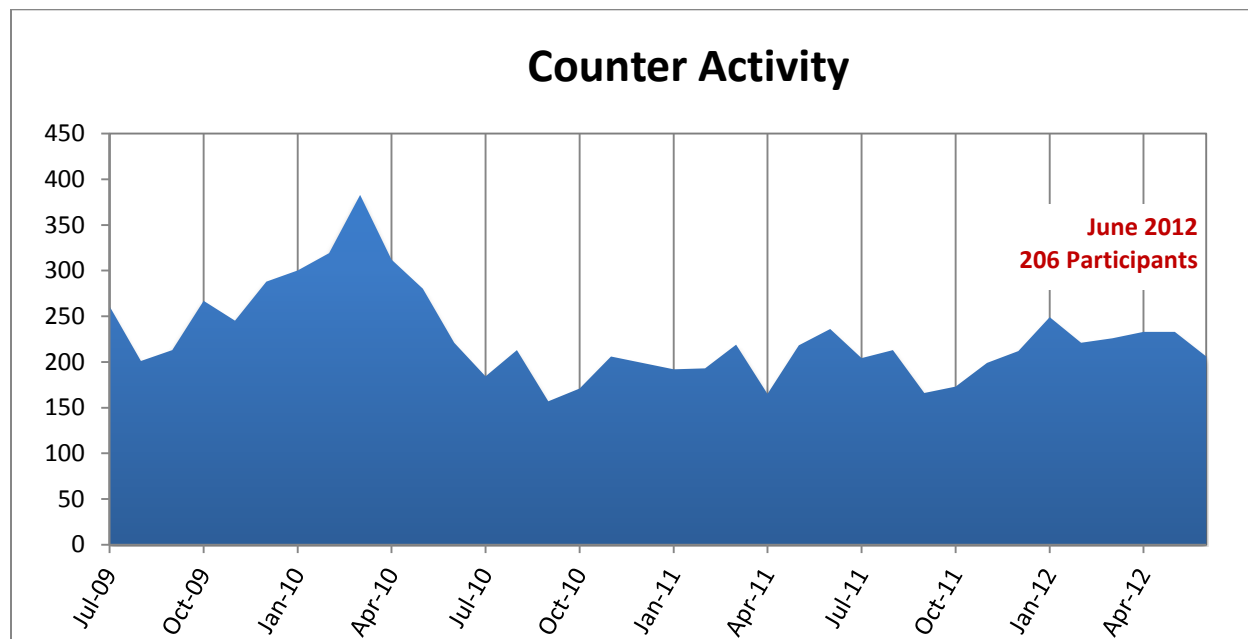
Recommendation:

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

Activity Reports:

