

# DEFERRED COMPENSATION PLAN BOARD REPORT 13-19

Date: April 16, 2013  
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:

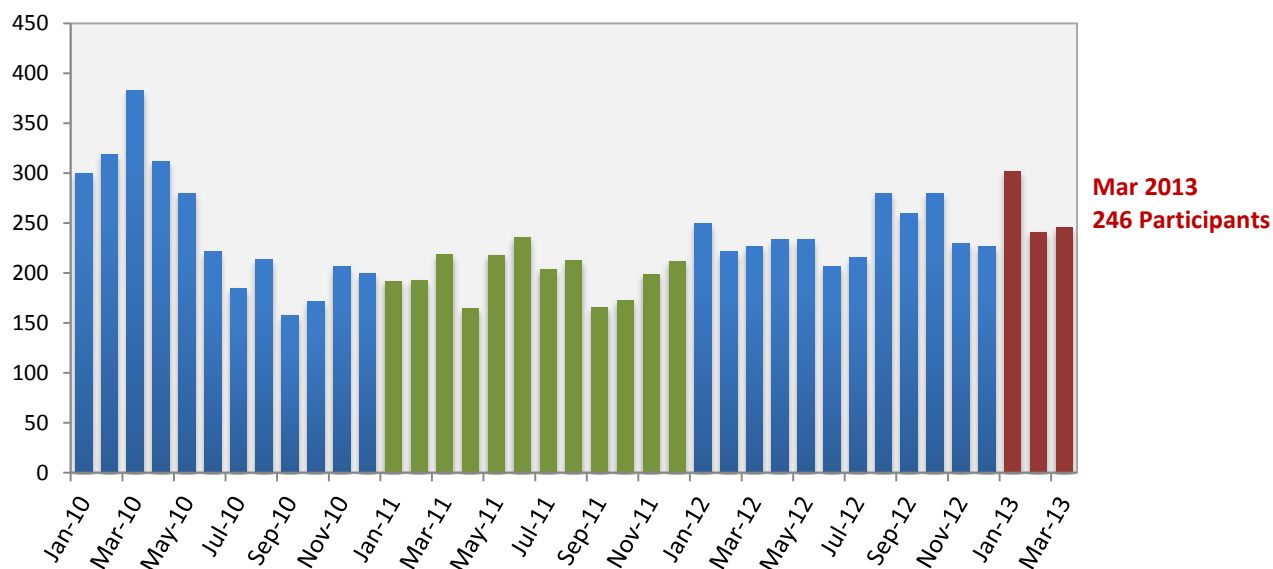
That the Board of Deferred Compensation Administration receive and file the following information.

## Activity Reports:

### **Counter Activity Employee Benefits Division**

Staff has compiled the following results of Counter Activity flow for the month of March 2013. During the month of March, 246 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 January 2010 through March 2013:

## Counter Activity

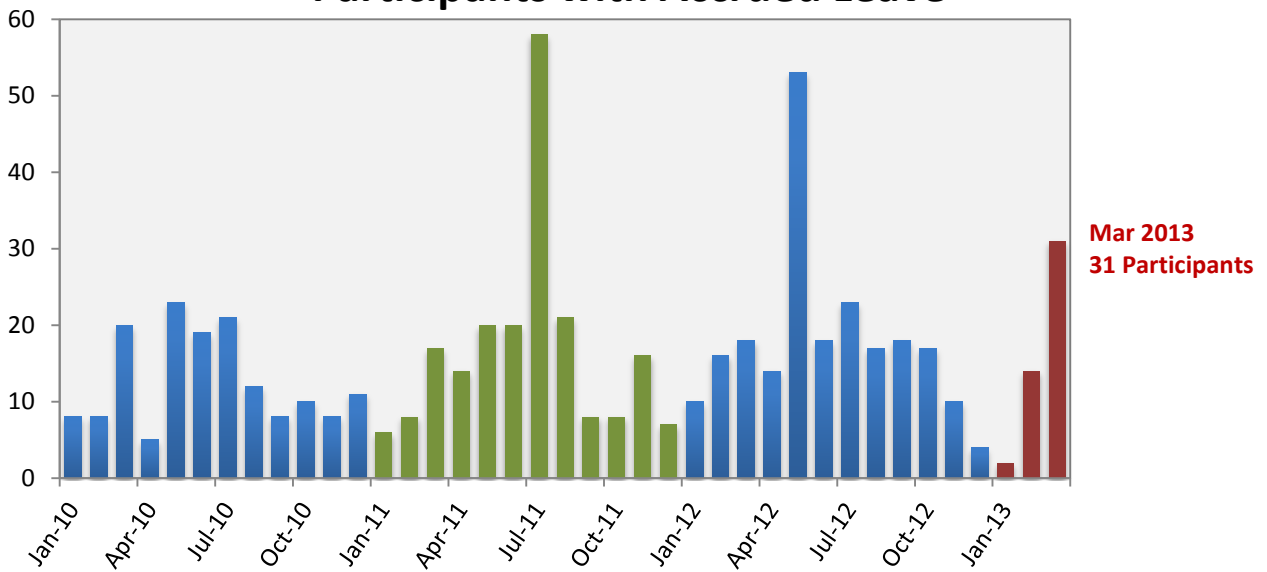


### Accrued Leave Activity

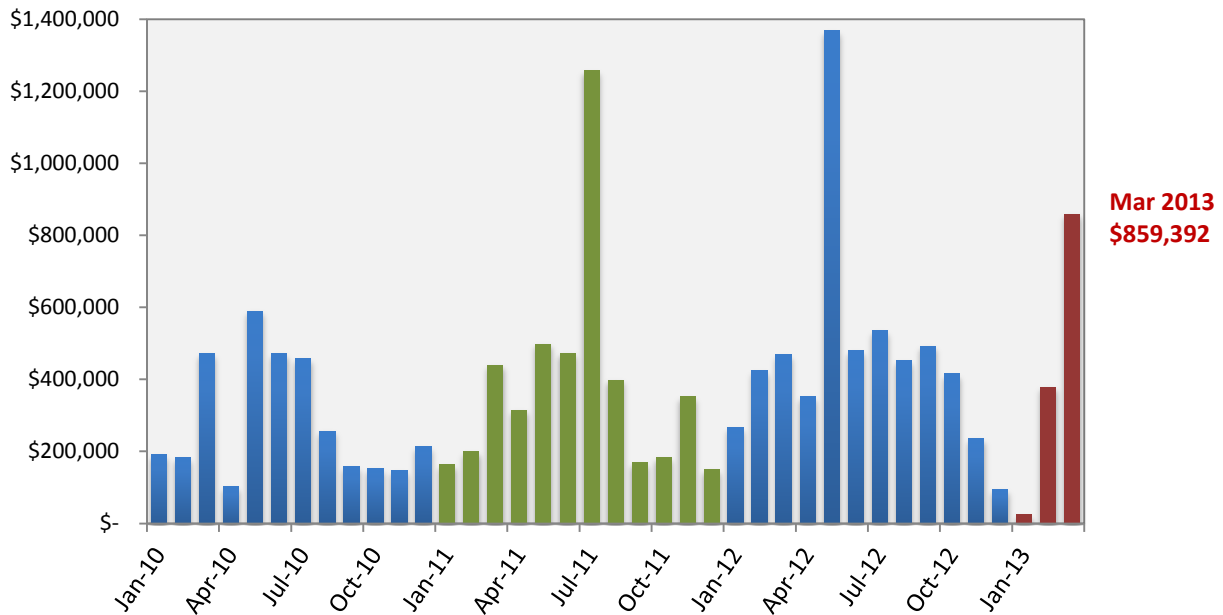
Staff has compiled the following results of Accrued Leave enrollment for the month of March 2013. During the month of March, 31 participants elected to enroll in Accrued Leave and **\$859,392** was contributed into the Plan from their Accrued Leave payouts.

Following are accrued leave activity results from January 2010 to March 2013:

### Participants with Accrued Leave

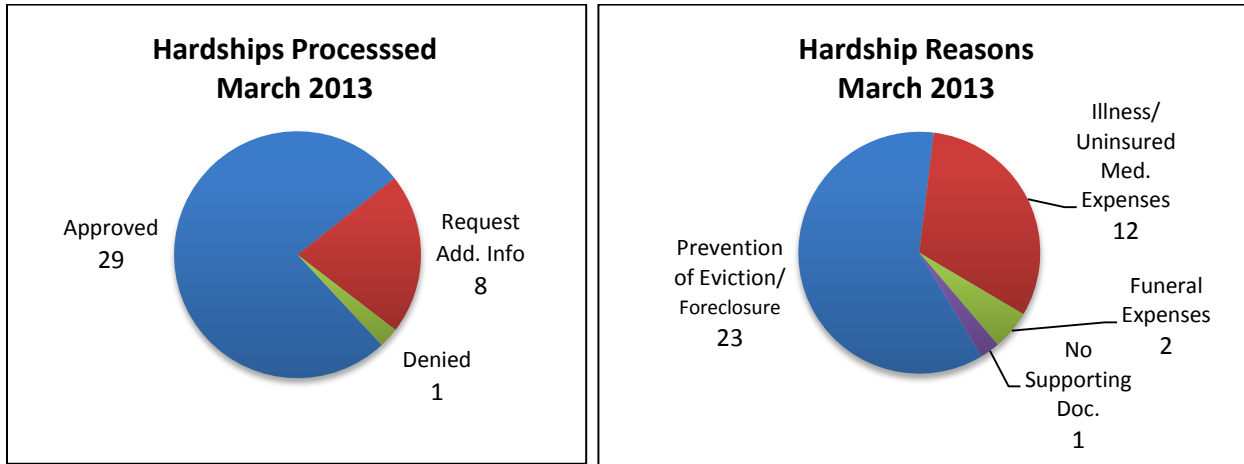


### Accrued Leave Deferral Amounts

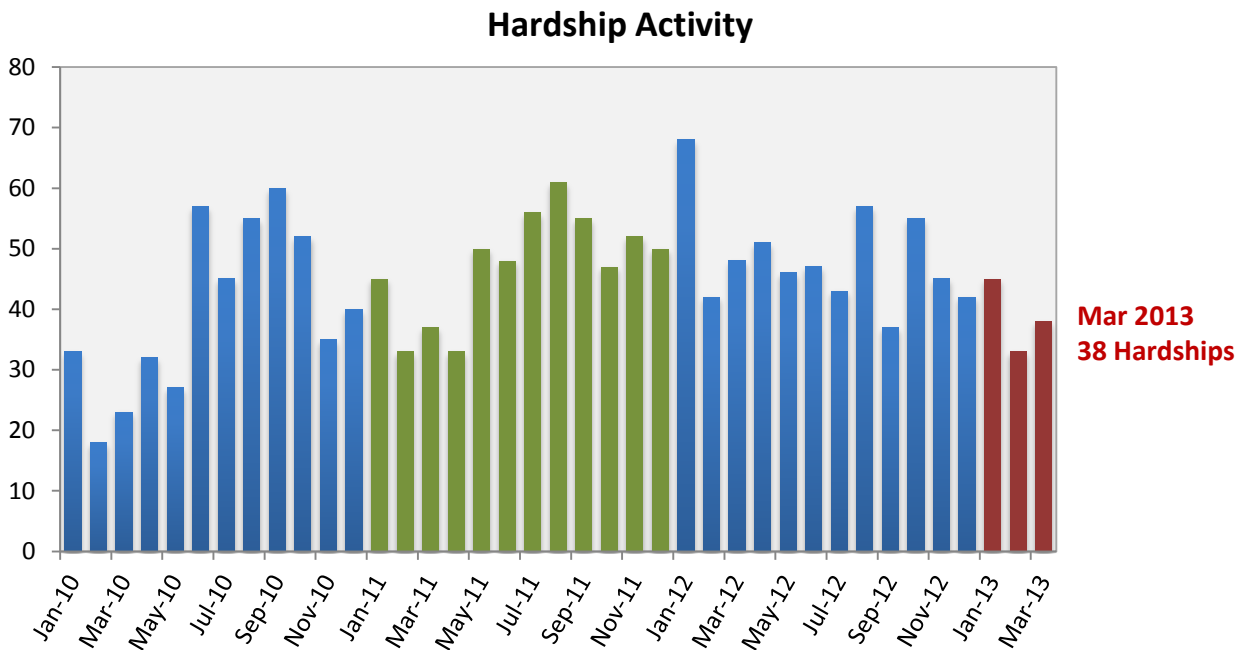


## Hardship Activity

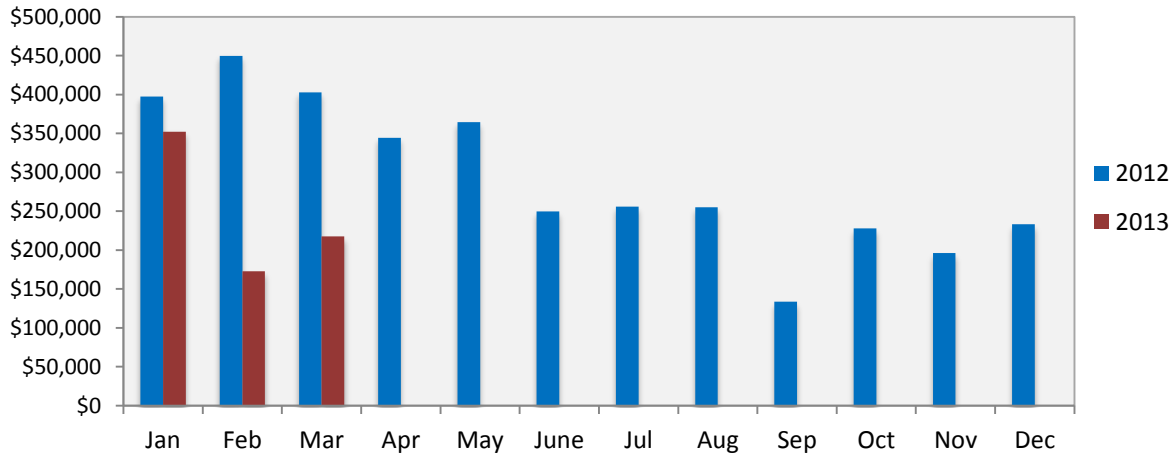
Staff has compiled the following results of hardship processing with Great-West for the month of March 2013. During the month of March, 38 hardship cases were submitted to Great-West. There were 29 cases approved, 8 cases pending further documentation, and one case that was denied. The dollar amount for hardships withdrawn from the plan in March 2013 was approximately **\$217,483**.



Following are hardship activity results from January 2010 to March 2013:



