

DEFERRED COMPENSATION PLAN BOARD REPORT 12-45

Date: August 13, 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

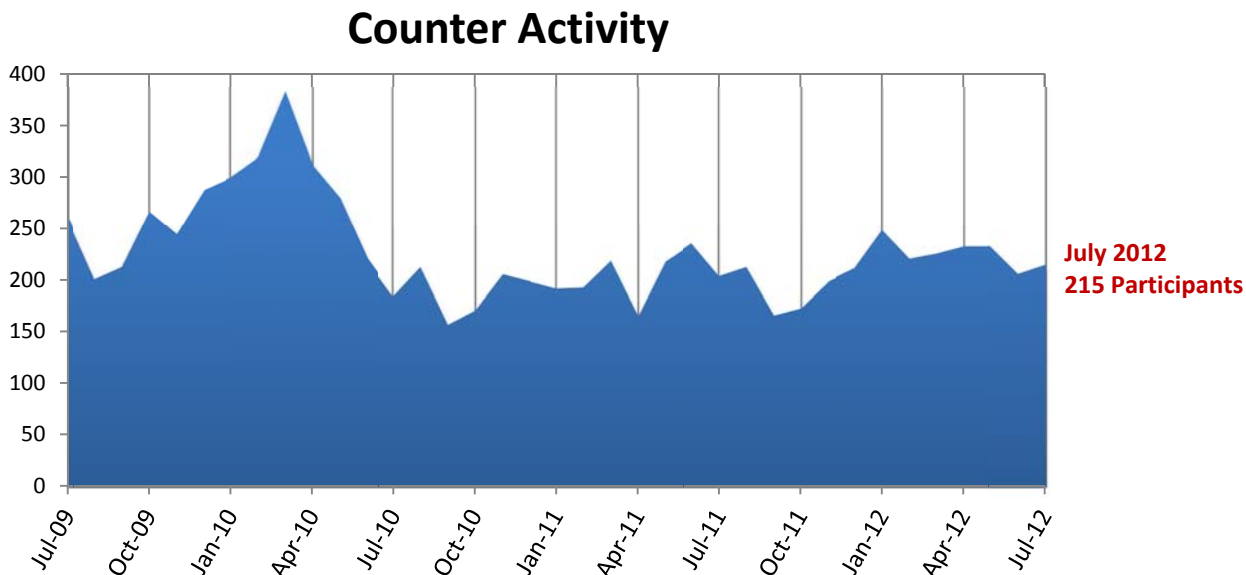
Recommendation:

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

Activity Reports:

Counter Activity Employee Benefits Division

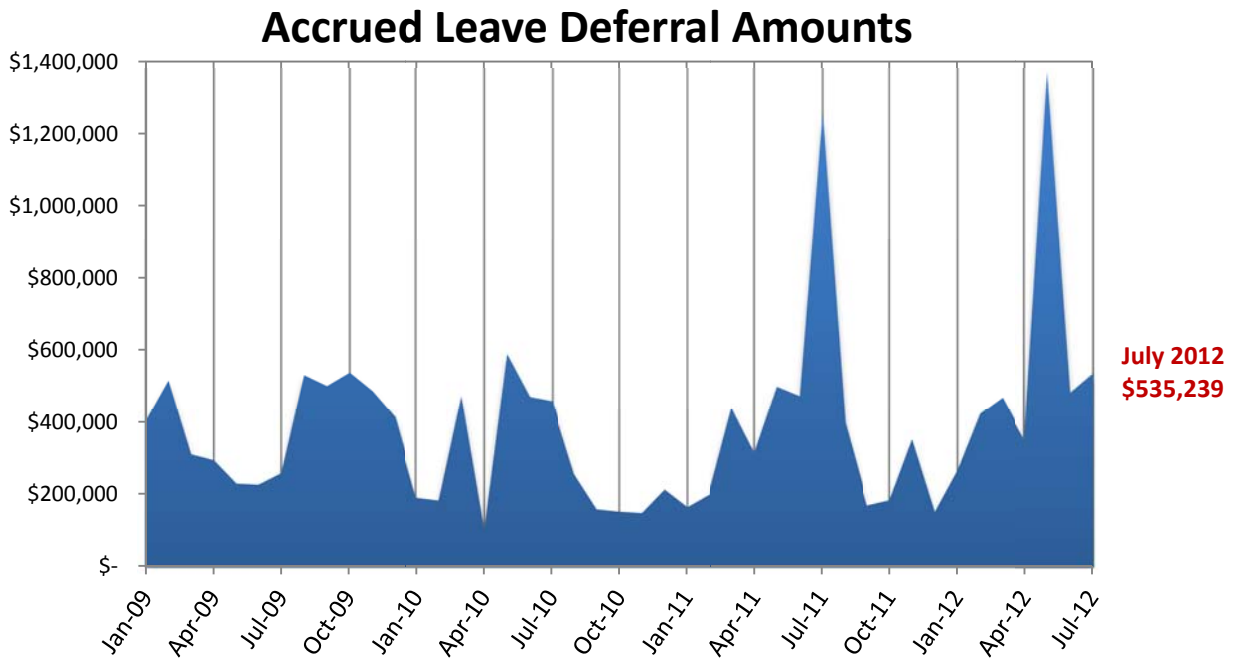
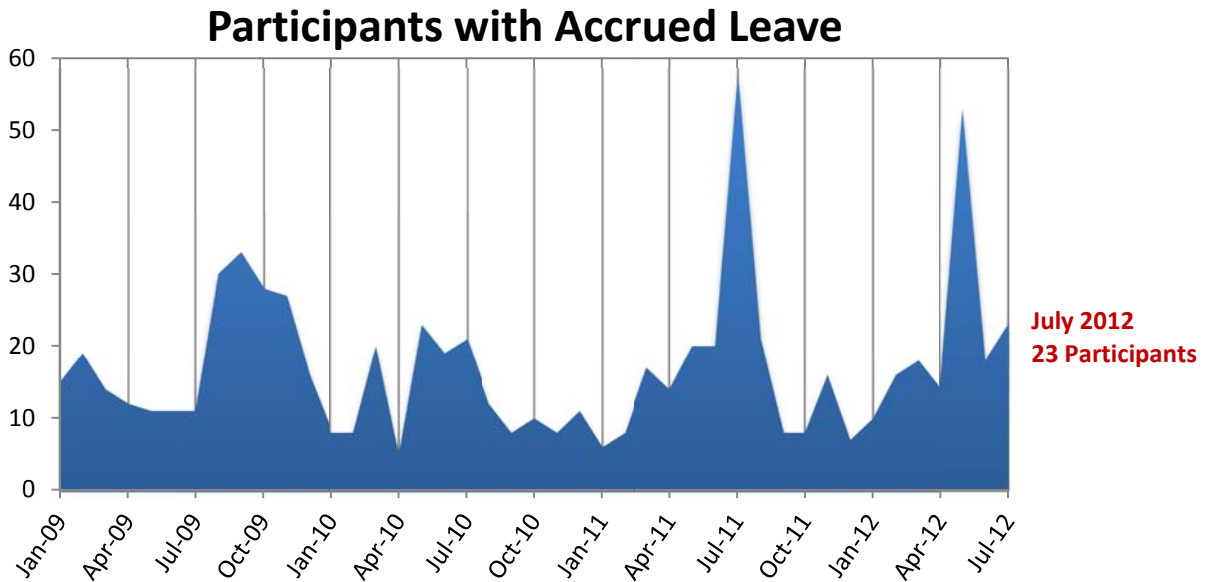
Staff has compiled the following results of Counter Activity flow for the month of July 2012. During the month of July, 215 participants visited the Employee Benefits Division to discuss their Deferred Compensation accounts with the Great-West representatives and/or staff. Following are counter activity results from July 2009 through July 2012:



Accrued Leave Activity

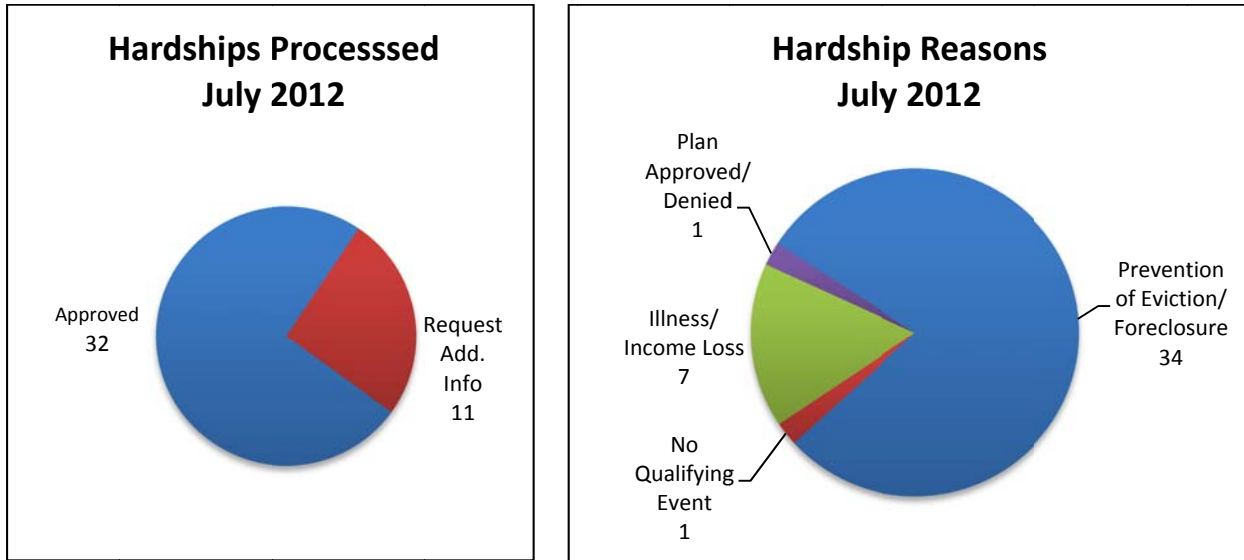
Staff has compiled the following results of Accrued Leave enrollment for the month of July 2012. During the month of July, 23 participants elected to enroll in Accrued Leave and **\$535,239** was contributed into the Plan from their Accrued Leave payouts.

