

# DEFERRED COMPENSATION PLAN BOARD REPORT 12-57

Date: November 20, 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  
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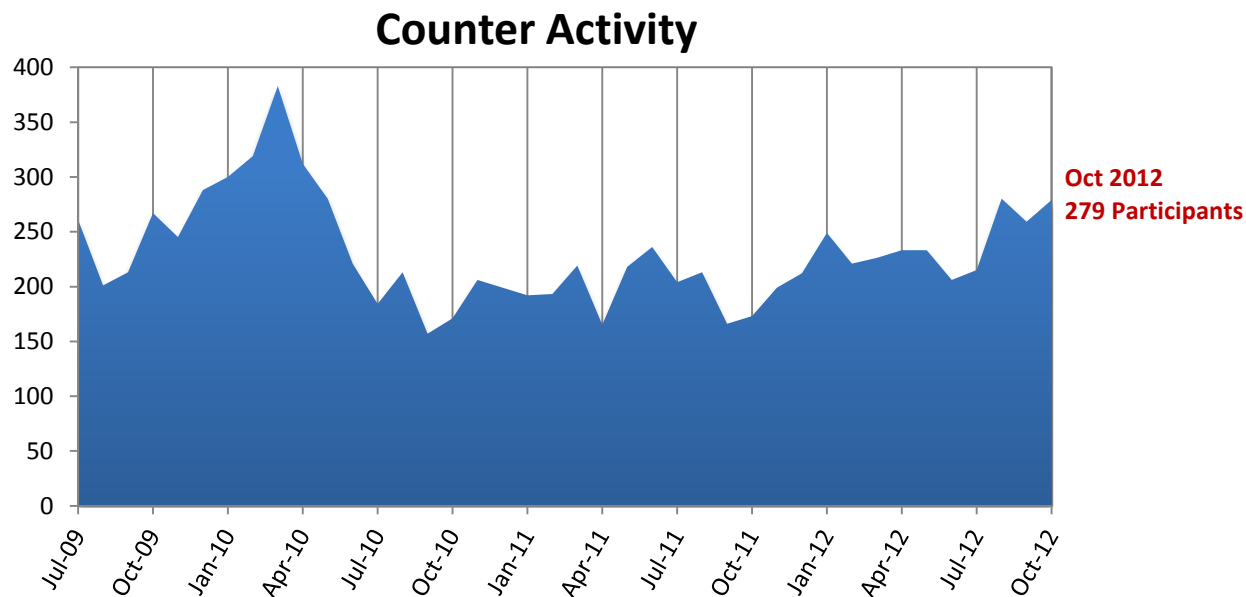
## Recommendation:

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 October 2012. During the month of October, 279 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 October 2012:

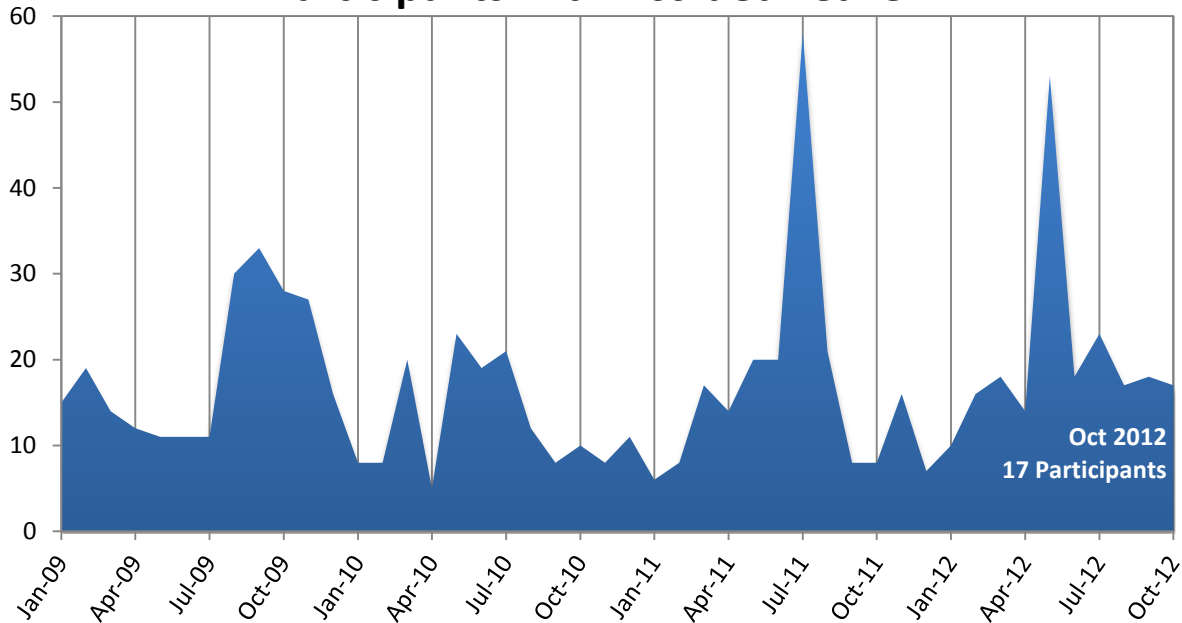


### Accrued Leave Activity

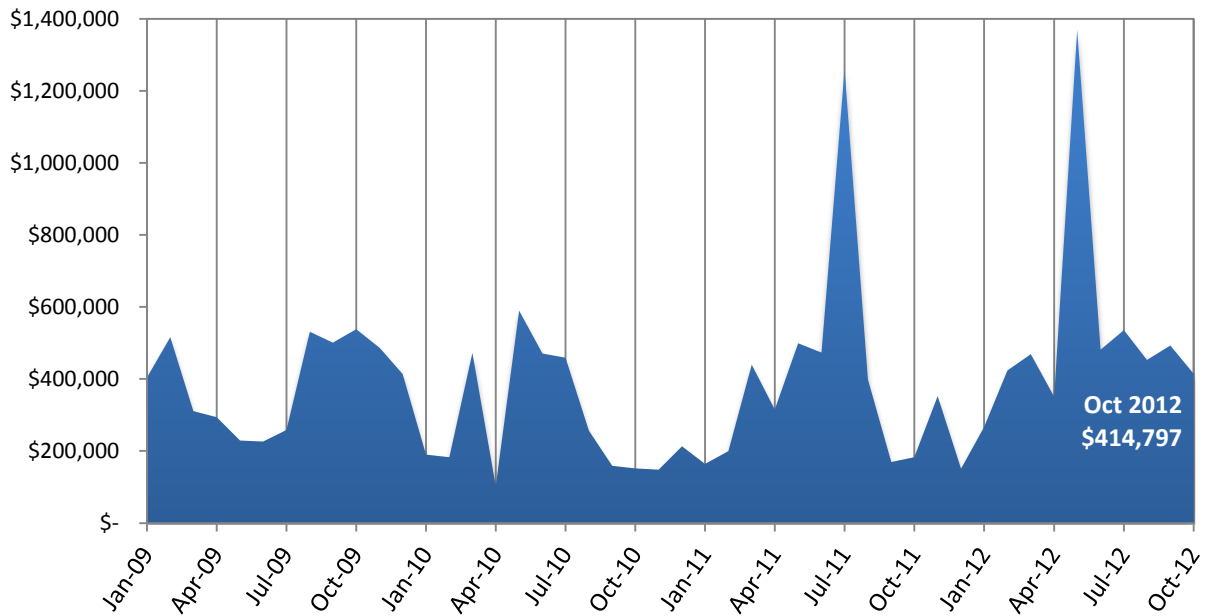
Staff has compiled the following results of Accrued Leave enrollment for the month of October 2012. During the month of October, 17 participants elected to enroll in Accrued Leave and **\$414,797** was contributed into the Plan from their Accrued Leave payouts.