### Hardship Dollars Disbursed

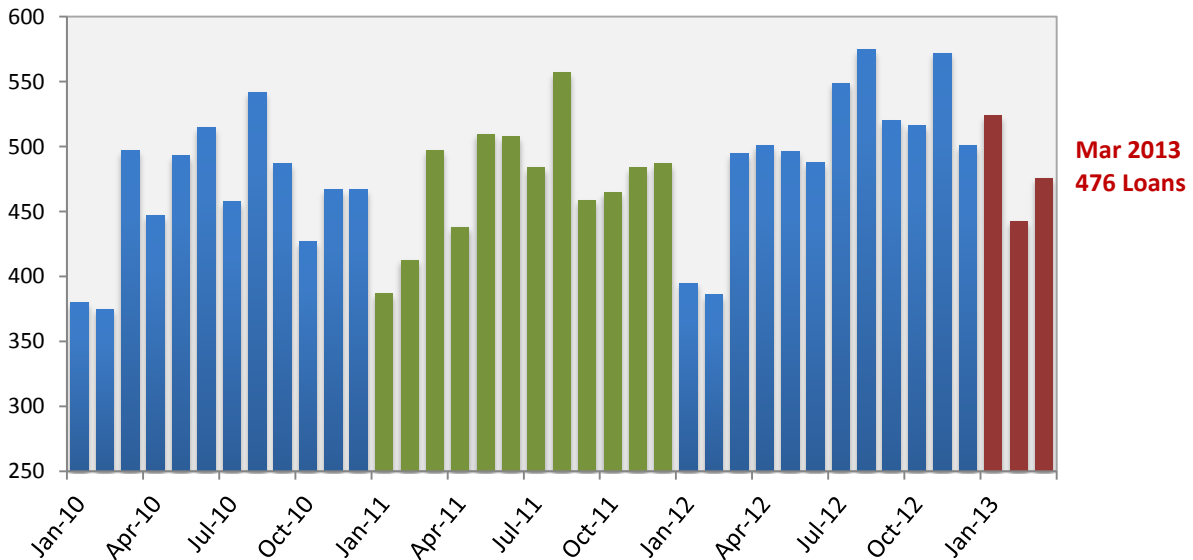


### Loan Activity

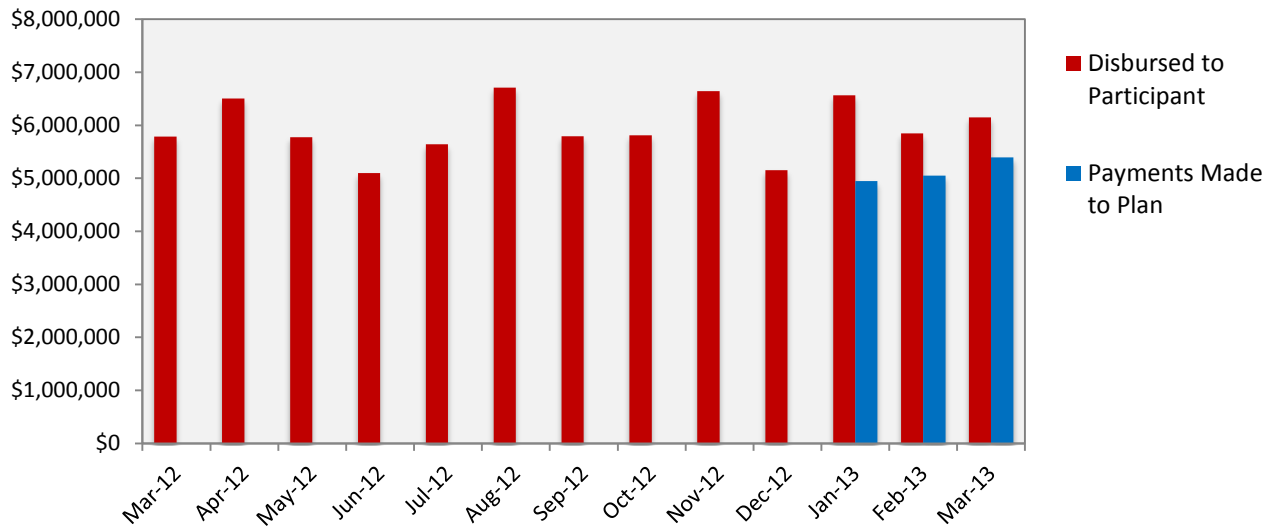
#### For Active Employees

Staff has compiled the following results of new loans acquired by active employees for the month of March 2013. During the month of March, 476 active employees elected to obtain a new loan and **\$6,147,871** was withdrawn from the Plan for their loan payouts.

### Loan Activity



### Loan Dollars



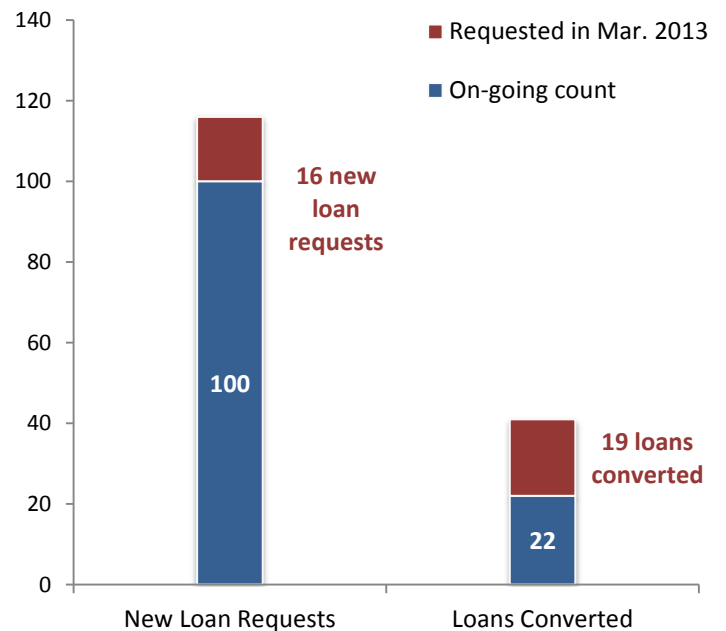
### For Retirees or Terminated Employees

In October 2012, the Plan introduced the availability of loans for participants who are retired or otherwise separated from City service. Participants electing this option may pay back the amount borrowed from their account in monthly installments, either by check or by automated payment from their bank account. Additionally, employees who have active loans may, upon retirement or separation of service, request conversion to a retiree loan in order to continue payments rather than requesting a loan offset.

In March 2013, staff processed 16 new loan requests and 19 requests for loan conversion. **To date, staff has processed a total of 116 requests for retiree loans and 41 requests for conversion.**

