

# Deferred Compensation Plan BOARD REPORT 13-31

Date: August 2, 2013  
To: Board of Deferred Compensation Administration  
From: Staff  
Subject: Amendment to Contract with Bank of America to Enhance Interest Crediting Rate

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  
Ray Ciranna  
Robert Schoonover  
Margaret Whelan

Recommendation:

That the Board of Deferred Compensation Administration approve a proposed amendment to the contract between the City of Los Angeles Deferred Compensation Plan and Bank of America reflecting a change to the interest crediting rate methodology; and authorize the Board Chairperson to execute the amendment, subject to final modification as to form by the City Attorney.

Discussion:

At the Board's December 18, 2012 meeting, the Board heard presentations from its bank deposit account providers on topics relevant to their savings products. Following this meeting and interaction with the Board, Bank of America indicated that it was incorporating an enhancement to its interest crediting methodology, increasing the credit rate by .02% from 10 basis points to 12. Staff informed the Board of this change at its February 19, 2013, meeting. The change became effective in February 2013.

Staff has been working to formalize this change in the form of a proposed contract amendment (see attached). The Board's legal counsel, Bank of America and the Personnel Department's Administrative Services Division (which assists in the contract development/execution process) have reviewed the attached draft and it is anticipated to be a proposed final document, subject to final City Attorney review.

Staff therefore recommends that the Board approve the proposed amendment. Staff further recommends that the Board authorize the Board Chairperson to execute the amendment, subject to final modification as to form by the City Attorney.

Submitted by: \_\_\_\_\_  
Steven Montagna

Approved by: \_\_\_\_\_  
Alejandrina Basquez