Counter Activity Employee Benefits Division

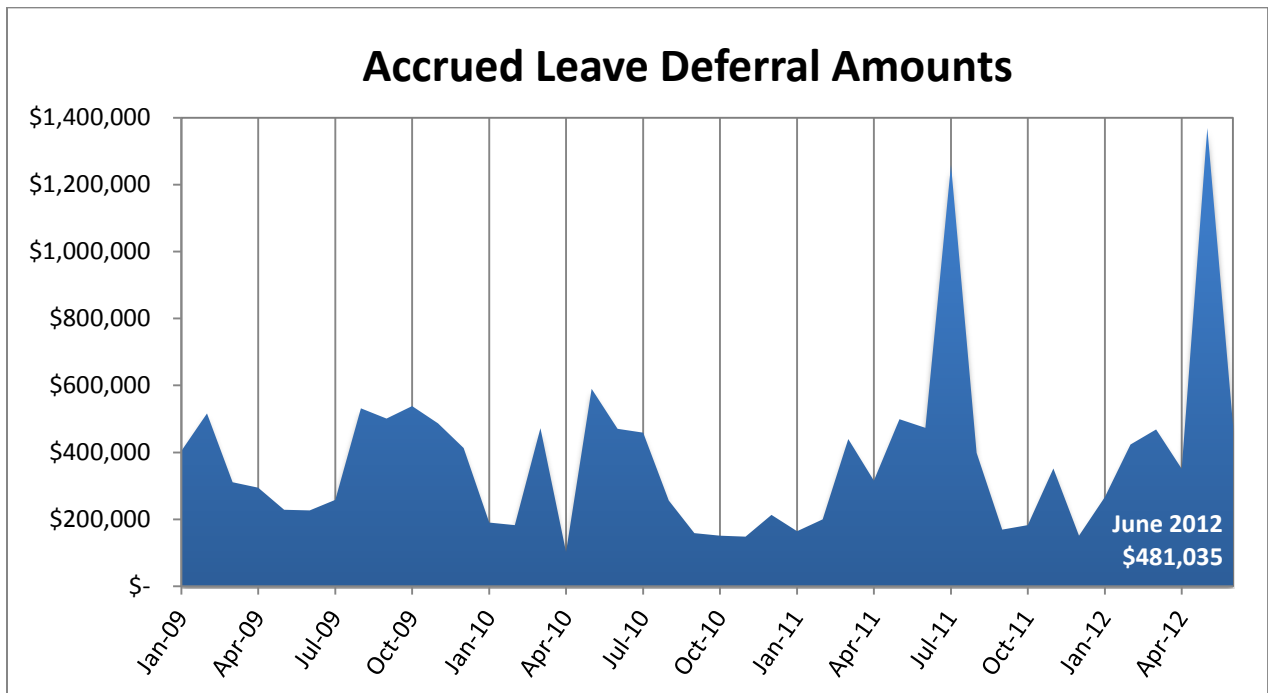
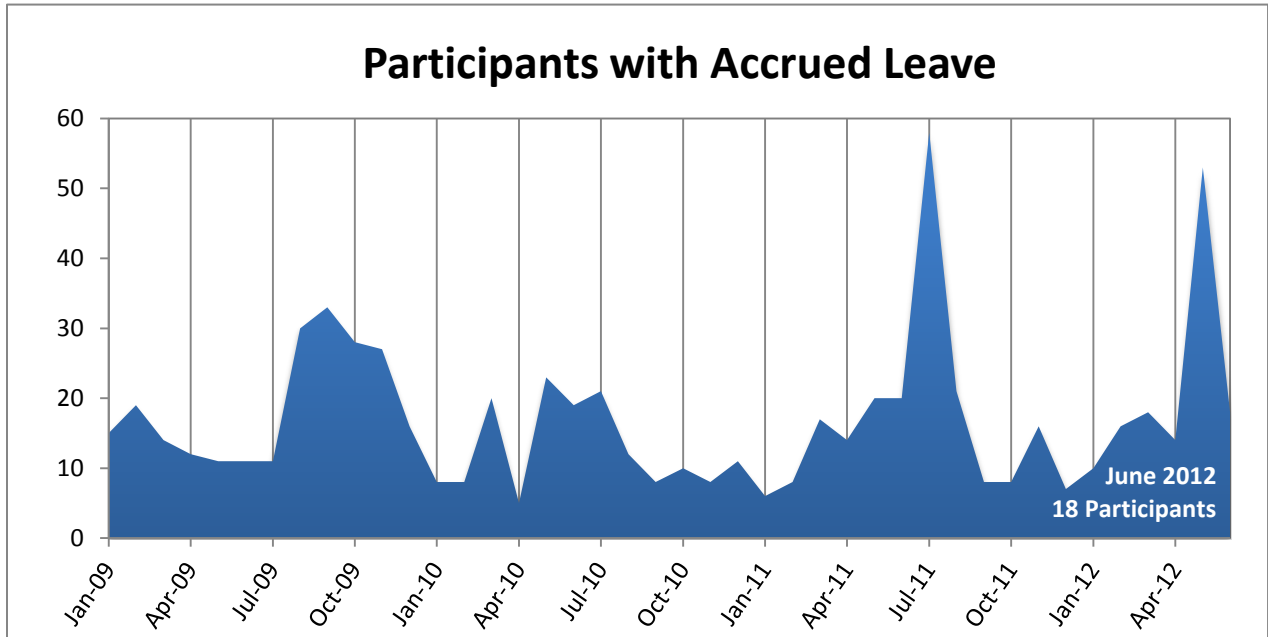
Staff has compiled the following results of Counter Activity flow for the month of June 2012. During the month of June, 206 participants visited the Employee Benefits Division to discuss their Deferred Compensation accounts with the Great-West representatives and/or staff. Following are counter activity results from July 2009 through June 2012:



Accrued Leave Activity

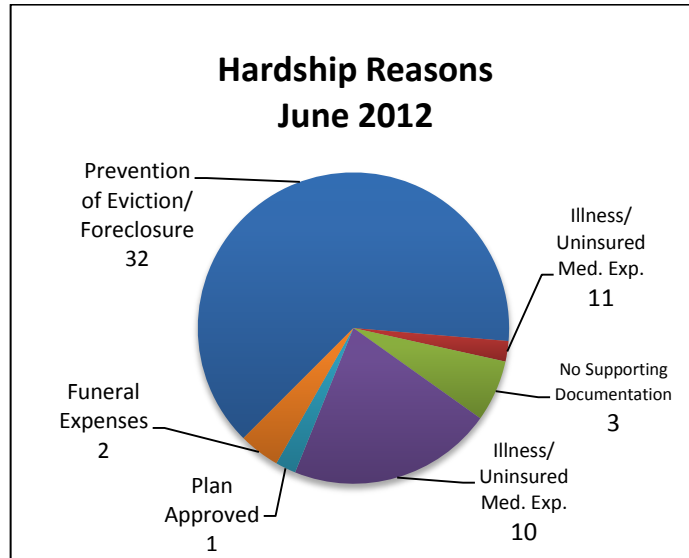
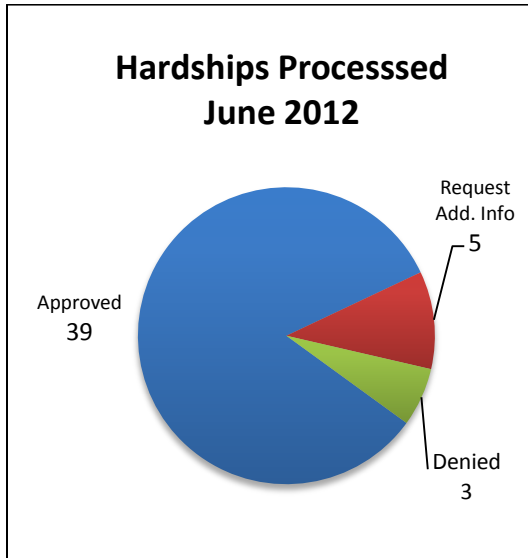
Staff has compiled the following results of Accrued Leave enrollment for the month of June 2012. During the month of June, 18 participants elected to enroll in Accrued Leave and **\$481,035** was contributed into the Plan from their Accrued Leave payouts.

