

Deferred Compensation Plan BOARD REPORT 14-27

Date: June 10, 2014
To: Board of Deferred Compensation Administration
From: Staff
Subject: Quarterly Communications Activity Report

*Board of Deferred
Compensation Administration
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Recommendation:

That the Board of Deferred Compensation Administration receive and file this quarterly communications activity update report for the 4th quarter of 2013 and 1st quarter of 2014.

Discussion

Communications is a priority area of focus for the Employee Benefits Division and the Deferred Compensation Plan. Effective communications are the key to achieving successful participant outcomes. Following is a summary of some of the most significant current and ongoing communication projects for the Deferred Compensation Plan:

1. National Save 4 Retirement Week – Retirement Projection Calculator

Two key metrics for measuring success in meeting the core mission of the Deferred Compensation Plan are Engagement and Awareness. The Plan's Retirement Income Projection Calculator is perhaps the most critical tool for enhancing engagement and awareness, as its individualized results drive essentially all of the key participant behaviors needed to achieve retirement income security. As a result, staff is proposing to place the calculator at the center of this year's promotional efforts for National Save 4 Retirement Week (NS4RW), which takes place from October 19th to October 25th. Staff is developing a proposal for a promotional campaign (likely involving some kind of incentives) that will provide incentives for participants to use the calculator during NS4RW and report on their projected retirement income replacement percentage. This would serve two primary objectives: promoting awareness of the factors relevant to achieving retirement income security, as well as promoting expanded use by more Plan participants of the Plan website, which is a primary engagement tool. Staff will provide a report and recommendations related to this campaign at the next Board meeting.

2. Retirement Calculator and Account Management Web Tools

Staff began monitoring participant usage of both web tools after they launched with the new Deferred Compensation Plan website on October 31.

- Through the end of May there have been 15,003 unique sessions of the **retirement calculator web tool**, involving 7,134 unique users. The unique users represent approximately 59% of the average number of unique regular users of the Plan website.
- Through the end of May there have been 6,296 unique sessions of the **account management review web tool**, involving 4,269 unique users. The unique users of this tool represent approximately 35% of the average number of unique regular users of the Plan website.
- The number of total unique users of the Plan's website represents approximately 30% of total Plan participants.

3. Website Updates

Staff worked with Great West staff to identify changes and updates to the newly launched website at www.cityofla457.com including text and format changes, web banner and bulletin updates, and functionality improvements. Staff will continue to review and update the website on a regular and frequent basis moving forward.

4. Webinars/Video/Audio Educational Tools

Staff is still exploring the feasibility of developing webinars and other electronic media to use as new communication and educational/informational tools. Included among these options is the use of video and/or audio education modules, and video tutorials for website functionality education.

5. Newsletters

Staff released the fourth quarter 2013 newsletter which was mailed to participants on January 27 2014. This newsletter was mainly focused on saving options and contributions and the main article covered saving pre-tax and after tax (Roth). Additional articles included a 2014 contribution limit announcement, 2014 Board elections announcement, 2013 retirement savers credit notice, cyber smart web tips for account maintenance, and a participant corner.

Staff also released the first quarter 2014 newsletter which was mailed to participants on April 21, 2014. The newsletter was mainly focused on investments and included a main article on managing investments as well as a cyber-smart web tips article on investment tiles. Additional articles included an electronic acceleration article announcing the mobile optimized site and other electronic enhancements, and a 2014 elections update.

Staff is also working with Great West in developing an enhanced electronic version of the newsletter, as discussed by Great West during their presentation at the Boards' November 2013 special meeting. Staff anticipates that the new electronic version will go live later in 2014.

6. Plan Communication Pieces

a) **Communication Rebranding - pending**

With the launch of the new website theme completed, staff continues to work to redesign the remaining flyers and publications which still exist in the former “premiere” theme which include, but are not limited to: Enrollment form, Enrollment Guide, Distribution Guide, Accrued Leave and Catch-up, and Plan Highlights.

b) **Communication Rebranding – completed**

Staff has completed the process of incorporating the new theme and imagery into some of the Plan’s communication materials. The following flyers have been completed and posted to the website:

2014 Contribution Limits



New Web Tools

This flyer introduces new web tools for the City of Los Angeles Deferred Compensation Plan. It highlights three main tools: 1. Retirement Income Projection Calculator, which helps users estimate their future retirement income. 2. 'How Am I Doing?' Account Management Tool, which provides a snapshot of account performance. 3. Deferred Compensation Plan Contact Information, which lists key personnel and contact details. The flyer includes 'Try Me Out' buttons for each tool.

Protecting Plan Assets

This flyer focuses on protecting plan assets. It discusses the importance of asset protection and provides information on how to safeguard investments. It includes a section on 'Protecting Your Investments' and contact information for the City of Los Angeles.

Drop Seminar Calendar

This flyer provides a calendar of seminars for the City of Los Angeles Deferred Compensation Plan. It lists the dates and topics for seminars held from January to December 2014. The flyer also includes contact information for the City of Los Angeles.

3-Legged Stool

This flyer uses the metaphor of a '3-Legged Stool' to explain the importance of a diversified retirement strategy. It identifies three key components: 1. Equity Investments, 2. Fixed Income Investments, and 3. Real Estate Investments. The flyer includes a photograph of a three-legged stool and contact information for the City of Los Angeles.

20/20 Vision Flyer

This flyer discusses the '20/20 Vision' strategy for retirement. It explains how to use the City of Los Angeles Deferred Compensation Plan to achieve financial goals. The flyer includes a table showing the potential accumulation of \$200,000 over time and contact information for the City of Los Angeles.

Deferring Extra Pay

This flyer explains the benefits of deferring extra pay into the City of Los Angeles Deferred Compensation Plan. It highlights how deferring extra pay can help reduce current taxable income and grow the investment over time. The flyer includes contact information for the City of Los Angeles.

Loan Highlights

This flyer provides an overview of the loan program for the City of Los Angeles Deferred Compensation Plan. It details the types of loans available, the interest rates, and the repayment process. The flyer includes contact information for the City of Los Angeles.

Retire Loan Highlights

This flyer highlights the benefits of the retire loan program for the City of Los Angeles Deferred Compensation Plan. It explains how retirees can access their funds for various needs and the advantages of using the plan's funds. The flyer includes contact information for the City of Los Angeles.

7. Employee Benefits Landing Page

The Employee Benefits Division of the Personnel Department developed a landing page – home page which provides a main menu and acts as the beginning point for navigation to all benefit division website materials - for its internet and intranet websites which launched in mid April 2014. The new website includes enhancements for showcasing information about employee benefits. The Deferred Compensation Plan section of the website retains all its prior information and the site includes the ability for adding news and events of the Plan. Since its April launch, this site has received a total of 8,335 hits. The site also includes a survey which, to date, has been completed by 22 respondents. 95% of survey respondents indicated that they were “very interested” in retirement benefits and that they would most likely frequent the website to find benefit information.

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