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

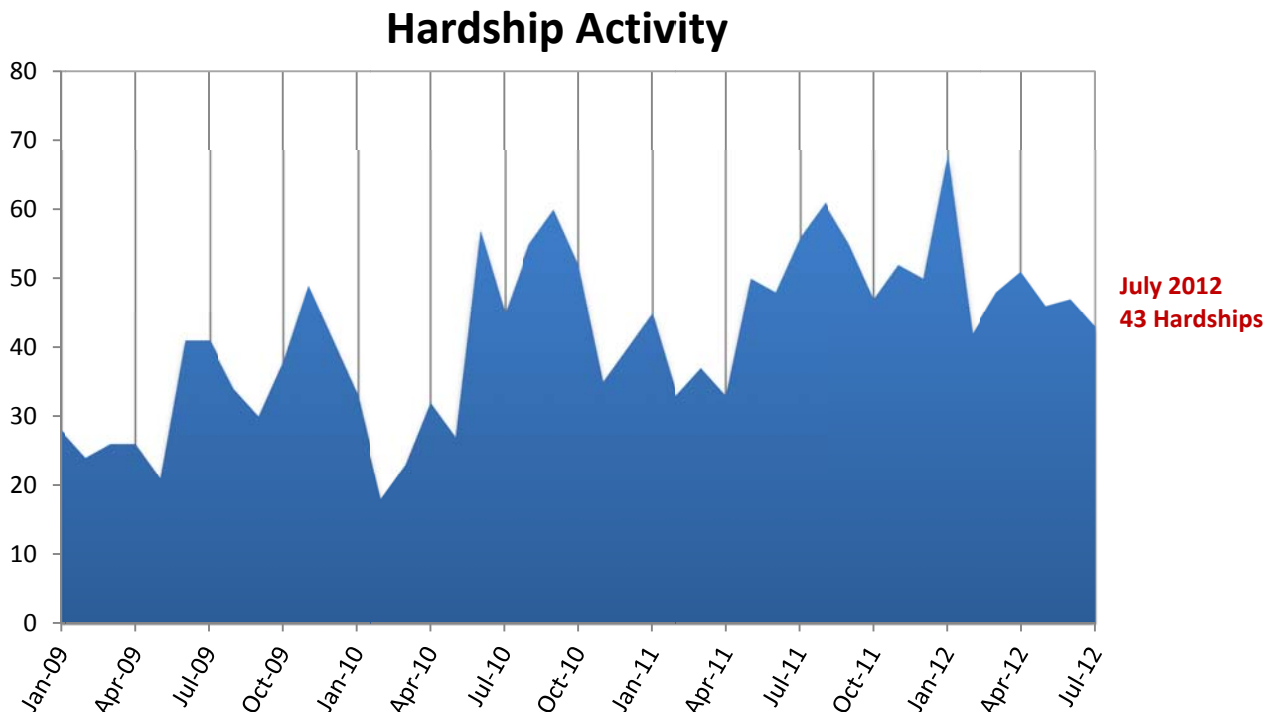


Hardship Activity

Staff has compiled the following results of hardship processing with Great-West for the month of July 2012. During the month of July, 43 hardship cases were submitted to Great-West. There were 32 cases approved and 11 cases pending further documentation. The dollar amount for hardships withdrawn from the plan in July 2012 was approximately \$255,980.

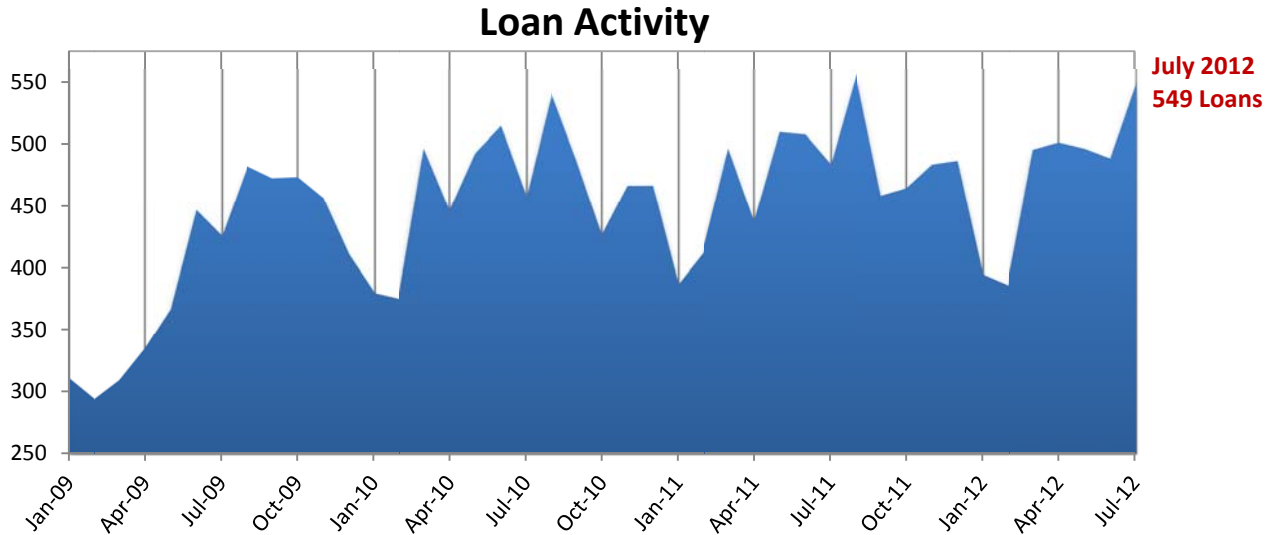


Following are hardship activity results from January 2009 to July 2012:



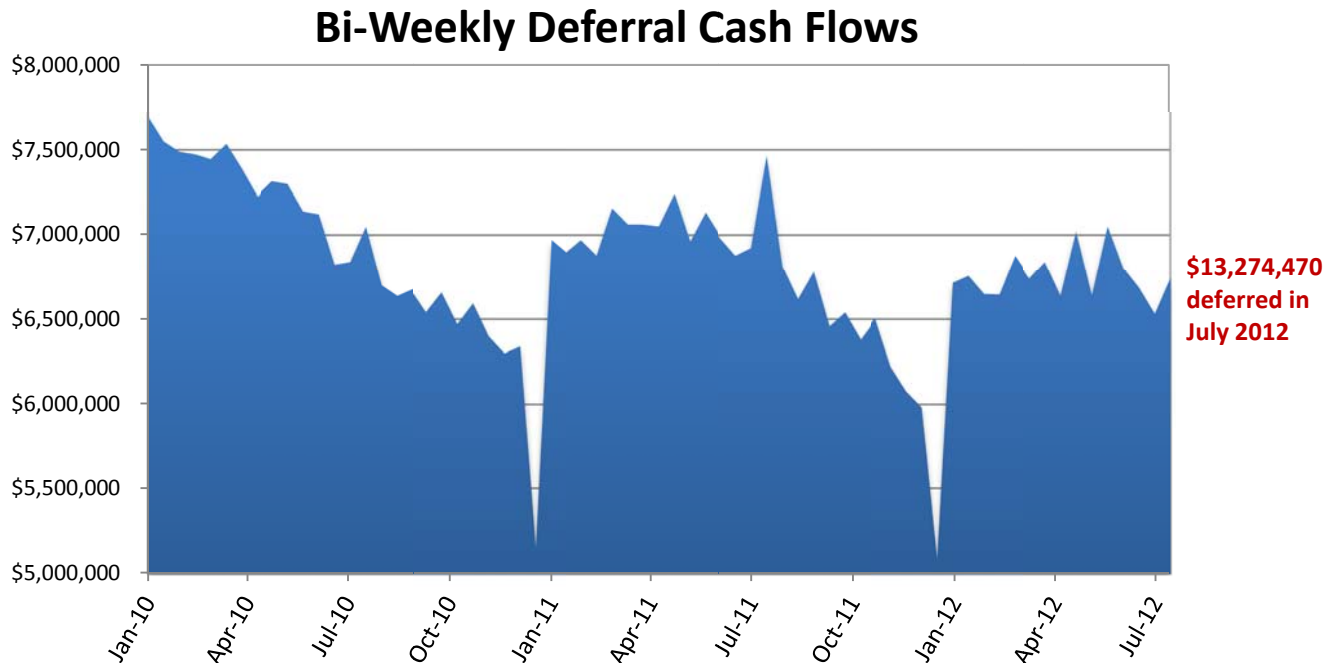
Loan Activity

Staff has compiled the following results of new loans acquired for the month of July 2012. During the month of July, 549 participants elected to obtain a new loan and **\$5,641,228** was withdrawn from the Plan for their loan payouts.