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

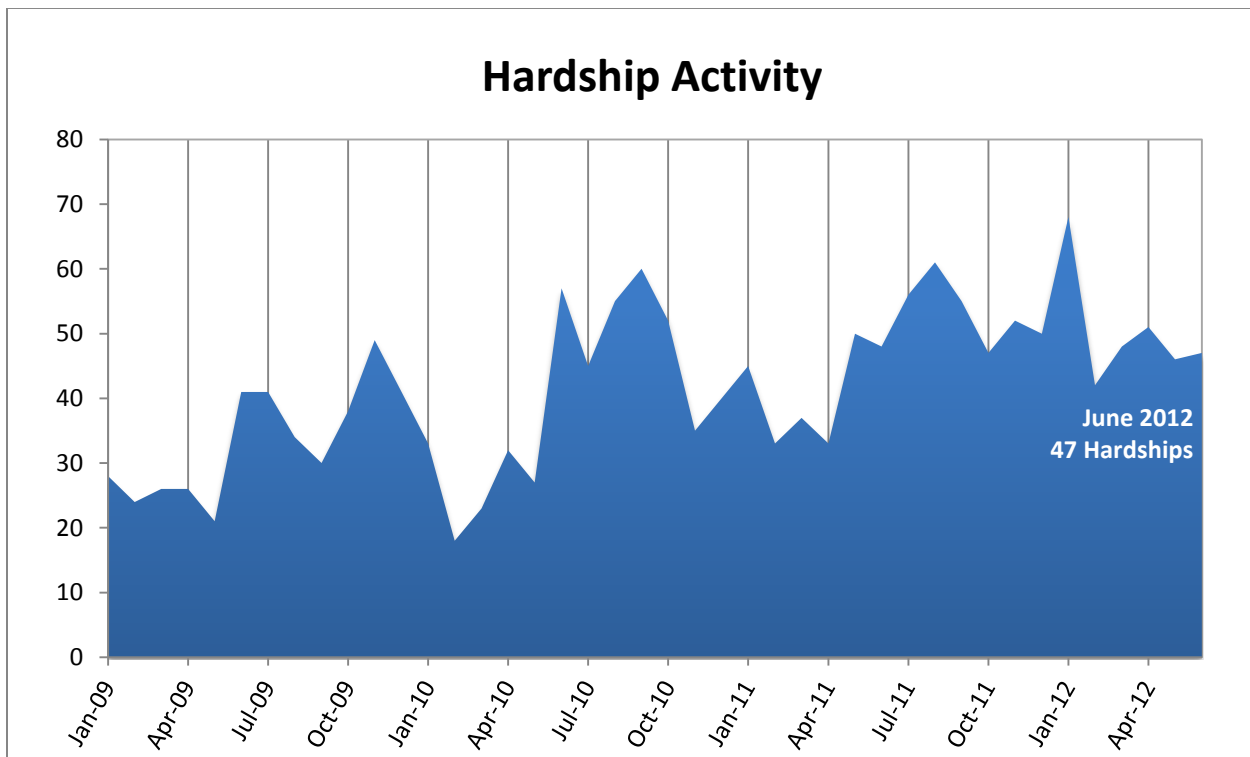


Hardship Activity

Staff has compiled the following results of hardship processing with Great-West for the month of June 2012. During the month of June, 47 hardship cases were submitted to Great-West. There were 39 cases approved, 3 cases denied, and 5 cases pending further documentation. The dollar amount for hardships withdrawn from the plan in June 2012 was approximately **\$249,846**.