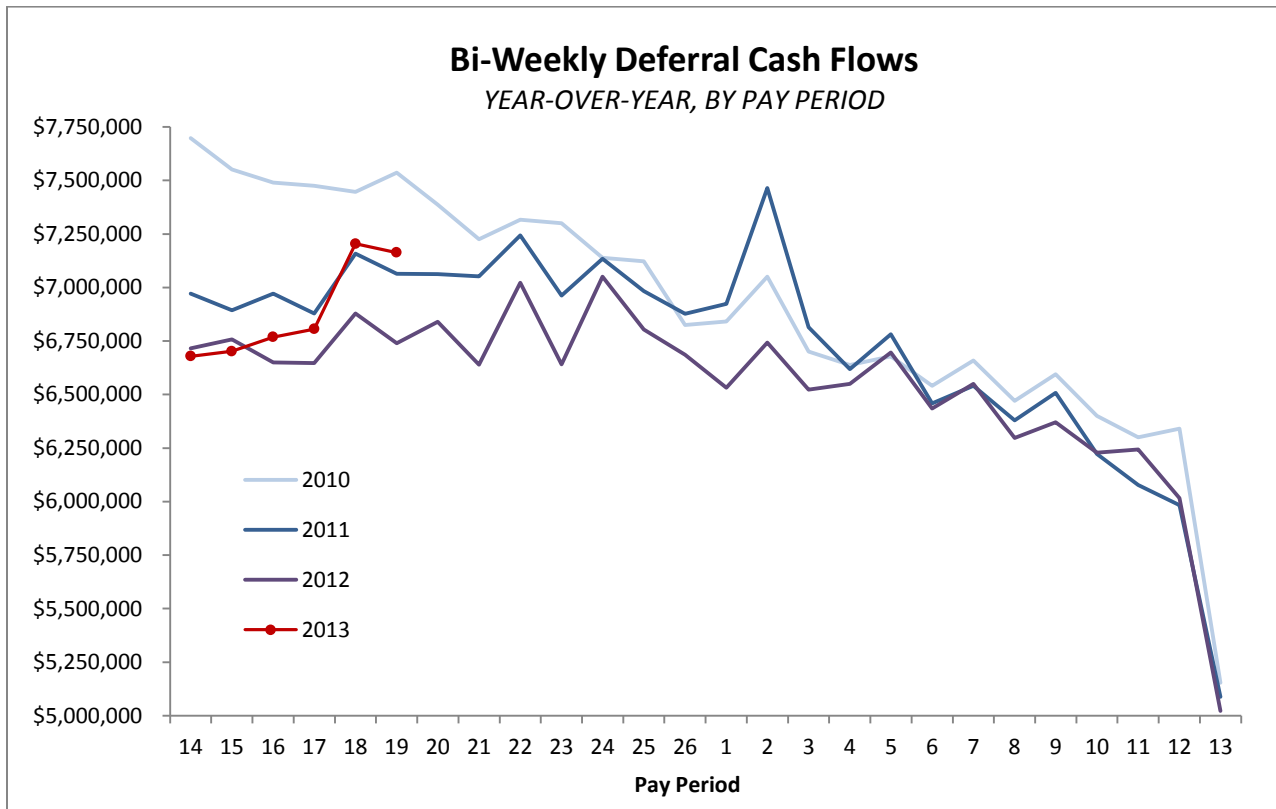
### Retiree Loan Count

*since Oct. 2012*



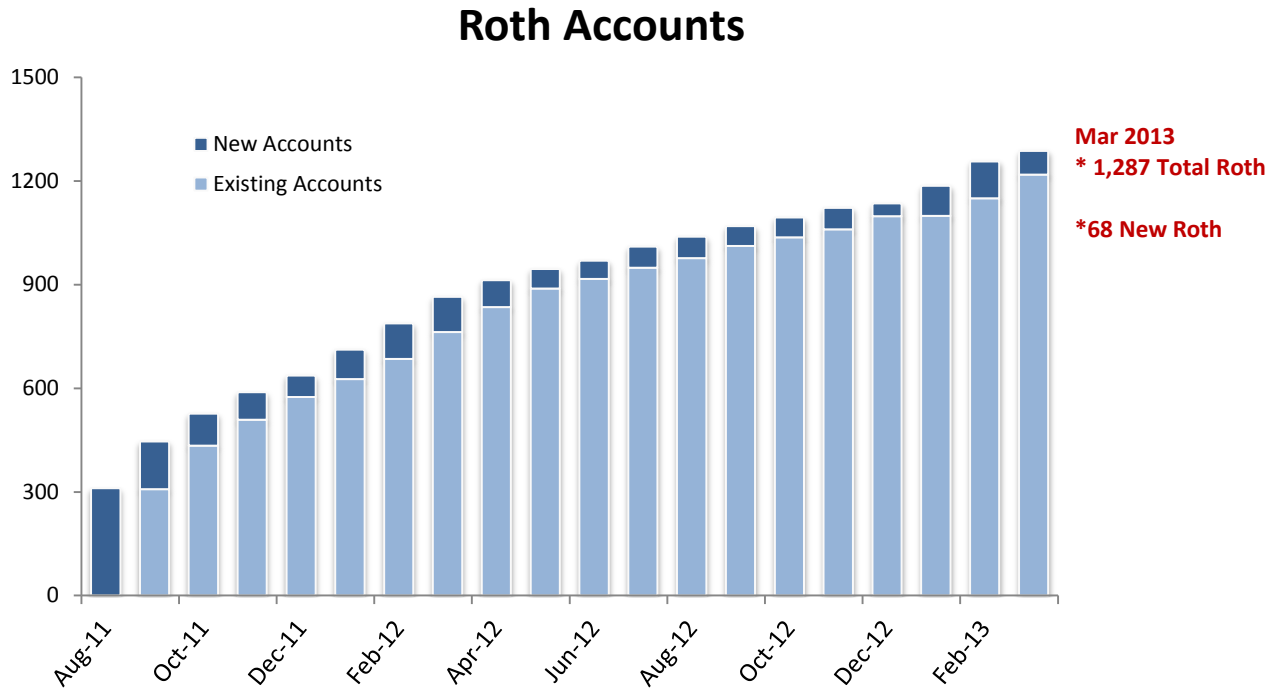
## Deferral Tracking

Staff has compiled the following results of bi-weekly deferral cash flows for the month of March 2013 for the City of Los Angeles and Department of Water and Power (DWP). During the month of March, the City and DWP deferred **\$ \$14,367,517** into the Deferred Compensation Plan. This compares to **\$13,618,392** in March 2012, which constitutes a **5.5% increase**, 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 March 2013, there were 68 new Roth accounts established. There are currently a total of 1,287 Roth accounts. This constitutes a **4.5%** participation rate of the 28,514 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 28,514 employees contributing to the Plan as of 12/31/2012 (Great-West Quarterly Report).

**PROJECT UPDATE**  
 (reflects project activity for period 3/1/13 through 3/31/13)

DCP						
Legend:						
G = Governance						
C = Communications						
O = Operations						
A = Administration						
COMPLETED PROJECTS: MARCH 2013						
#	STATUS		PROJECT	DUE DATE	COMPLETED	NOTES
1	Completed	G	Board Training - Deflation, Inflation & Real Assets	03/31/13	3/13/2013	N/A
2	Completed	C	Board Report - Tax Counsel	03/31/13	3/13/2013	N/A
3	Completed	C	Board Report - Staff Report February 2013	03/31/13	3/13/2013	N/A