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

### Participants with Accrued Leave

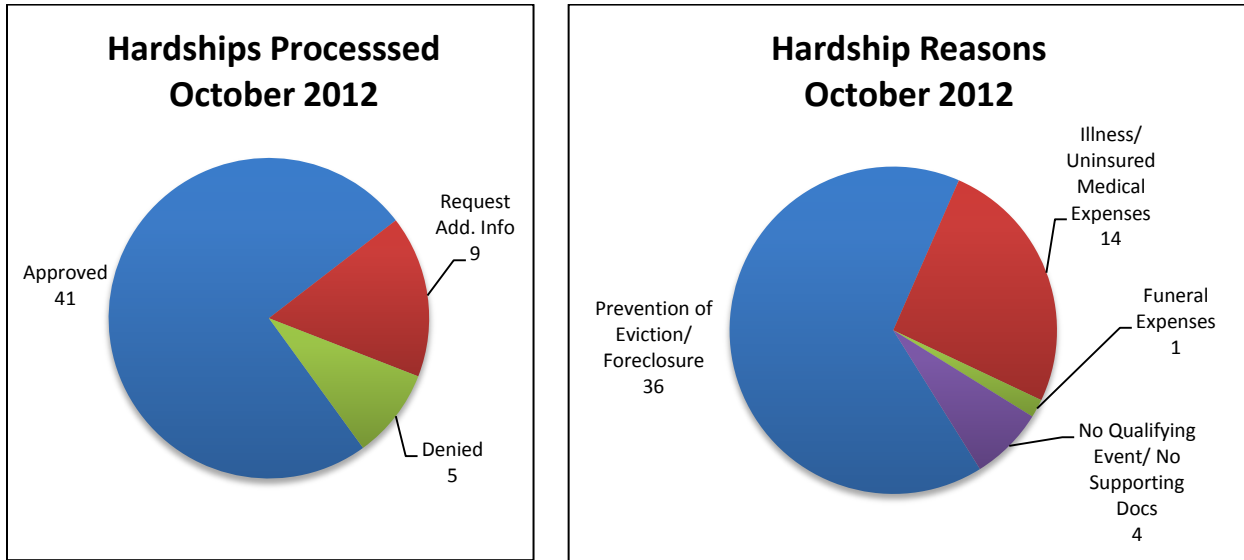


### Accrued Leave Deferral Amounts



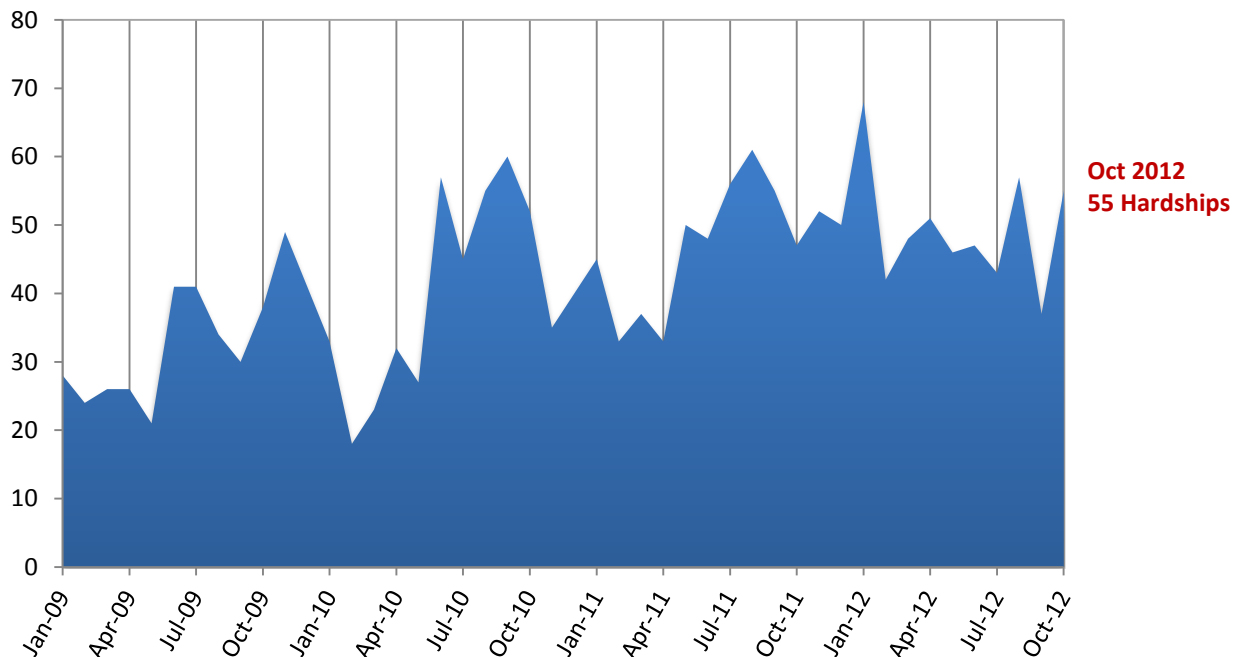
## Hardship Activity

Staff has compiled the following results of hardship processing with Great-West for the month of October 2012. During the month of October, 55 hardship cases were submitted to Great-West. There were 41 cases approved, 9 cases pending further documentation, and 5 cases that were denied. The dollar amount for hardships withdrawn from the plan in October 2012 was approximately **\$227,844**.