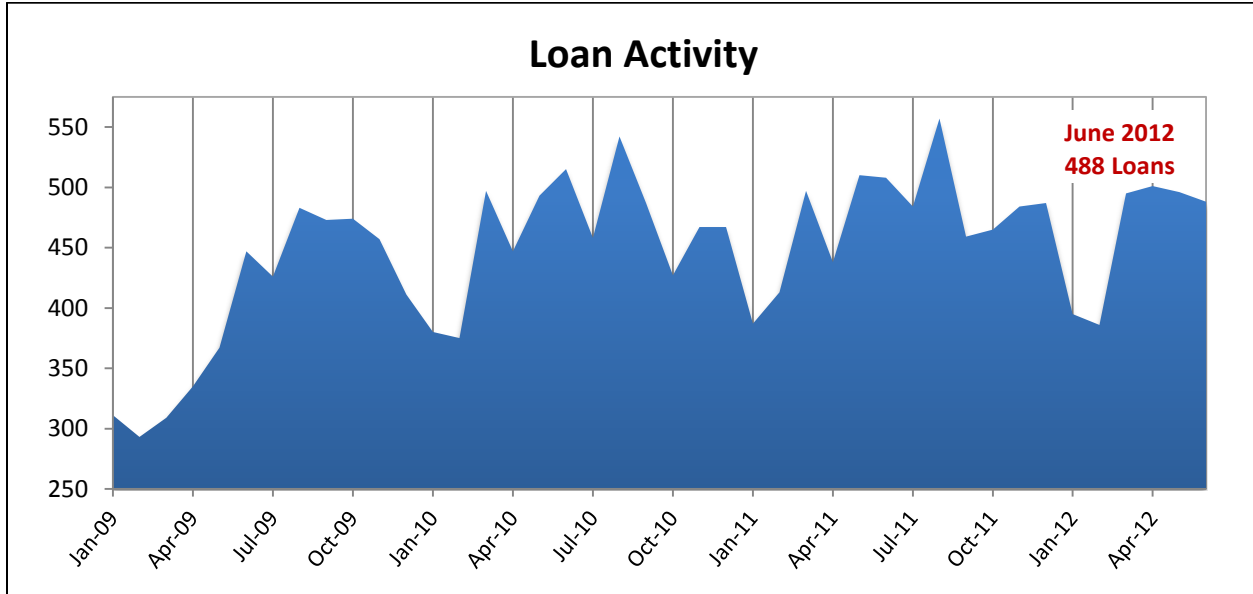


Following are hardship activity results from January 2009 to June 2012:



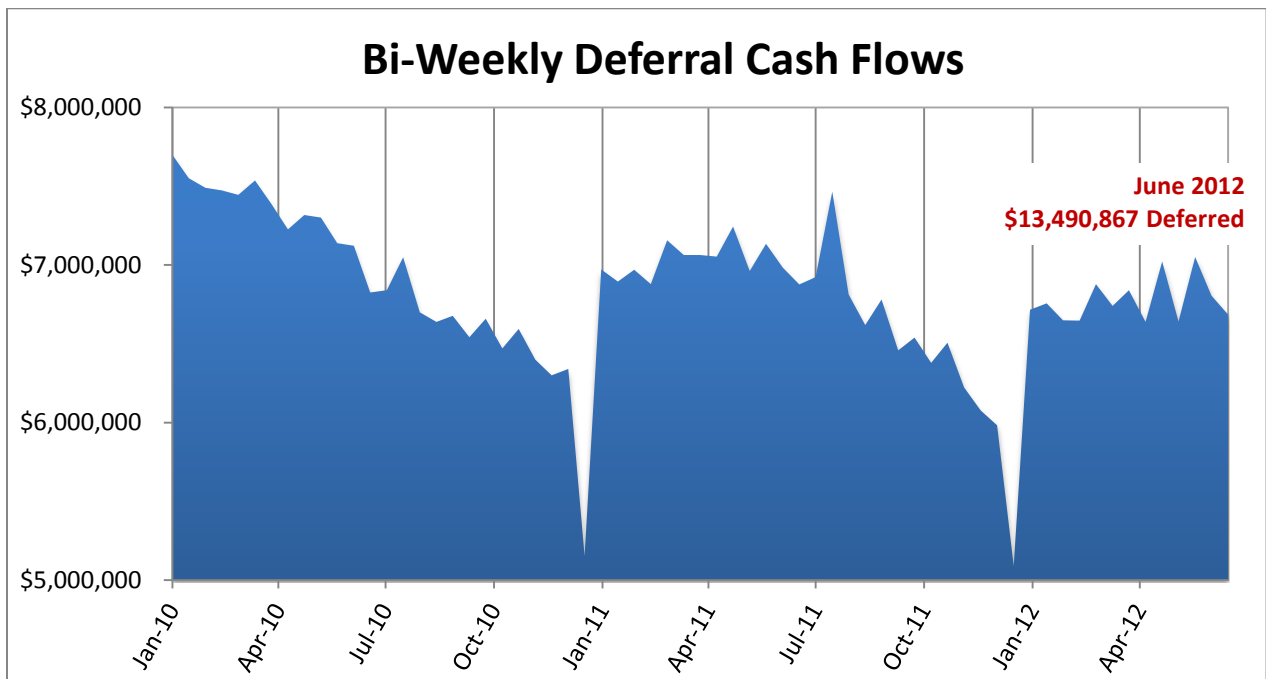
Loan Activity

Staff has compiled the following results of new loans acquired for the month of June 2012. During the month of June, 488 participants elected to obtain a new loan and **\$5,098,961** was withdrawn from the Plan for their loan payouts.



