

DEFERRED COMPENSATION PLAN BOARD REPORT 12-52

Date: October 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

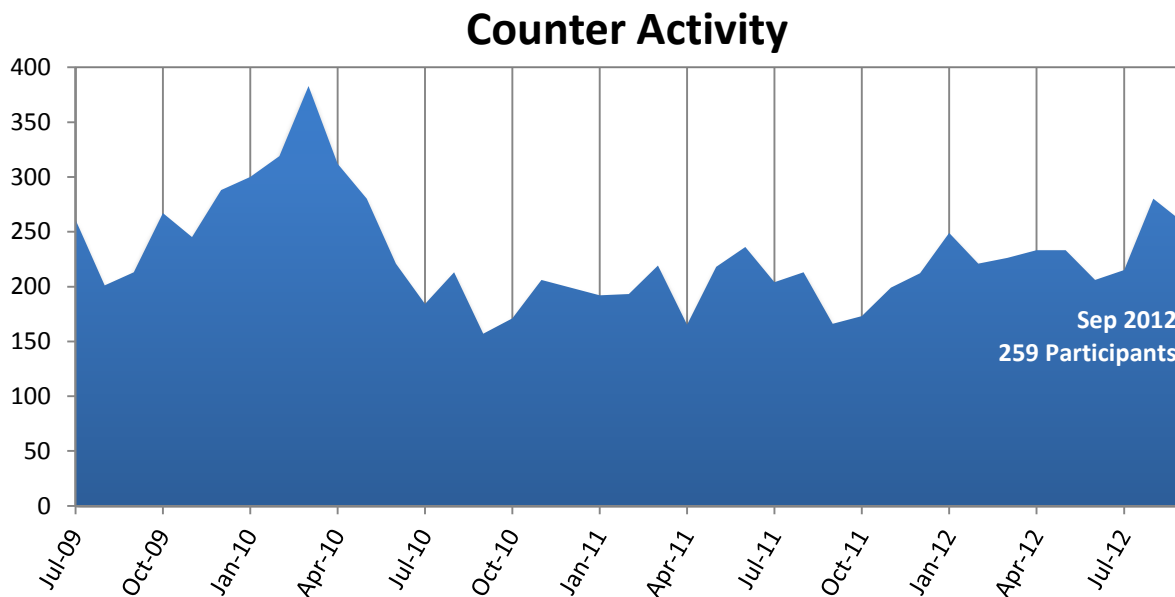
Recommendation:

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 September 2012. During the month of September, 259 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 September 2012:

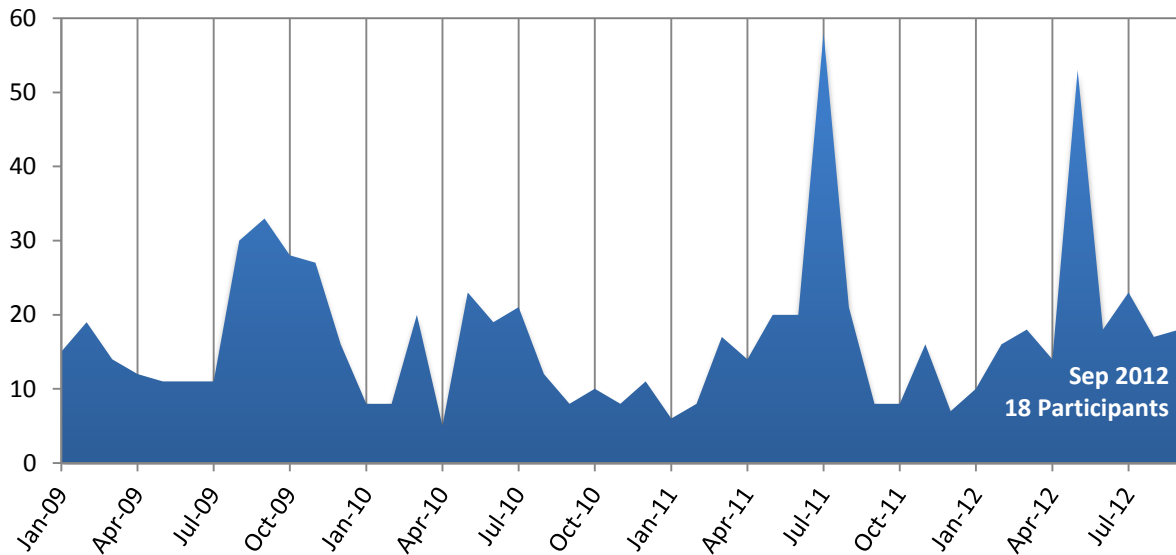


Accrued Leave Activity

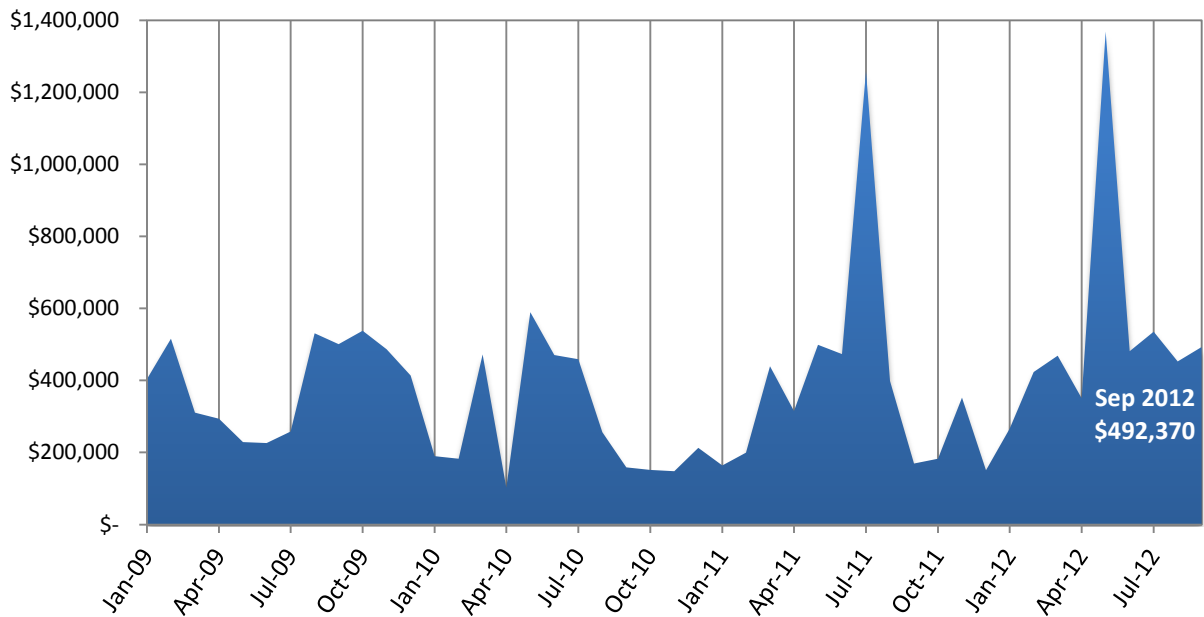
Staff has compiled the following results of Accrued Leave enrollment for the month of September 2012. During the month of September, 18 participants elected to enroll in Accrued Leave and **\$492,370** was contributed into the Plan from their Accrued Leave payouts.