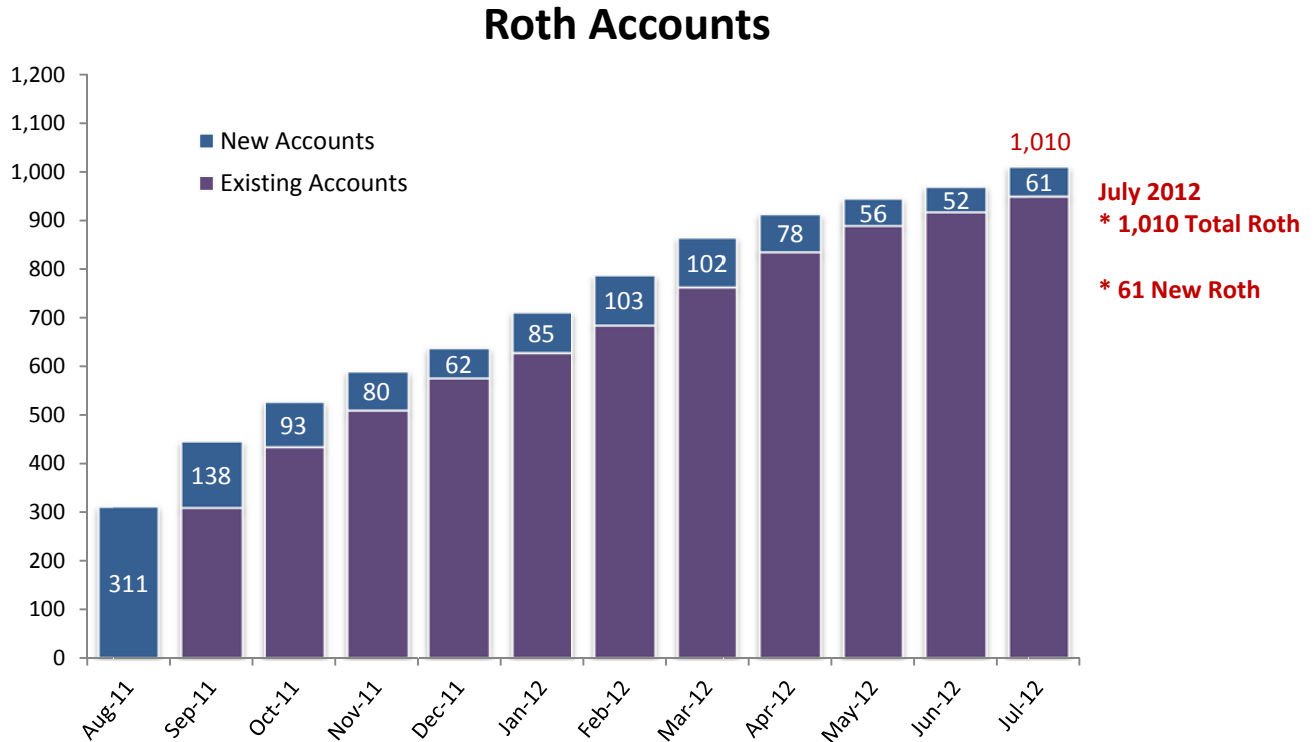
Deferral Tracking

Staff has compiled the following results of bi-weekly deferral cash flows for the month of July 2012 for the City of Los Angeles and Department of Water and Power. During the month of July, the City and Department of Water and Power deferred **\$13,274,470** into the Deferred Compensation Plan. This compares to **\$14,388,556** in July 2011, which constitutes a 7.7% decrease 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 July 2012, there were 61 new Roth accounts established. There are currently a total of 1,010 Roth accounts. This constitutes a **3.5%** participation rate of the 28,674 employees contributing to the plan¹. The chart below illustrates the number of new Roth deferral accounts since August 2011.