4	Completed	G	Minutes - 02/21/12 BDCA Meeting	03/31/13	3/13/2013	N/A
5	Completed	C	DCP Mid-Cap Fund Sheet Update	03/31/13	3/13/2013	N/A
6	Completed		Complete Prototype Retirement Illustration Calculator	03/31/13	3/13/2013	N/A
PENDING PROJECTS						
#	STATUS		PROJECT	DUE DATE	COMPLETED	NOTES
1	PENDING	G	Minutes - 03/19/13 Board Meeting	03/31/13		Pending
2	PENDING	G	2013 DCP Annual Report	03/31/13		Pending
3	PENDING	C	Board Report - Calculator & Tune-Up Update	03/31/13		Pending
4	PENDING	G	Board Report - NAGDCA Legislative Update	03/31/13		Pending
5	PENDING	A	Board Report - Quarterly Budget Review 12/31/12	03/31/13		Pending
6	PENDING	C	Board Report - Quarterly Communications Update	03/31/13		Pending
7	PENDING	G	Board Report - Quarterly Contract Status Update	03/31/13		Pending
8	PENDING	G	Board Report - Staff Report March 2013	03/31/13		Pending
9	PENDING	G	Bank of the West Contract Amendment	04/30/13		Pending
10	PENDING	G	Board Report - Plan Document Revisions (Loans)	04/30/13		Pending
11	PENDING	G	Board Report - Historical Contribution History	04/30/13		Pending
12	PENDING	G	Board Report - Contractor Evaluation Policy	04/30/13		Pending
13	PENDING	G	Board Report - Covered Calls and Protective Puts w/in SDBO	04/30/13		Pending
14	PENDING	G	Board Report - DROP Mailing	04/30/13		Draft materials developed and now being revised