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

Participants with Accrued Leave

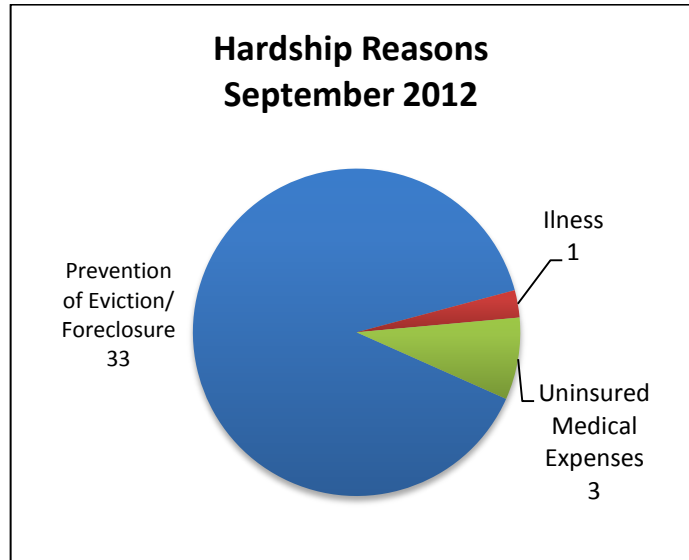
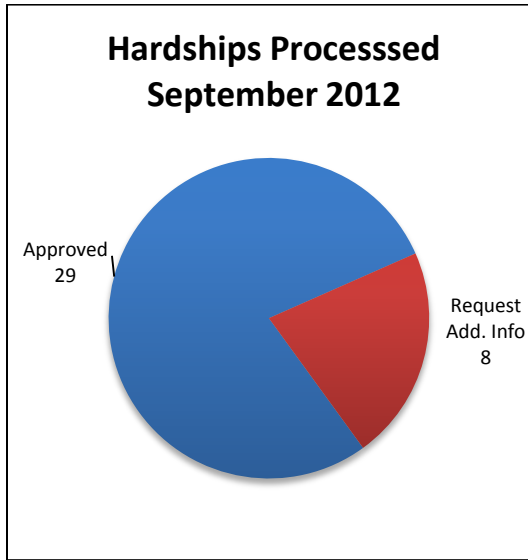