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 07/01/12 through 07/31/12)

DCP						
Legend:						
G = Governance						
C = Communications						
P = Procurements/Contracts						
A = Administration						
COMPLETED PROJECTS: JULY 2012						
#	STATUS		PROJECT	DUE DATE	COMPLETED	NOTES
1	Completed	G	Plan Governance Committee Meeting - Sr. M.A. & Travel Policy	07/31/12	07/07/12	N/A
2	Completed	G	Minutes - June 2012 BDCA Meeting	07/31/12	07/07/12	N/A
3	Completed	G	Board Report - Sr. M.A. I Funding	07/31/12	07/07/12	N/A
4	Completed	G	Board Report - Travel/Training/Education Policy	07/31/12	07/07/12	N/A
5	Completed	G	Board Report - Budget Reviews for quarters ending 09/30/11, 12/31/11 and 03/31/12	07/31/12	07/07/12	N/A
6	Completed	G	Board Report - Annual Report 2011 - DCP	07/31/12	07/07/12	N/A
7	Completed	G	Board Report - Great-West Rollover Account Fee	07/31/12	07/07/12	N/A
8	Completed	G	Board Report - Contract Status Update	07/31/12	07/07/12	N/A
9	Completed	G	Board Report - Communication Update	07/31/12	07/07/12	N/A
10	Completed	G	Board Report - CA-DCPN Recap	07/31/12	07/07/12	N/A
11	Completed	G	Board Report - Staff Report July 2012	07/31/12	07/07/12	N/A
12	Completed	C	2Q 2012 Great-West Newsletter	07/31/12	07/07/12	N/A
PENDING PROJECTS						
#	STATUS		PROJECT	DUE DATE	COMPLETED	NOTES
1	PENDING	C	DCP Bond Fund Fact Sheet Revisions	08/31/12		Pending
2	PENDING	C	Enrollment Form Update	08/31/12		Update to include revised annual limits and new DCP fund line-up
3	PENDING	C	Draft Citywide Memo re Marketing by Non-Contracted Financial & Benefit Services Providers	08/31/12		Pending
4	PENDING	A	Online Enrollment Functionality	08/31/12		Staff tested web functionality, errors identified; Great-West reviewing

5	PENDING	A	Online Distribution Functionality	08/31/12		Great-West reviewing functionality
6	PENDING	A	Retiree Loans Functionality	08/31/12		Great-West drafting procedures
7	PENDING	P	Consulting Contract - Mercer Investment Consulting	08/31/12		Pending
8	PENDING	P	Great-West Contract Amendment Extension PSP Services 2012-2016	08/31/12		Pending
9	PENDING	G	Board Report - Plan Administrative Training	08/31/12		Pending
10	PENDING	G	Board Report - EIN Request	08/31/12		Pending
11	PENDING	G	Board Report - Proposed Education Program FY 13/14	08/31/12		Pending
12	PENDING	G	Board Report - Strategic Plan V	08/31/12		Pending
13	PENDING	G	Board Report - Electronic Processing Update	08/31/12		Pending
14	PENDING	G	Board Report - DROP Mailing	08/31/12		Draft materials developed and now being revised
15	PENDING	G	Board Report - Historical Contribution History	08/31/12		Draft materials developed and now being revised
16	PENDING	G	Board Report - Contractor Evaluation Policy	08/31/12		Pending
17	PENDING	G	Board Report - History of funds on monitor/watch	08/31/12		Pending
18	PENDING	G	Investments Committee Meeting: Investment Policy Statement - Termination	08/31/12		Pending
19	PENDING	G	Annual Report 2011 - PSP	08/31/12		Pending
20	PENDING	G	Minutes - July 2012 BDCA Meeting	08/31/12		Pending
21	PENDING	G	Board Report - Tax Counsel	08/31/12		Pending
22	PENDING	G	Board Report - Staff Report August	08/31/12		Pending
23	PENDING	C	Planning Meeting - DCP Health Checklist Communications	08/31/12		Pending
24	PENDING	C	Fee Disclosure to Non-Participants Communications & Special Mailing	08/31/12		Pending
25	PENDING	C	Online Enrollment Communications Document	08/31/12		Pending
26	PENDING	C	Online Distribution Communications Document	08/31/12		Pending
27	PENDING	C	DCP Monthly Newsletter	08/31/12		Pending
28	PENDING	C	Plan Highlights Revision	08/31/12		Pending
29	PENDING	C	DCP Participant Photos/Stats for Newsletter	08/31/12		Pending

