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DEFERRED COMPENSATION PLAN BOARD REPORT 06-10



Date: March 2, 2006
To: Board of Deferred Compensation Administration
From: Staff
Subject: Fixed Account Consolidation

Recommendation:

That the Board of Deferred Compensation Administration (a) approve delaying implementation of the previously approved phased consolidation of the Hartford General Account and Galliard Stable Value Fund until October 1, 2006, and (b) direct staff to return with a proposed communication plan prior to proceeding with final implementation.

Discussion:

At the Board's January 17, 2006 meeting, it reaffirmed an earlier action approving consolidation of the Hartford General Account and Galliard Stable Value Fund into a single fixed account investment offering. The Board further directed staff to take the necessary steps to effect a tentative target transition date of July 1, 2006, and authorized the Board Chairperson to execute the necessary contract amendments.

At the meeting, concerns were expressed by Board members and other interested parties regarding ensuring that an adequate communication plan was in place for Plan participants prior to implementation. Given what staff envisions will be required in terms of a communication plan and development of the required contract amendments, and given the other matters expected to consume a significant amount of staff time over the next several months (including the Request for Proposal for Plan Administration) staff believes it would be prudent to push back implementation of the proposed fixed account consolidation to, at minimum, October 1, 2006. Prior to moving forward on any implementation date staff will return to the Board with a detailed Plan for communicating this change to Plan participants, such that the Board can be confident that both the timing of the change and the communication strategy to be utilized are optimal.

Submitted by: _____
Steven Montagna

Approved by: _____
Maryanne Keehn