Accrued Leave Deferral Amounts

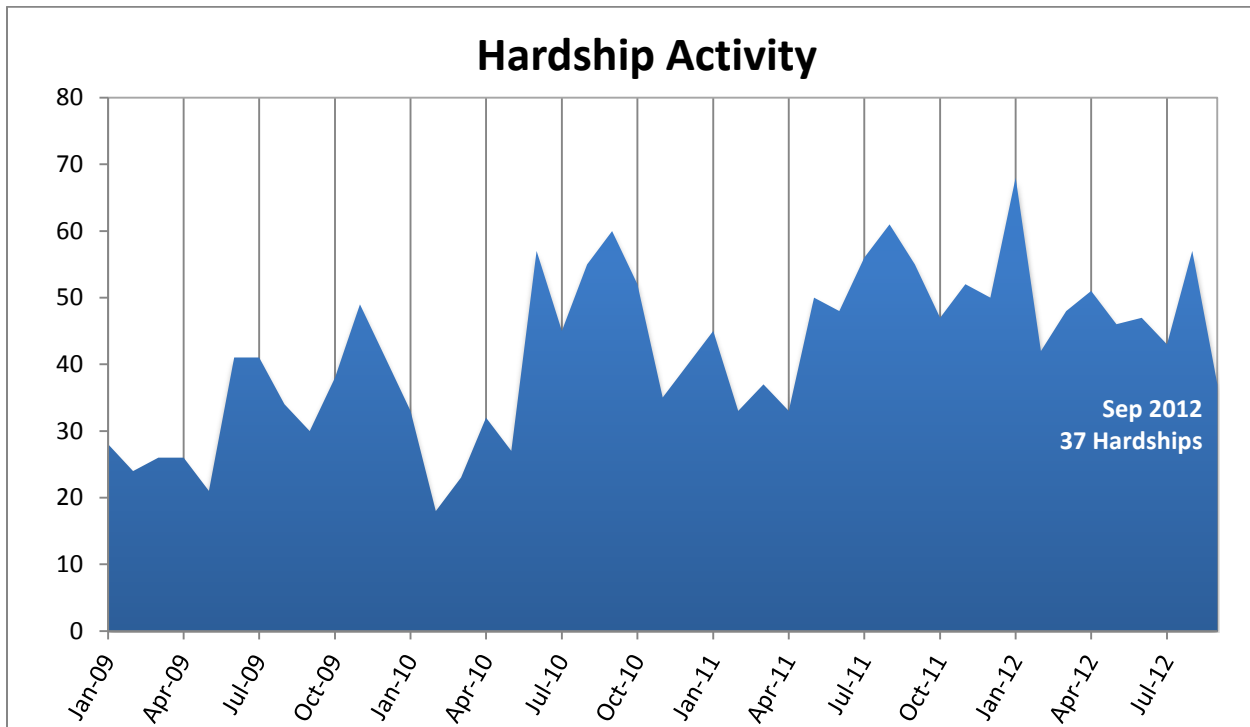


Hardship Activity

Staff has compiled the following results of hardship processing with Great-West for the month of September 2012. During the month of September, 37 hardship cases were submitted to Great-West. There were 29 cases approved and 8 cases pending further documentation. The dollar amount for hardships withdrawn from the plan in September 2012 was approximately **\$133,785**.

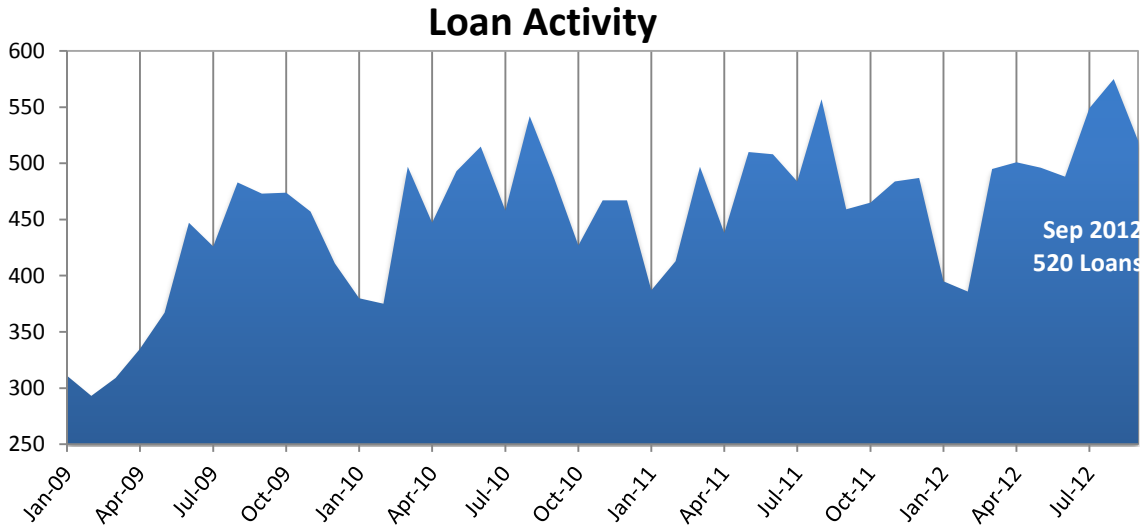


Following are hardship activity results from January 2009 to September 2012:



Loan Activity

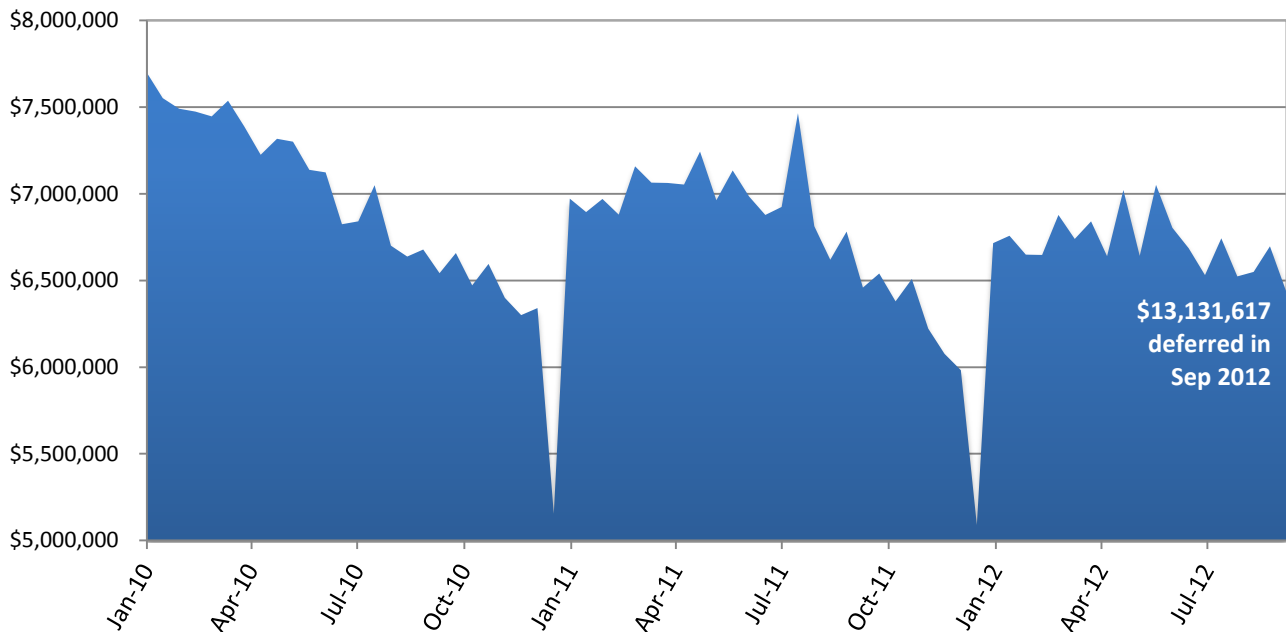
Staff has compiled the following results of new loans acquired for the month of September 2012. During the month of September, 520 participants elected to obtain a new loan and **\$5,794,308** was withdrawn from the Plan for their loan payouts.



Deferral Tracking

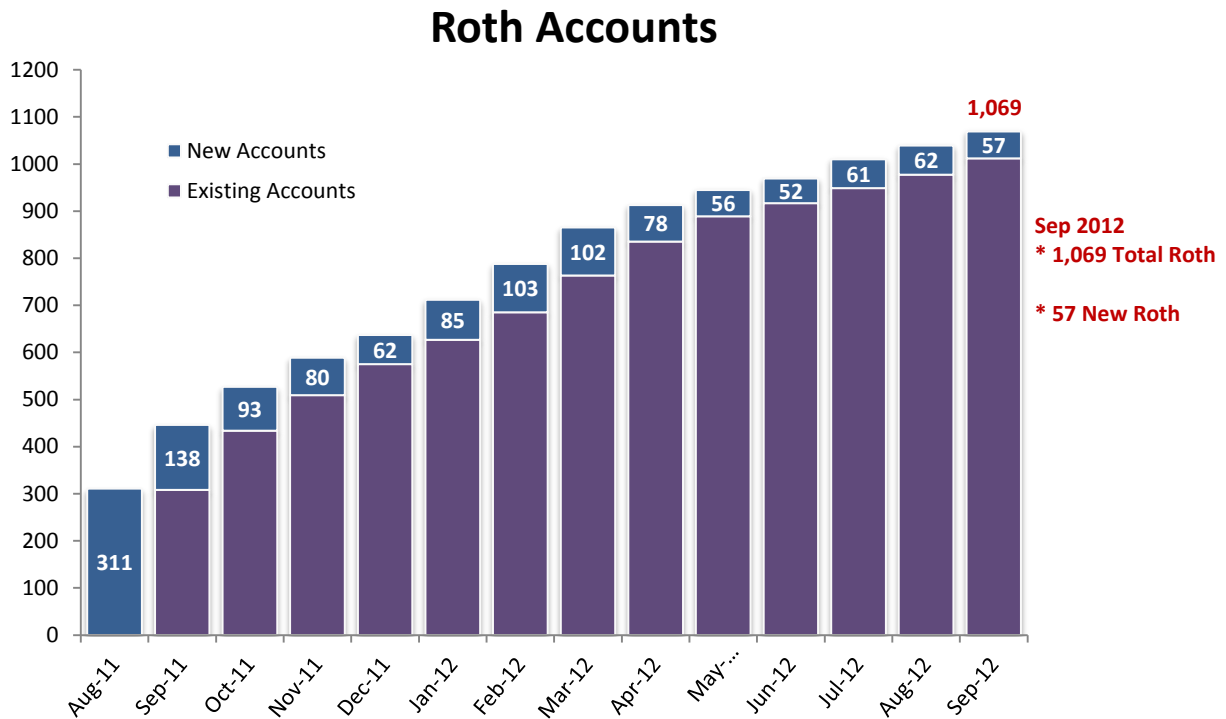
Staff has compiled the following results of bi-weekly deferral cash flows for the month of September 2012 for the City of Los Angeles and Department of Water and Power. During the month of September, the City and Department of Water and Power deferred **\$13,131,617** into the Deferred Compensation Plan. This compares to **\$13,239,836** in September 2011, which constitutes a 0.8% decrease year-over-year.