15	PENDING	C	Draft Citywide Memo re Marketing by Non-Contracted Financial & Benefit Services Providers	04/30/13		Pending
16	PENDING	C	SDBO Fund Sheet Update	04/30/13		Update for addition of PCRA Roth
17	PENDING	A	Retirement Calculator - Develop Prototype w/Great-West	05/31/13		Pending
18	PENDING	C	"Tune-Up My Account" Web-Interactive Tool, initial draft	05/31/13		Pending
19	PENDING	C	Newsletter - 1st Quarter 2013	05/31/13		Pending; to mail first week of April
20	PENDING	A	Online Distribution Functionality	05/31/13		Great-West reviewing functionality
21	PENDING	A	Finalize Consulting Contract w/Mercer Consulting	05/31/13		Pending Mayor's Office Approval
22	PENDING	A	Great-West Contract Amendment Extension PSP Services 2012-2016	05/31/13		Pending
23	PENDING	G	Review of CA Governmental Plan - Demographic Files	05/31/13		Pending
24	PENDING	C	Board Report - EZ Enrollment Form	05/31/13		Pending
25	PENDING	G	Investments Committee Meeting: Investment Policy Statement - Termination	05/31/13		Pending
26	PENDING	G	Annual Reports 2011 and 2012 - PSP	05/31/13		Pending
27	PENDING	C	Board Report - Social Media Options	06/30/13		Pending
28	PENDING	C	Online Distribution Communications Document	06/30/13		Pending
29	PENDING	C	Quarterly Communications/Admin Meeting	06/30/13		Pending
30	PENDING	G	Board Report - review of consistency of access to separating City employees	06/30/13		Pending
31	PENDING	C	Create Catch-Up Flyer Incorporating Roth	06/30/13		Pending
32	PENDING	C	Loan Highlights Flier Revisions	06/30/13		Pending
33	PENDING	G	Board Report - Contribution History & Rollovers	06/30/13		Pending
34	PENDING	G	Board Report - SAS Form from Great-West	06/30/13		Pending
35	PENDING	O	Domestic Partners Research and Discussion with City Attorney and California Peers	06/30/13		Pending
36	PENDING	C	Revise Distribution Form	06/30/13		Pending
37	PENDING	C	Revise Enrollment Guide	06/30/13		Pending
38	PENDING	G	Board Report - Retirement/Pension System Retired Loan Payments	06/30/13		Pending

39	PENDING	G	Board Report - Quarterly Contract Update	07/31/13		Pending
40	PENDING	G	Beneficiary Addresses Implementation	07/31/13		Pending
41	PENDING	C	DCP Glossary	07/31/13		Pending
42	PENDING	G	Review and report back on City of New York financial advice program	07/31/13		Pending
43	PENDING	G	Review and report back on PIMCO hedge fund strategy	07/31/13		Pending
44	PENDING	C	Communications Plan: List of alternative DC publications and outlets (LACERS, Pensions, Union pubs, etc.)	07/31/13		Pending
45	PENDING	G	Board Report - Proxy Share Voting	07/31/13		Pending
46	PENDING	C	DROP Brochure Ad	07/31/13		Pending
47	PENDING	C	DROP Brochure	07/31/13		Pending
48	PENDING	C	Notification of Participants - Catch-Up Eligibility	07/31/13		Pending
49	PENDING	C	Pre-Audit Testing - Phase II	07/31/13		Pending
50	PENDING	C	Revise Pension Savings Plan Highlights	07/31/13		Pending
51	PENDING	G	Revisit Plan Audit	07/31/13		Pending
52	PENDING	A	PSP Account Consolidation	07/31/13		Pending
53	PENDING	G	Research adding other Plan type in order to increase savings opportunities (from 8/21/12 BDCA meeting)	07/31/13		Pending
54	PENDING	G	Statistical Project: Refined Count of Non-Contributing Participants	07/31/13		Pending
55	PENDING	G	Board Report - Transition Manager Procurement	07/31/13		Pending
56	PENDING	G	Deemed IRA Implementation	07/31/13		Pending
57	PENDING	C	Eddy 2013 Awards	07/31/13		Pending
58	PENDING	C	Online Enrollment Communications Document	07/31/13		Pending
59	PENDING	A	Online Enrollment Functionality	07/31/13		Staff tested web functionality, errors identified; Great-West reviewing
60	PENDING	C	Website Conversion	07/31/13		Pending
61	PENDING	C	DCP Bi-Monthly Newsletter	07/31/13		Pending
62	PENDING	G	Retirement Plan Summit	07/31/13		Pending

**Staffing Summary** – Following is a summary of staff positions supporting the Deferred Compensation Plan:

Position Authority	Incumbent Class	Function	Est. Percent Reimbursed by DCP	Staff Member
<b>Personnel</b>				
Chief Personnel Analyst	Chief Personnel Analyst	Division Chief	20%	Alejandrina Basquez
Senior Personnel Analyst II	Senior Personnel Analyst II	Plan Manager	60%	Steven Montagna
Senior Personnel Analyst I	n/a	Administration	100%	Vacant
Management Analyst II	Management Analyst II	Operations	90%	Natasha Gameroz
Management Analyst II	Personnel Analyst II	Communications	90%	Esther Chang
Benefits Specialist (prior incumbent left under ERIP)	Clerk Typist	Participant Services	90%	Claudia Guevara
<b>City Attorney</b>				
Assistant City Attorney	Assistant City Attorney	Board Counsel	25%	Curt Kidder
Legal Assistant	Legal Assistant	Participant Legal Services	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