

Deferred Compensation Plan BOARD REPORT 15-29

Date: May 7, 2015
To: Board of Deferred Compensation
From: Staff
Subject: Targeted Enrollment Initiative Update

*Board of Deferred
Compensation Administration
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Recommendation:

That the Board of Deferred Compensation Administration receive and file staff's update regarding the Deferred Compensation Plan's Targeted Enrollment Initiative.

Discussion:

At its April 21, 2015 meeting, the Board of Deferred Compensation Administration approved staff's recommendation to develop a targeted enrollment initiative in order to achieve a 3% net increase to the overall employee participation rate in the Deferred Compensation Plan by the end of 2015. This proposal is in connection with ongoing efforts from staff to develop goals in connection with benchmarking data analysis for the Plan, as well as a simultaneous Personnel Department instituted metrics review process for its divisions, which focuses on defining performance measurements and objectives in order to evaluate success.

As noted in the previous meeting's report to the Board, achieving a 3% net increase to participation rate translates to a net increase of 958 new Plan participants by year's end. Given recent account closure trends, a gross amount of approximately 1,700 new enrollments would be necessary to achieve the Plan's objective. Without any targeted enrollment efforts, the Plan has achieved gross enrollment of approximately 532 participants through the end of April 2015.

TARGETED ENROLLMENT CAMPAIGN (Department of Transportation Pilot)

As part of the overall effort to increase Plan participation, staff is currently in the process of developing a pilot enrollment campaign specifically targeting Department of Transportation (DOT) eligible non-Plan participants. Staff plans to launch this enrollment campaign on a pilot basis in order to assess the effectiveness of a targeted outreach initiative. There are approximately 660 DOT employees who are eligible non-Plan participants. This provides an opportunity to assess effectiveness on a smaller scale before implementing a campaign across other City departments.

As previously mentioned in a prior Board report, the DOT non-participant population is additionally notable in that these employees can mainly be identified within two job classifications: Crossing Guard and Traffic Officer. Of the approximately 660 DOT non-

participants, Crossing Guards and Traffic Officers make up two-thirds of this population. Following is a breakdown of the DOT employees eligible to enroll in the Deferred Compensation Plan:

DOT Job Class	DCP Eligible	Participating Count and Percentage		Non-Participating Count and Percentage	
Crossing Guard	235	23	10%	212	90%
Traffic Officer	571	346	61%	225	39%
All Other Classes	733	515	70%	218	30%
TOTAL	1,539	884	57%	655	43%

In mapping out the components for this targeted marketing effort, the following action steps will be taken:

1. Establish Relationships with Employee Information “Gate-Keepers”
 - Connect with personnel office and departmental supervisors
 - Connect with unions representing the non-participating eligible in order to
 - Explore current print publications and other methods of communication to employees, including SEIU for Traffic Officers and California Teamsters for Crossing Guards

2. Establish In-Person Contact with DCP Local Representatives (all DOT employees)
 - Establish schedule for Plan table service and/or group meetings
 - Establish attendance at other departmental roll-calls or staff meetings

3. Send Postcard Mailing (DOT Non-Participating Eligibles)
 - The mailing will include a call to action to enroll, and list the scheduled table service and/or group meetings. Approximate cost is anticipated to be under \$1,000.
 - To further amplify the call to action, staff believes it will be beneficial to include information customized to the non-participant group receiving the mailing. Staff is working to identify the average projected lifestyle income replacement percentage for the targeted non-participants. Staff believes that this information could be most useful in encouraging participants to enroll, and in engaging participants and increasing awareness of their retirement considerations.

4. Coordinate Electronic Distribution of Information
 - Post information on participant website
 - Department e-mail distribution, other City bulletin postings

Staff is in the process of connecting with the DOT human resources office to discuss an effective course of action and to identify departmental gate-keepers to gain access to employees. Once initial contacts have been established, staff will direct Empower Retirement to coordinate with the DOT to schedule future table service and/or group meetings/presentations. It is important to note that effectively coordinating with DOT staff

to determine suitable times and convenient locations will be key to maximizing exposure for the Plan and engagement of potential participants.

Scheduled table service and group meetings will be preceded with the mailing of the postcards containing targeted messaging as well as information about scheduled upcoming events in which employees can meet with Empower Retirement representatives. In addition, staff is concurrently reaching out to the employee bargaining units that represent the target populations in order identify effective ways to reinforce messaging.

This pilot enrollment campaign will serve as a valuable opportunity to gauge the effectiveness of a focused marketing effort. Staff will continue to update the Board on this project at future meetings.

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