Bi-Weekly Deferral Cash Flows



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 September 2012, there were 57 new Roth accounts established. There are currently a total of 1,069 Roth accounts. This constitutes a **3.7%** participation rate of the 28,717 employees contributing to the plan¹. The chart below illustrates the number of new Roth deferral accounts since August 2011.



¹ There are 28,717 employees contributing to the Plan as of 6/30/2012 (Great-West Quarterly Report).

PROJECT UPDATE
(reflects project activity for period 09/01/12 through 09/30/12)

DCP						
Legend:						
G = Governance						
C = Communications						
P = Procurements/Contracts						
A = Administration						
COMPLETED PROJECTS: SEPTEMBER 2012						
#	STATUS		PROJECT	DUE DATE	COMPLETED	NOTES
1	Completed	G	Board Report - Bank of the West Contract Amendment	09/05/12	09/05/12	N/A
2	Completed	G	NAGDCA Conference Materials and Travel Funding	09/10/12	09/10/12	N/A
3	Completed	C	Planning Meeting - DCP Health Checklist Communications	12/31/12	08/17/12	N/A
4	Completed	C	Retiree Loans FAQ and Application	11/30/12	09/30/12	N/A
5	Completed	G	Minutes - August 2012 BDCA Meeting	09/05/12	09/05/12	N/A
6	Completed	G	Board Report - August Staff Report	09/05/12	09/05/12	N/A
7	Completed	C	Plan Highlights Revision	12/31/12	9/30/2012	N/A
PENDING PROJECTS						
#	STATUS		PROJECT	DUE DATE	COMPLETED	NOTES
1	PENDING	C	FDIC Savings Account - Communication of Changes	10/31/12		Pending
2	PENDING	A	Retiree Loans Functionality	10/31/12		Great-West drafting procedures
3	PENDING	G	Minutes - September 2012 BDCA Meeting	10/31/12		Pending
4	PENDING	G	Board Report - Proposed Education Program FY 13/14	10/31/12		Pending
5	PENDING	G	Board Report - Quarterly Communications Update	10/31/12		Pending
6	PENDING	G	Board Report - Contract Monitoring	10/31/12		Pending
7	PENDING	C	Board Report - Fee Disclosure to Non-Participants Communications & Special Mailing	11/30/12		Pending
8	PENDING	G	Board Report - Quarterly Reimbursements for 06/30/12	11/30/12		Pending
9	PENDING	C	Draft Citywide Memo re Marketing by Non-Contracted Financial & Benefit Services Providers	11/30/12		Pending
10	PENDING	A	Online Distribution Functionality	11/30/12		Great-West reviewing functionality
11	PENDING	P	Consulting Contract - Mercer Investment Consulting	11/30/12		Pending
12	PENDING	P	Great-West Contract Amendment Extension PSP Services 2012-2016	11/30/12		Pending

