

Deferred Compensation Plan BOARD REPORT 15-16

Date: February 5, 2015
To: Board of Deferred Compensation Administration
From: Staff
Subject: Staff Report – Projects & Activity Report

Board of Deferred
Compensation Administration
Eugene K. Canzano, Chairperson
John R. Mumma, Vice-Chairperson
Cliff Cannon, First Provisional Chair
Tom Moutes, Second Provisional Chair
Michael Amerian, Third Provisional Chair
Ray Ciranna
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Wendy G. Macy
Robert Schoonover

Recommendation:

That the Board of Deferred Compensation Administration receive and file staff's update on Plan projects and activities during January 2015.

Discussion

This report provides updates and informational items relative to the following:

A. CURRENT/UPCOMING PROJECTS & BOARD MEETING CALENDAR

Projects – Personnel Department staff are responsible for four primary functions relative to executing the City's Deferred Compensation Plan: communications, operations, administration, and governance. Below are some key projects that staff have been working on:

Communications

- *Fund Change:* Staff finalized the 4th Quarter 2014 newsletter, which included information related to the March 20, 2014 fund change. Staff is additionally working to complete all communications items related to this change: web bulletin, custom web page, fund sheet updates, and targeted communications.
- *Beneficiary Updates:* Staff is in the process of reviewing reports generated by Empower Retirement (Empower) related to beneficiary designation information. Based on analysis of this data, staff will be developing a communication action plan to encourage participants to update this information.

Operations

- *Auto-Enrollment:* Staff is working with Empower to set up a project timeline for the implementation of auto-enrollment and adding language to the Plan Document. Below are answers to questions the Board asked at its last meeting regarding the auto-enrollment timeline for participants:

1. What is the minimum and maximum number of lead days allowable?

Answer: Most plans use between 30-60 days.

2. If a participant makes a change to their account during the 90-day permissible withdrawal window, does the permissible withdrawal provision still apply?

Answer: Yes. AEP participants may still withdraw during this window even if they made a change to their contribution amount.

- Has Empower made progress regarding the ability to allow Roth as an auto-enroll contribution type?

Answer: Empower has indicated that they will continue to monitor their organization's need for this feature (there are currently no other plans that are implementing this) and relay the City's desire to have Roth as an option for auto-enrollment.

Staff is additionally finalizing a notice to the CAO's Office documenting recent labor organization discussions as well as in the process of identifying a pilot group.

Administration

- Procurements:* Staff is coordinating two procurement processes: one for the Stable Value Fund management and the other for Plan consulting services. Stable Value Fund manager responses are due February 19th and the consulting services RFP responses are due on April 2nd.
- CAP Rate:* Staff is still in the process of researching ways to develop a separate CAP rate for the Plan and will have a further update on this matter at the Board's March meeting.

Governance

- Plan Document:* Staff is working to craft language to revise the Plan Document related to auto-enrollment, in-plan Roth conversion, and beneficiary claims.

A summary of all completed and upcoming projects for Division staff is provided as Attachment A.

Meeting Calendar – Staff maintains a calendar of upcoming Board meetings and proposed topics. This calendar includes the annual meeting plan and will be refined and updated as the Board meets and objectives/assignments are refined for the coming year. The current calendar is provided as Attachment B.

B. STAFFING AND COMMITTEE ASSIGNMENTS

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
Personnel				
Chief Personnel Analyst	Chief Personnel Analyst	Division Chief	20%	Steven Montagna
Senior Personnel Analyst II	n/a	Plan Manager	60%	Vacant
Senior Personnel Analyst I	Senior Management Analyst I	Administration	100%	Esther Chang
Management Analyst II	Management Analyst II	Operations	90%	Paul Makowski
Management Analyst II	Management Analyst II	Communications	90%	Matthew Vong
Benefits Specialist (prior incumbent left under ERIP)	Clerk Typist	Participant Services	90%	Claudia Guevara

City Attorney				
Assistant City Attorney	Assistant City Attorney	Board Counsel	25%	Curt Kidder
Legal Assistant	Legal Assistant	Participant Legal Services	40%	Vicky Williams

Committee Membership

Plan Governance & Administrative Issues Committee
John R. Mumma, Chair Cliff Cannon Eugene K. Canzano

Investments Committee
Eugene K. Canzano, Chair Tom Moutes Michael Amerian

C. Informational Items and Updates

There is nothing additional to report to the Board, other than what was been discussed in separate reports.