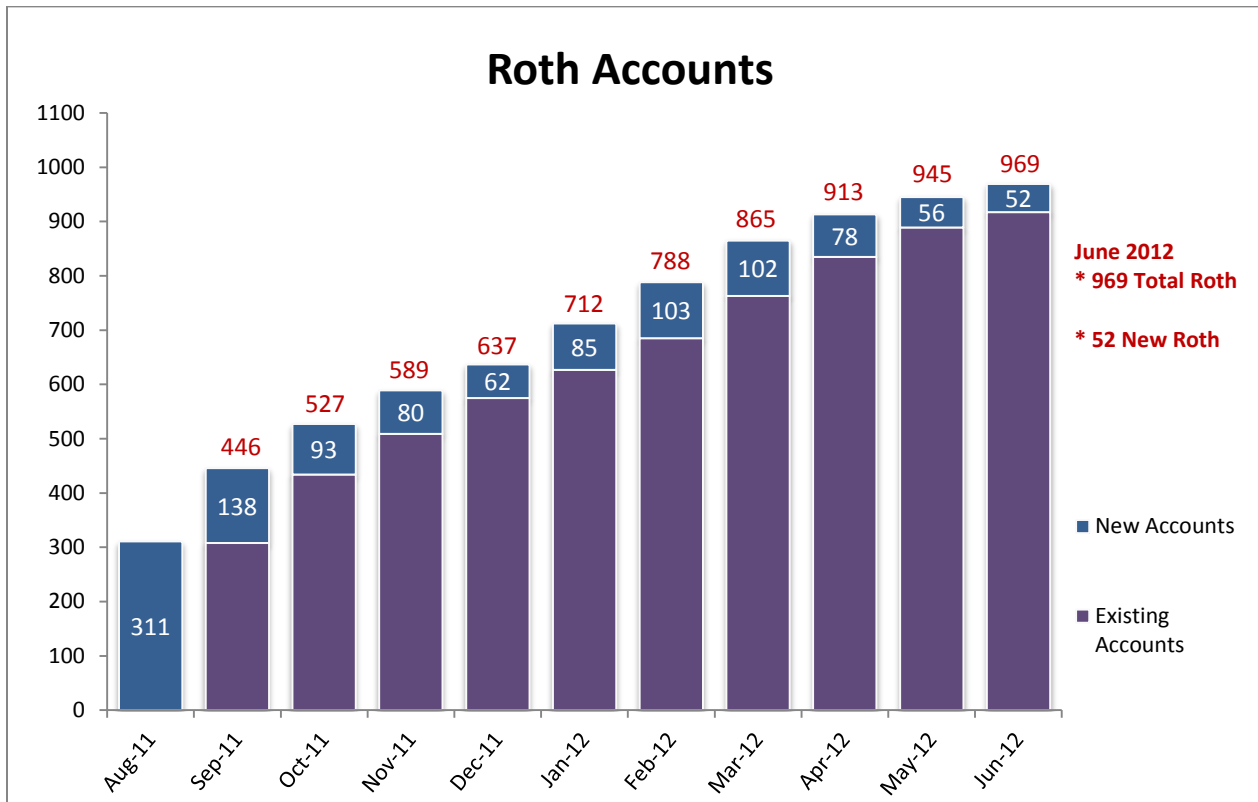
Deferral Tracking

Staff has compiled the following results of bi-weekly deferral cash flows for the month of June 2012 for the City of Los Angeles and Department of Water and Power. During the month of June, the City and Department of Water and Power deferred **\$13,490,867** into the Deferred Compensation Plan. This compares to **\$20,995,303** in June 2011; however, it should be noted that there were three pay days in June 2011.