13	PENDING	G	Board Report - EIN Request	11/30/12		Pending
14	PENDING	G	Board Report - Strategic Plan V	11/30/12		Pending
15	PENDING	G	Board Report - DROP Mailing	11/30/12		Draft materials developed and now being revised
16	PENDING	G	Board Report - Historical Contribution History	11/30/12		Draft materials developed and now being revised
17	PENDING	G	Board Report - Contractor Evaluation Policy	11/30/12		Pending
18	PENDING	C	Quarterly Communications/Admin Meeting	11/30/12		Pending
19	PENDING	G	Investments Committee Meeting: Investment Policy Statement - Termination	12/31/12		Pending
20	PENDING	G	Annual Report 2011 - PSP	12/31/12		Pending
21	PENDING	C	Board Report - Social Media Options	12/31/12		Pending
22	PENDING	C	Online Enrollment Communications Document	12/31/12		Pending
23	PENDING	C	Online Distribution Communications Document	12/31/12		Pending
24	PENDING	C	DCP Monthly Newsletter	12/31/12		Pending
25	PENDING	C	DCP Participant Photos/Stats for Newsletter	12/31/12		Pending
26	PENDING	A	Retirement Calculator - Develop Prototype w/Great-West	12/31/12		Pending
27	PENDING	G	Board Report - review of consistency of access to separating City employees	12/31/12		Pending
28	PENDING	C	Create Catch-Up Flyer Incorporating Roth	12/31/12		Pending
29	PENDING	C	Loan Highlights Flier Revisions	12/31/12		Pending
30	PENDING	G	Board Report - Contribution History & Rollovers	12/31/12		Pending
31	PENDING	G	Board Report - In-Kind Transfers from SDBO	12/31/12		Pending
32	PENDING	G	Board Report - SAS Form from Great-West	12/31/12		Pending
33	PENDING	A	Domestic Partners Research and Discussion with City Attorney and California Peers	12/31/12		Pending
34	PENDING	C	Revise Distribution Form	12/31/12		Pending
35	PENDING	C	Revise Enrollment Guide	12/31/12		Pending
36		G	Board Report - Retirement/Pension System Retired Loan Payments	12/31/12		Pending
37	PENDING	G	Roth Conversion Form & Process	01/31/13		Pending
38	PENDING	G	Review and report back on City of New York financial advice program	01/31/13		Pending

39	PENDING	G	Board Report - Merrill Lynch - Communication to Outside Vendors	01/31/13	Pending
40	PENDING	G	Beneficiary Addresses	01/31/13	Pending
41	PENDING	G	Review and report back on PIMCO hedge fund strategy	01/31/13	Pending
42	PENDING	C	Communications Plan: List of alternative DC publications and outlets (LACERS, Pensions, Union pubs, etc.)	01/31/13	Pending
43	PENDING	G	Board Report - Social Media Options	01/31/13	Pending
44	PENDING	G	Board Report - Auto Glide-Path for Asset Allocation Funds	01/31/13	Pending
45	PENDING	G	Board Report - Proxy Share Voting	01/31/13	Pending
46	PENDING	C	Meet Your Rep Online Calendar	01/31/13	Pending
47	PENDING	C	DROP Brochure Ad	01/31/13	Pending
48	PENDING	C	DROP Brochure	01/31/13	Pending
49	PENDING	C	Website Conversion	01/31/13	Pending
50	PENDING	C	P&I Innovator Awards	01/31/13	Pending
51	PENDING	C	Notification of Participants - Catch-Up Eligibility	01/31/13	Pending
52	PENDING	C	Pre-Audit Testing - Phase II	01/31/13	Pending
53	PENDING	C	Revise Pension Savings Plan Highlights	01/31/13	Pending
54	PENDING	C	MarCom 2012 Awards	01/31/13	Pending
55	PENDING	G	Retirement Plan Summit	01/31/13	Pending
56	PENDING	G	Revisit Plan Audit	01/31/13	Pending
57	PENDING	A	PSP Account Consolidation	01/31/13	Pending
58	PENDING	G	Research adding other Plan type in order to increase savings opportunities (from 8/21/12 BDCA meeting)	01/31/13	Pending
59	PENDING	G	Statistical Project: Refined Count of Non-Contributing Participants	01/31/13	Pending
60	PENDING	G	Board Report - Transition Manager Procurement	01/31/13	Pending
61	PENDING	G	Deemed IRA Implementation	01/31/13	Pending
62	PENDING	C	3Q 2012 Great-West Newsletter	01/31/13	Pending
63	PENDING	C	Eddy 2013 Awards	01/31/13	Pending
64	PENDING	A	Online Enrollment Functionality	11/30/12	Staff tested web functionality, errors identified; Great-West reviewing

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