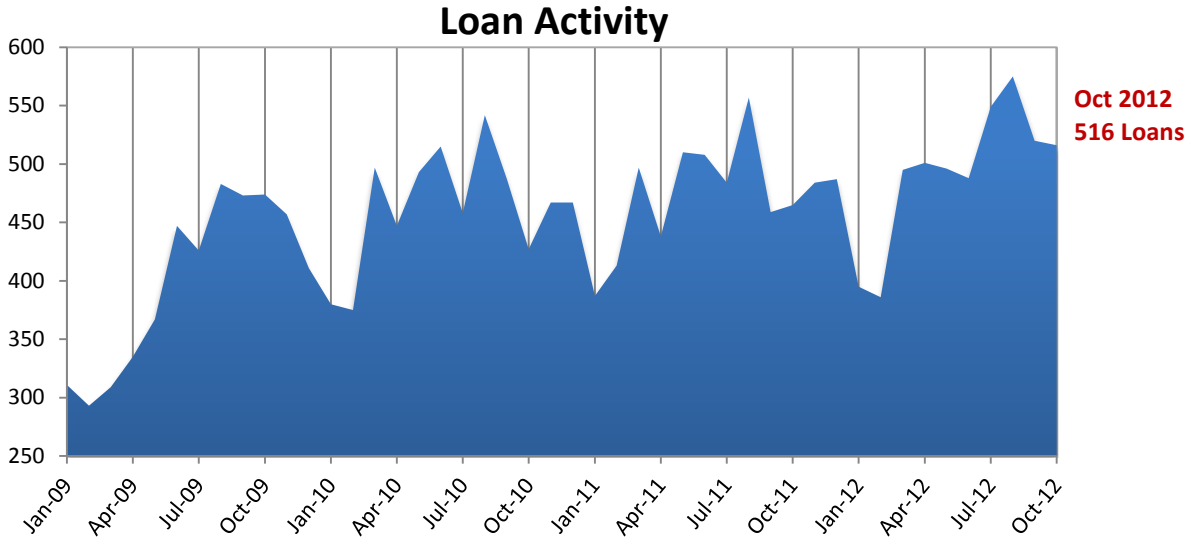
Following are hardship activity results from January 2009 to October 2012:

## Hardship Activity



### Loan Activity

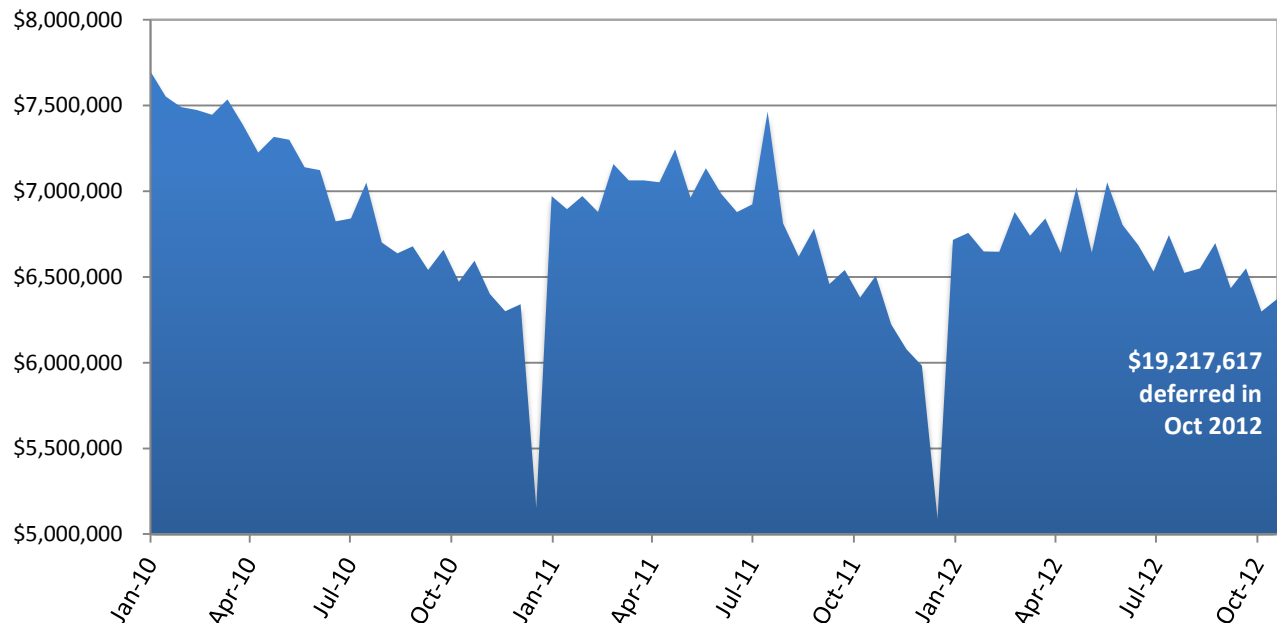
Staff has compiled the following results of new loans acquired for the month of October 2012. During the month of October, 516 participants elected to obtain a new loan and **\$5,812,974** was withdrawn from the Plan for their loan payouts.



### Deferral Tracking

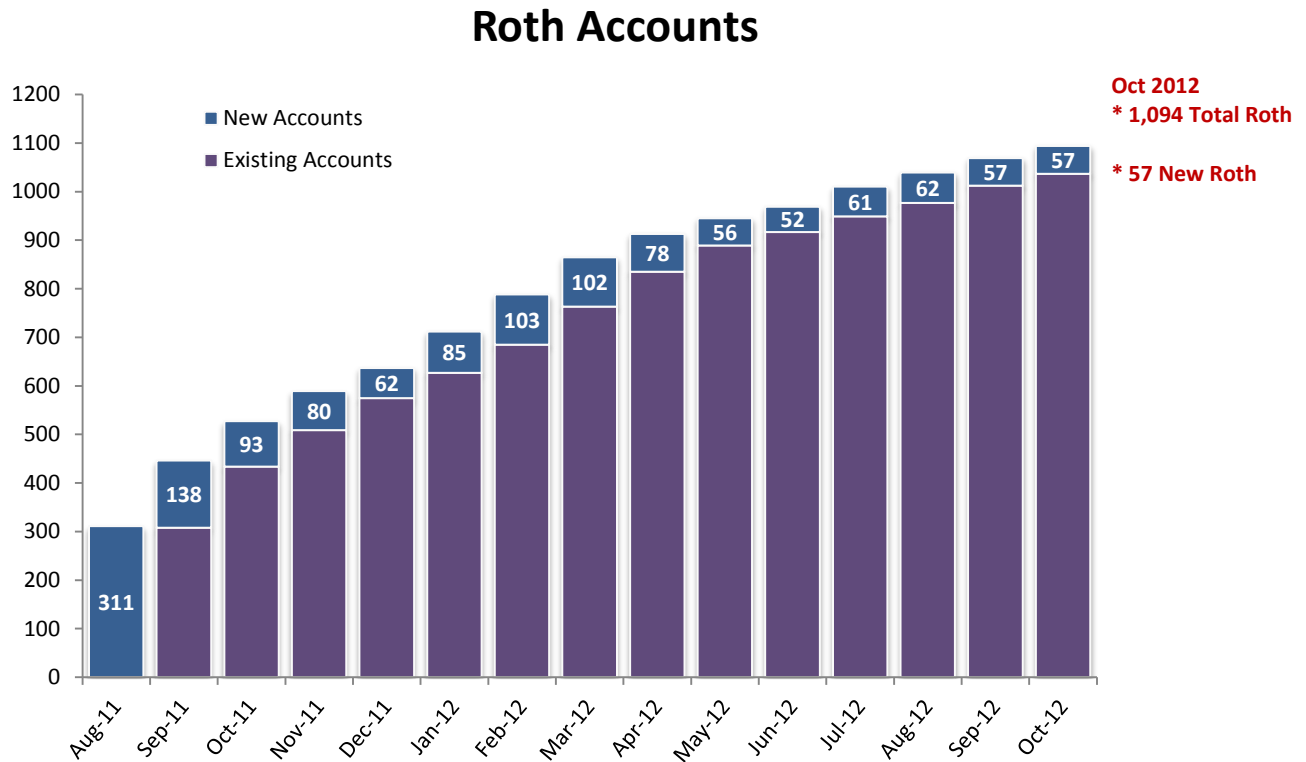
Staff has compiled the following results of bi-weekly deferral cash flows for the month of October 2012 for the City of Los Angeles and Department of Water and Power (DWP). During the month of October, the City and DWP deferred **\$19,217,617** into the Deferred Compensation Plan. This compares to **\$12,919,826** in October 2011; please note that in 2012 there were three pay days in October.