Submitted by: _____
Esther Chang

Approved by: _____
Steven Montagna

DEFERED COMPENSATION PLAN PROJECTS

Legend:
G = Governance
C = Communications
O = Operations
A = Administration

COMPLETED PROJECTS: JANUARY 2015

#	STATUS		PROJECT	DUE DATE	COMPLETED?	NOTES
1	Completed	G	Minutes - December 2014 Meeting	01/31/15	Y	
2	Completed	G	Staff Report - December 2014	01/31/15	Y	
3	Completed	G	Board Report - Quarterly Budget Review 9/30/2014	01/31/15	Y	
4	Completed	G	Board Report - 2015 DCP Budget	01/31/15	Y	
5	Completed	G	Board Report - 2015 Elections	01/31/15	Y	
6	Completed	G	Board Report - Auto Enrollment Program	01/31/15	Y	
7	Completed	G	Board Report - Fund Change Implementation	01/31/15	Y	
8	Completed	G	Board Report - NSFRW Retiree Survey Review	01/31/15	Y	
9	Completed	G	Board Report - 2014 Meeting Attendance Review	01/31/15	y	
10	Completed	G	Board Report - Proposed staff and TPA report revisions	01/31/15	y	
11	Completed	G	DCP Investments Committee - Passive Searches	01/31/15	Y	Meeting 1/29/2015
12	Completed	A	Stable Value RFP Pre-Proposal Process	01/31/15	Y	Conference, Q&A, Preliminary requirement reviews
13	Completed	A	Establish 2015 Election Calendar	01/31/15	Y	
14	Completed	C	Web Page Content Update	01/31/15	Y	
15	Completed	C	Newsletter - 4th Quarter 2014	01/31/15	Y	

PENDING PROJECTS

FEBRUARY 2015

1	PENDING	G	Minutes - January 2015 Meeting	02/28/15		Pending
2	PENDING	G	Board Report - Quarterly Reimbursements for 12/31/2014	02/28/15		Pending
3	PENDING	G	Board Report - NSFRW Active Survey Review	02/28/15		Pending
4	PENDING	G	Board Report - Passive Manager Selection Recommendations	02/28/15		Pending
5	PENDING	G	Board Report - Legislative Items Review	02/28/15		Pending
6	PENDING	G	Board Report - FDIC Provider Recommendation	02/28/15		Pending
7	PENDING	G	Board Report - Mercer Contract Amendment	02/28/15		Pending

8	PENDING	G	Board Report - Staff Projects & Activites	02/28/15		Pending
9	PENDING	G	Board Report - Wharton School approval	02/28/15		Pending
10	PENDING	A	Consulting Services - Release RFP	02/06/15		Pending
11	PENDING	A	Mercer - Contract Amendment	02/28/15		Pending
12	PENDING	A	PSP Contract Revisions	02/28/15		Pending
13	PENDING	A	2015 Consulting Services Pre-Proposal Confernce	02/28/15		Conference, Q&A, Preliminary requirement reviews
14	PENDING	C	Fund Change Notice - SSgA Participant Communications	02/28/15		Pending
15	PENDING	C	Distribution Options Guide - Tax and Loan revisions	02/28/15		Pending
16	PENDING	C	EMPOWER Retirement (formerly Great West) name launch	02/28/15		Pending Launch date
17	PENDING	C	Fund Change - Web Update	02/28/15		Pending
18	PENDING	C	Fund Sheet Updates: DCP Small-Cap and DCP Mid-Cap	02/28/15		Pending
MARCH 2015						
19	PENDING	G	Minutes - February 2015 Meeting	03/31/15		Pending
20	PENDING	G	Board Report - Plan Document Revisions	03/31/15		Pending
21	PENDING	G	Board Report - Staffing percentages and CAP Rates	03/31/15		Pending
22	PENDING	G	Board Report - Pension Savings Plan Update	03/31/15		Pending
23	PENDING	G	Board Report - FDIC Recommendation	03/31/15		Pending
24	PENDING	A	2015 Elections: Notification of Election	03/31/15		Mailing List
25	PENDING	A	2015 Elections: Prepare Election Documents	03/31/15		Pending
26	PENDING	C	In-Plan Roth Conversion - Info Flyer	03/31/15		Pending
27	PENDING	O	In-Plan Roth Conversion - Implementation	03/31/15		Pending
28	PENDING	O	Loan Default Reversal - Hold Harmless	03/31/15		Pending
29	PENDING	O	2014 Annual Contribution Review	03/31/15		Pending
30	PENDING	O	PaySR .NET Testing for DCP Related Items	03/31/15		Pending
APRIL 2015						
31	PENDING	G	Minutes - March 2015 Meeting	04/30/15		Pending
32	PENDING	G	Board Report - 2014 DCP Annual Report	04/30/15		