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 June 2012, there were 52 new Roth accounts established. There are currently a total of 969 Roth accounts. This constitutes a **3.4%** 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 06/01/12 through 06/30/12)

DCP						
Legend:						
G = Governance						
C = Communications						
P = Procurements/Contracts						
A = Administration						
COMPLETED PROJECTS: JUNE 2012						
#	STATUS		PROJECT	DUE DATE	COMPLETED	NOTES
1	Completed	G	Minutes - 5/15/12 Meeting	06/30/12		N/A
2	Completed	G	Board Report - Fee Disclosure	06/30/12		N/A
3	Completed	G	Consulting Contract - Buck Consultants	06/30/12		N/A
4	Completed	G	Board Report - Elections Results	06/30/12		N/A
5	Completed	G	Board Report - Staff Report June 2012	06/30/12		N/A
6	Completed	G	Memo from Benefits to City Attorney re Outside Legal Counsel Services	06/20/12		N/A
7	Completed	C	Hartford Fund Update	06/19/12		
PENDING PROJECTS						
#	STATUS		PROJECT	DUE DATE	COMPLETED	NOTES
1	PENDING	G	Investments Committee Meeting: Investment Policy Statement - Termination	07/31/12		Pending
2	PENDING	G	Plan Governance Committee Meeting - Sr. M.A. & Travel Policy	07/31/12		Meeting took place 7/3/12
3	PENDING	G	Minutes - June 2012 BDCA Meeting	07/31/12		Pending
4	PENDING	G	Board Report - Sr. M.A. I Funding	07/31/12		Pending
5	PENDING	G	Board Report - Travel/Training/Education Policy	07/31/12		Pending
6	PENDING	G	Board Report - Budget Reviews for quarters ending 09/30/11, 12/31/11 and 03/31/12	07/31/12		Pending
7	PENDING	G	Board Report - Annual Report 2011 - DCP	07/31/12		Pending
8	PENDING	G	Board Report - Great-West Rollover Account Fee	07/31/12		Pending
9	PENDING	G	Board Report - Contract Status Update	07/31/12		Pending
10	PENDING	G	Board Report - Communication Update	07/31/12		Pending

11	PENDING	G	Board Report - CA-DCPN Recap	07/31/12		Pending
12	PENDING	G	Board Report - Staff Report July 2012	07/31/12		Pending
13	PENDING	C	2Q 2012 Great-West Newsletter	07/31/12		Pending
14	PENDING	C	DCP Bond Fund Fact Sheet Revisions	07/31/12		Pending
15	PENDING	C	Draft Citywide Memo re Marketing by Non-Contracted Financial & Benefit Services Providers	08/31/12		Pending
16	PENDING	A	Online Enrollment Functionality	08/31/12		Staff tested web functionality, errors identified; Great-West reviewing
17	PENDING	A	Online Distribution Functionality	08/31/12		Great-West reviewing functionality
18	PENDING	A	Retiree Loans Functionality	08/31/12		Great-West drafting procedures
22	PENDING	P	Consulting Contract - Mercer Investment Consulting	08/31/12		Pending
28	PENDING	P	Great-West Contract Amendment Extension PSP Services 2012-2016	08/31/12		Pending
19	PENDING	G	Board Report - EIN Request	08/31/12		Pending
20	PENDING	G	Board Report - Strategic Plan V	08/31/12		Pending
21	PENDING	G	Board Report - Electronic Processing Update	08/31/12		Pending
23	PENDING	G	Board Report - DROP Mailing	08/31/12		Draft materials developed and now being revised
24	PENDING	G	Board Report - Historical Contribution History	08/31/12		Draft materials developed and now being revised
25	PENDING	G	Board Report - Contractor Evaluation Policy	08/31/12		Pending
26	PENDING	G	Board Report - History of funds on monitor/watch	08/31/12		Pending
27	PENDING	G	Annual Report 2011 - PSP	08/31/12		Pending
29	PENDING	G	Minutes - July 2012 BDCA Meeting	08/31/12		Pending
30	PENDING	G	Board Report - Tax Counsel	08/31/12		Pending
31	PENDING	C	Planning Meeting - DCP Health Checklist Communications	08/31/12		Pending
32	PENDING	C	Retiree Loans Communications Document	08/31/12		Pending
33	PENDING	C	Fee Disclosure to Non-Participants Communications & Special Mailing	08/31/12		Pending