### 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 October 2012, there were 57 new Roth accounts established. There are currently a total of 1,094 Roth accounts. This constitutes a **3.8%** participation rate of the 28,717 employees contributing to the plan<sup>1</sup>. The chart below illustrates the number of new Roth deferral accounts since August 2011.



<sup>1</sup> 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 10/01/12 through 10/31/12)

DCP						
Legend:						
G = Governance						
C = Communications						
P = Procurements/Contracts						
A = Administration						
COMPLETED PROJECTS: OCTOBER 2012						
#	STATUS		PROJECT	DUE DATE	COMPLETED	NOTES
1	Completed	C	FDIC Savings Account - Communication of Changes	10/31/12	10/12/12	N/A
2	Completed	A	Retiree Loans Functionality	10/31/12	10/29/12	N/A
3	Completed	G	Minutes - September 2012 BDCA Meeting	10/31/12	10/09/12	N/A
4	Completed	G	Board Report - Proposed Education Program FY 13/14	10/31/12	10/09/12	N/A
5	Completed	G	Board Report - Quarterly Communications Update	10/31/12	10/09/12	N/A
6	Completed	G	Board Report - Contract Monitoring	10/31/12	10/09/12	N/A
7	Completed	C	National Save for Retirement Week - Promotion	10/19/12	10/19/2012	N/A
8	Completed	C	3Q 2012 Great-West Newsletter	10/19/12	10/19/2012	N/A
PENDING PROJECTS						
#	STATUS		PROJECT	DUE DATE	COMPLETED	NOTES
1	PENDING	C	Board Report - Fee Disclosure to Non-Participants Communications & Special Mailing	11/30/12		Pending
2	PENDING	G	Board Report - Quarterly Reimbursements for 06/30/12	11/30/12		Pending
3	PENDING	G	Minutes 10-16-12 Meeting	11/30/12		Pending
4	PENDING	G	Board Report - EIN Request	11/30/12		Pending
5	PENDING	G	Board Report - Plan Document Revisions (Loans)	11/30/12		Pending
6	PENDING	G	Board Report - Strategic Plan V	11/30/12		Pending
7	PENDING	G	Board Report - Staff Report November	11/30/12		Pending
8	PENDING	G	Board Report - Web Conversion Update	11/30/12		Pending
9	PENDING	G	Board Report - Retirement Calculator Update	11/30/12		Pending
10	PENDING	G	Board Report - Historical Contribution History	11/30/12		Pending
11	PENDING	G	Board Report - Contractor Evaluation Policy	11/30/12		Pending
12	PENDING	C	Draft Citywide Memo re Marketing by Non-Contracted Financial & Benefit Services Providers	11/30/12		Pending