33	PENDING	G	Board Report - Stable Value Fund Provider Recommendation	04/30/15		
34	PENDING	G	Board Report - Consultant Recommendation	04/30/15		
35	PENDING	G	Board Report - Communications RFQ	04/30/15		
36	PENDING	G	Board Report - Fund Change Part I Update	04/30/15		
37	PENDING	A	2015 Elections: Candidate Filing Period	04/30/15		Pending
38	PENDING	A	FDIC Savings - Union Bank Contract	04/30/15		Pending
39	PENDING	A	FDIC Savings - Bank of the West Contract	04/30/15		Pending
40	PENDING	O	TPA Site Visit	04/30/15		Pending
UPCOMING						
41	PENDING	A	Loan Program revisions	TBD		
42	PENDING	A	RFP - DCP/PSP Third Party Admin	TBD		Great-West contract expires 12/31/2016
43	PENDING	G	Board Report - 2014 PSP Annual Report	TBD		
44	PENDING	G	Board Report - Loan Program Revisions	TBD		
45	PENDING	G	PG&A Committee - Meeting Minutes	TBD		Pending
46	PENDING	G	Investments Committee - 8/28/14 Meeting Minutes	TBD		Pending
47	PENDING	G	Investments Committee - 9/29/14 Meeting Minutes	TBD		Pending
48	PENDING	G	Investments Committee - 10/2/14 Meeting Minutes	TBD		Pending
49	PENDING	G	Investment Committee - 1/29/15 Meeting Minutes	TBD		Pending
50	PENDING	G	Board Report - Distributions & Contributions - Retirees who return to work	TBD		Pending
51	PENDING	G	Report back recapping presentation on Financial Wellness from Strategic Planning Meeting	TBD		Pending
52	PENDING	G	Letter to City Council re 10% Early Distribution Penalty	TBD		Pending
53	PENDING	G	Metrics Tracking Document	TBD		Pending
54	PENDING	G	PSP Program Review - Proposal for Terminated Accounts	TBD		Pending
55	PENDING	G	Loan Policy Document	TBD		Pending
56	PENDING	G	Board Report - Historical Contribution History	TBD		Pending
57	PENDING	G	Board Report - SAS Form from Great-West	TBD		Pending

58	PENDING	G	Review of CA Governmental Plan - Demographic Files	TBD		Pending
59	PENDING	G	Board Report - Contractor Evaluation Policy	TBD		Pending
60	PENDING	G	Board Report - Retirement/Pension System Retired Loan Payments	TBD		Pending
61	PENDING	G	Investments Committee Meeting: Investment Policy Review - Termination	TBD		Pending
62	PENDING	G	Board Report - Proxy Share Voting	TBD		Pending
63	PENDING	G	Research adding other Plan type in order to increase savings opportunities (from 8/21/12 BDCA meeting)	TBD		Pending
64	PENDING	G	Deemed IRA	TBD		Pending
65	PENDING	G	Auto-Glide Investment Allocations	TBD		Pending
66	PENDING	G	Board Report - Transition Manager Procurement	TBD		Pending
67	PENDING	G	Retirement Plan Summit	TBD		Pending
68	PENDING	G	Revisit Plan Audit	TBD		Pending
69	PENDING	C	Enrollment Guide Revision	TBD		Pending
70	PENDING	C	Calulator Revisions	TBD		Pending corrections/testing
71	PENDING	C	Fund Change Notice - International Participant Communications	TBD		Pending
72	PENDING	C	New Brand Style Guide	TBD		Pending
73	PENDING	C	Design Templates - PowerPoint and Word	TBD		Pending
74	PENDING	C	Participant Survey Proposal - Plan Satisfaction	TBD		Pending
75	PENDING	C	Create Catch-Up Flyer Incorporating Roth & Revise Catch up Form/Flyer re Accrued Leave	TBD		Pending
76	PENDING	C	Accrued Leave - Flier and Form Revisions	TBD		Pending
77	PENDING	C	Catch Up - Form revisions	TBD		
78		C	DROP Options Guide update-revisions	TBD		
79	PENDING	C	Website Tutorial/Education Videos	TBD		Pending
80	PENDING	C	Enrollment Form Revision Phase 2 (Auto escalation & PSP Rollover addition)	TBD		Pending
81	PENDING	C	DROP participant fee comparison graphic flier	TBD		Pending
82	PENDING	C	Board Report - Social Media Options	TBD		Pending
83	PENDING	C	Board Report - EZ Enrollment Form	TBD		Pending