34	PENDING	C	Online Enrollment Communications Document	08/31/12	Pending
35	PENDING	C	Online Distribution Communications Document	08/31/12	Pending
36	PENDING	C	"After You Retire" Communications Document	08/31/12	Pending
37	PENDING	C	DCP Monthly Newsletter	08/31/12	Pending
38	PENDING	C	Plan Highlights Revision	08/31/12	Pending
39	PENDING	C	DCP Participant Photos/Stats for Newsletter	08/31/12	Pending
40	PENDING	G	Board Report - Staff Report August	08/31/12	Pending
41	PENDING	A	Retirement Calculator - Develop Prototype w/Great-West	08/31/12	Pending
42	PENDING	G	Board Report - Loan Repayment Policy	08/31/12	Pending
43	PENDING	G	Board Report - review of consistency of access to separating City employees	08/31/12	Pending
44	PENDING	C	Create Catch-Up Flyer Incorporating Roth	08/31/12	Pending
45	PENDING	C	Loan Highlights Flier Revisions	08/31/12	Pending
40	PENDING	G	Board Report - Contribution History & Rollovers	08/31/12	Pending
41	PENDING	G	Board Report - In-Kind Transfers from SDBO	08/31/12	Pending
42	PENDING	G	Board Report - SAS Form from Great-West	08/31/12	Pending
43	PENDING	A	Domestic Partners Research and Discussion with City Attorney and California Peers	08/31/12	Pending
44	PENDING	C	Revise Distribution Form	08/31/12	Pending
45	PENDING	C	Revise Enrollment Guide	08/31/12	Pending
46		G	Board Report - Retirement/Pension System Retired Loan Payments	08/31/12	Pending
47	PENDING	G	Board Report - Document Retention Policy	08/31/12	Pending
48	PENDING	G	Review and report back on City of New York financial advice program	09/30/12	Pending
49	PENDING	G	Board Report - Merrill Lynch - Communication to Outside Vendors	09/30/12	Pending
50	PENDING	G	Beneficiary Addresses	09/30/12	Pending
51	PENDING	G	Review and report back on PIMCO hedge fund strategy	09/30/12	Pending

52	PENDING	G	Review and report back on Plan statistics broken down by constituency	09/30/12		Pending
53	PENDING	C	Communications Plan: List of alternative DC publications and outlets (LACERS, Pensions, Union pubs, etc.)	09/30/12		Pending
54	PENDING	G	Board Report - Social Media Options	09/30/12		Pending
55	PENDING	G	Board Report - Auto Glide-Path for Asset Allocation Funds	09/30/12		Pending
56	PENDING	G	Board Report - Proxy Share Voting	09/30/12		Pending
57	PENDING	G	Investment Advice Review and Proposal	09/30/12		Pending
58	PENDING	C	Incoming Rollover Mailing	09/30/12		
59	PENDING	C	\$25 Plan Flier	09/30/12		
60	PENDING	C	KeyTalk/Web site Flier	09/30/12		
61	PENDING	C	Meet Your Rep Online Calendar	09/30/12		
62	PENDING	C	DROP Brochure Ad	09/30/12		
63	PENDING	C	DROP Brochure	09/30/12		
64	PENDING	C	Quarterly Communications/Admin Meeting	09/30/12		
65	PENDING	C	Website Conversion	09/30/12		
66	PENDING	C	2011 Participant Survey - Focus Group	09/30/12		
67	PENDING	C	NAGDCA Leadership Recognition Awards	09/30/12		
68	PENDING	C	P&I Innovator Awards	09/30/12		
69	PENDING	C	Notification of Participants - Catch-Up Eligibility	09/30/12		Pending
70	PENDING	C	Pre-Audit Testing - Phase II	09/30/12		Pending
71	PENDING	C	Go Green Campaign			
72	PENDING	C	Revise Pension Savings Plan Highlights	09/30/12		Pending
73	PENDING	G	Retirement Plan Summit	10/31/12		Pending
74	PENDING	G	Revisit Plan Audit	10/31/12		Pending
75	PENDING	A	PSP Account Consolidation	10/31/12		Pending
76	PENDING	G	Statistical Project: Refined Count of Non-Contributing Participants	10/31/12		Pending

77	PENDING	G	Board Report - Transition Manager Procurement	10/31/12	Pending
78	PENDING	G	Deemed IRA Implementation	10/31/12	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