30	PENDING	A	Retirement Calculator - Develop Prototype w/Great-West	08/31/12	Pending
31	PENDING	G	Board Report - review of consistency of access to separating City employees	08/31/12	Pending
32	PENDING	C	Create Catch-Up Flyer Incorporating Roth	08/31/12	Pending
33	PENDING	C	Loan Highlights Flier Revisions	08/31/12	Pending
34	PENDING	G	Board Report - Contribution History & Rollovers	08/31/12	Pending
35	PENDING	G	Board Report - In-Kind Transfers from SDBO	08/31/12	Pending
36	PENDING	G	Board Report - SAS Form from Great-West	08/31/12	Pending
37	PENDING	A	Domestic Partners Research and Discussion with City Attorney and California Peers	08/31/12	Pending
38	PENDING	C	Revise Distribution Form	08/31/12	Pending
39	PENDING	C	Revise Enrollment Guide	08/31/12	Pending
40		G	Board Report - Retirement/Pension System Retired Loan Payments	08/31/12	Pending
41	PENDING	C	20/20 Retirement Vision	08/31/12	Pending
42	PENDING	C	KeyTalk/Web site Flier	08/31/12	Pending
43	PENDING	C	NAGDCA Leadership Recognition Awards	08/31/12	Pending
44	PENDING	G	Roth Conversion Form & Process	09/30/12	Pending
45	PENDING	G	Review and report back on City of New York financial advice program	09/30/12	Pending
46	PENDING	G	Board Report - Merrill Lynch - Communication to Outside Vendors	09/30/12	Pending
47	PENDING	G	Beneficiary Addresses	09/30/12	Pending
48	PENDING	G	Review and report back on PIMCO hedge fund strategy	09/30/12	Pending
49	PENDING	C	Communications Plan: List of alternative DC publications and outlets (LACERS, Pensions, Union pubs, etc.)	09/30/12	Pending
50	PENDING	G	Board Report - Social Media Options	09/30/12	Pending
51	PENDING	G	Board Report - Auto Glide-Path for Asset Allocation Funds	09/30/12	Pending
52	PENDING	G	Board Report - Proxy Share Voting	09/30/12	Pending

53	PENDING	C	Incoming Rollover Mailing	09/30/12	Pending
54	PENDING	C	Meet Your Rep Online Calendar	09/30/12	Pending
55	PENDING	C	DROP Brochure Ad	09/30/12	Pending
56	PENDING	C	DROP Brochure	09/30/12	Pending
57	PENDING	C	Quarterly Communications/Admin Meeting	09/30/12	Pending
58	PENDING	C	Website Conversion	09/30/12	Pending
59	PENDING	C	P&I Innovator Awards	09/30/12	Pending
60	PENDING	C	Notification of Participants - Catch-Up Eligibility	09/30/12	Pending
61	PENDING	C	Pre-Audit Testing - Phase II	09/30/12	Pending
62	PENDING	C	Revise Pension Savings Plan Highlights	09/30/12	Pending
63	PENDING	G	Retirement Plan Summit	10/31/12	Pending
64	PENDING	G	Revisit Plan Audit	10/31/12	Pending
65	PENDING	A	PSP Account Consolidation	10/31/12	Pending
66	PENDING	G	Statistical Project: Refined Count of Non-Contributing Participants	10/31/12	Pending
67	PENDING	G	Board Report - Transition Manager Procurement	10/31/12	Pending
68	PENDING	G	Deemed IRA Implementation	10/31/12	Pending
69	PENDING	C	3Q 2012 Great-West Newsletter	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