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DEFERRED COMPENSATION PLAN BOARD REPORT 05-31



Date: September 7, 2005

To: Board of Deferred Compensation Administration

From: Staff

Subject: DWP Annuity Program

Recommendation:

That the Board of Deferred Compensation Administration request that Great-West review its materials regarding distribution options to ensure that appropriate reference is provided to the LACERS Larger Annuity program.

Discussion:

During Public Comments at the Board's August 16, 2005 meeting the Board was asked by a Plan participant to take some action with respect to the establishment of a larger annuity program under the DWP Retirement Plan similar to the benefit currently offered by the Los Angeles City Employees' Retirement System (LACERS). The Board Chairperson asked staff to consult with the City Attorney's Office regarding options for responding to the participant's request.

Staff's finding is that, although the Board does not have the formal authority to address what is essentially a benefit design issue for another retirement plan, it can ensure that Deferred Compensation Plan participants are aware of the LACERS larger annuity program option. If employees covered by other retirement systems are aware of the LACERS program this may prompt them to consider whether a similar benefit is desirable under their retirement system, and to communicate with their plans directly on this issue. As a result, staff recommends that the Board request that Great-West review its materials regarding distribution options to ensure that appropriate reference is provided to the LACERS Larger Annuity program.

Submitted by: _____
Steven Montagna

Approved by: _____
Maryanne Keehn