84	PENDING	C	Draft Citywide Memo re Marketing by Non-Contracted Financial & Benefit Services Providers	TBD		Pending
85	PENDING	C	Loan Highlights Flier Revisions	TBD		Pending
86	PENDING	C	Revise Distribution Form	TBD		Pending
87	PENDING	C	Roth 457 Intro Guide Revise/Redesign	TBD		Pending
88	PENDING	C	DCP Glossary	TBD		Pending
89	PENDING	C	Communications Plan: List of alternative DC publications and outlets (LACERS, Pensions, Union pubs, etc.)	TBD		Pending
90	PENDING	C	DROP Brochure Ad	TBD		Pending
91	PENDING	C	DROP Brochure	TBD		Pending
92	PENDING	C	Notification of Participants - Catch-Up Eligibility	TBD		Pending
93	PENDING	C	Revise Pension Savings Plan Highlights	TBD		Pending
94	PENDING	O	Loan Program revisions	TBD		
95	PENDING	O	Catch-Up Unused Amount Calculation - Memo to Controller	TBD		Pending
96		O	Catch Up Contribution changes allowed online	TBD		
97	PENDING	O	PSP Account Consolidation	TBD		Pending
98	PENDING	O	Domestic Partners Research and Review with City Attorney and California Peers	TBD		
99	PENDING	O	Online Enrollment Functionality	TBD		Pending
100	PENDING	O	Pre-Audit Testing - Phase II	TBD		Pending
101	PENDING	O	PST Retroactive Adjustments - Meeting w/ LACERS & Controller	TBD		Pending
102	PENDING	O	Update PSP Defaulted Addresses - Review & Clean-Up	06/12/15		Pending

BDCA 2015 AGENDA TOPICS

	Administrative Issues	Presentations/Training
February	Passive Investment Search Recommendations	TPA Quarterly Review
	Mercer Contract Amendment Update	
	NSFRW - Active Employee Responses	
	Legislative Items Review	
	Training Report - Approval for Wharton	
	Quarterly Reimbursements ending 12/31/14	
March	Beneficiary Designations - Review & Action Plan	Quarterly Investment & Economic Review
	Plan Document Updates * In-Service Roth * Auto Enrollment * Beneficiaries	
	FDIC Provider Recommendation	
	Staffing & CAP Rate	
	Pension Savings Plan Update	
	Board Training Schedule	
April	DCP 2014 Annual Report	Fund Mgr Presentation - rotating
	Stable Value Fund Provider - Selection	
	Consultant - Selection	
	Draft Communications RFQ	
	2015 Fund Change: Part I Update	
	Communications Update * Retirement Calculator Update	
May	Election Update - Candidates	Quarterly Investment & Economic Review
	Quarterly Reimbursements ending 3/31/15	
	2015 NAGDCA Conference - Budget	
	PSP 2014 Annual Report	

June	Election Update - Results	TPA/Plan Statistics Review
	AEP Implementation Update	
	Travel Approval	
July	Board Positions Review (<i>if required</i>)	Fund Mgr Presentation - rotating
	Proposed 2015 NSFRW Promotion	
	Plan External Tax Counsel - Funding	
	Communications Update * Retirement Calculator Update	
	FY 2016-17 Travel Budget	
August	2015 Fund Change: Part II Update	Quarterly Investment & Economic Review
	DCP TPA - Draft RFP	Training
	Quarterly Reimbursements ending 6/30/15	
September	AEP Implementation Update	Strategic Planning (to include fiduciary training for new members?)
		TPA/Plan Statistics Review
October	Communications Update * Retirement Calculator Update	Fund Mgr Presentation - Stable Value & Active Bond
	2015 NAGDCA Conference Review	
November	Quarterly Reimbursements ending 9/30/15	Quarterly Investment & Economic Review
December	2015 NSFRW Update	TPA/Plan Statistics Review