13	PENDING	A	Online Distribution Functionality	11/30/12		Great-West reviewing functionality
14	PENDING	P	Consulting Contract - Mercer Consulting	11/30/12		Pending
15	PENDING	P	Great-West Contract Amendment Extension PSP Services 2012-2016	11/30/12		Pending
16	PENDING	G	Board Report - DROP Mailing	11/30/12		Draft materials developed and now being revised
17	PENDING	C	Quarterly Communications/Admin Meeting	11/30/12		Pending
18		G	Minutes - 11/20/12 Meeting	12/31/12		Pending
19		G	Board Report - Investment Services RFP	12/31/12		Pending
20	PENDING	G	Investments Committee Meeting: Investment Policy Statement - Termination	12/31/12		Pending
21	PENDING	G	Annual Report 2011 - PSP	12/31/12		Pending
22	PENDING	C	Board Report - Social Media Options	12/31/12		Pending
23	PENDING	C	Online Enrollment Communications Document	12/31/12		Pending
24	PENDING	C	Online Distribution Communications Document	12/31/12		Pending
25	PENDING	C	DCP Bi-Monthly Newsletter	12/31/12		Pending
26	PENDING	C	DCP Participant Photos/Stats for Newsletter	12/31/12		Pending
27	PENDING	A	Retirement Calculator - Develop Prototype w/Great-West	12/31/12		Pending
28	PENDING	G	Board Report - review of consistency of access to separating City employees	01/31/13		Pending
29	PENDING	C	Create Catch-Up Flyer Incorporating Roth	01/31/13		Pending
30	PENDING	C	Loan Highlights Flier Revisions	01/31/13		Pending
31	PENDING	G	Board Report - Contribution History & Rollovers	01/31/13		Pending
32	PENDING	G	Board Report - In-Kind Transfers from SDBO	01/31/13		Pending
33	PENDING	G	Board Report - SAS Form from Great-West	01/31/13		Pending
34	PENDING	A	Domestic Partners Research and Discussion with City Attorney and California Peers	01/31/13		Pending
35	PENDING	C	Revise Distribution Form	01/31/13		Pending
36	PENDING	C	Revise Enrollment Guide	01/31/13		Pending
37		G	Board Report - Retirement/Pension System Retired Loan Payments	01/31/13		Pending
38	PENDING	G	Roth Conversion Form & Process	01/31/13		Pending

39	PENDING	G	Review and report back on City of New York financial advice program	01/31/13	Pending
40	PENDING	G	Board Report - Merrill Lynch - Communication to Outside Vendors	01/31/13	Pending
41	PENDING	G	Beneficiary Addresses	01/31/13	Pending
42	PENDING	G	Review and report back on PIMCO hedge fund strategy	01/31/13	Pending
43	PENDING	C	Communications Plan: List of alternative DC publications and outlets (LACERS, Pensions, Union pubs, etc.)	01/31/13	Pending
44	PENDING	G	Board Report - Auto Glide-Path for Asset Allocation Funds	02/28/13	Pending
45	PENDING	G	Board Report - Proxy Share Voting	02/28/13	Pending
46	PENDING	C	Meet Your Rep Online Calendar	02/28/13	Pending
47	PENDING	C	DROP Brochure Ad	02/28/13	Pending
48	PENDING	C	DROP Brochure	02/28/13	Pending
49	PENDING	C	Website Conversion	02/28/13	Pending
50	PENDING	C	P&I Innovator Awards	02/28/13	Pending
51	PENDING	C	Notification of Participants - Catch-Up Eligibility	02/28/13	Pending
52	PENDING	C	Pre-Audit Testing - Phase II	02/28/13	Pending
53	PENDING	C	Revise Pension Savings Plan Highlights	02/28/13	Pending
54	PENDING	C	MarCom 2012 Awards	02/28/13	Pending
55	PENDING	G	Retirement Plan Summit	02/28/13	Pending
56	PENDING	G	Revisit Plan Audit	02/28/13	Pending
57	PENDING	A	PSP Account Consolidation	02/28/13	Pending
58	PENDING	G	Research adding other Plan type in order to increase savings opportunities (from 8/21/12 BDCA meeting)	02/28/13	Pending
59	PENDING	G	Statistical Project: Refined Count of Non-Contributing Participants	02/28/13	Pending
60	PENDING	G	Board Report - Transition Manager Procurement	02/28/13	Pending
61	PENDING	G	Deemed IRA Implementation	02/28/13	Pending
62	PENDING	C	3Q 2012 Great-West Newsletter	02/28/13	Pending
63	PENDING	C	Eddy 2013 Awards	02/28/13	Pending



64	<b>PENDING</b>	A	Online Enrollment Functionality	02/28/13	Staff tested web functionality, errors identified; Great-West reviewing
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**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