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DEFERRED COMPENSATION PLAN BOARD REPORT 06-03



Date: January 9, 2006

To: Board of Deferred Compensation Administration

From: Staff

Subject: Staff Report & Information Items

Recommendation:

That the Board of Deferred Compensation Administration receive and file the following information.

Discussion:

DROP Outreach – Staff reported last month that it has been developing a communication plan for coordinating with the Department of Pensions to ensure that individuals nearing the end of their participation in DROP are provided with adequate information regarding options for rolling those funds into the Deferred Compensation Plan. A report was expected for this meeting, but will not be finalized until the February 21st, 2006 meeting.

Participant Mailing – Staff and Great-West have begun work on a special communications effort targeted at active participants who have maintained a small bi-weekly contribution amount (e.g. \$15) for an extended period of time. Great-West has run a data report breaking out by number of participants various small contribution amounts which have not changed recently. Staff and Great-West are developing mailings which will initially target two of these sub-groups with slightly different approaches, so that the response levels can be compared. Following that mailing and any resulting modifications to the communication piece, a wider distribution will be issued.

Deemed IRAs – Staff recently became aware that the City of New York is interested in adding a Deemed, or “Sidecar,” IRA, that would be offered alongside its Section 457 plan. At this point New York is in the information-gathering stage only. When staff had initially explored the concept of offering a Deemed IRA several years ago, a number of regulatory uncertainties were unresolved. Staff is revisiting the concept with the Plan recordkeeper and consultant, and will follow developments with the City of New York closely, as further information is obtained.

Information Items:

- *Participant Correspondence* – Letter from Plan participant regarding services and fees.

Submitted by: _____
Steven Montagna

Approved by: _____
Maryanne Keehn