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# DEFERRED COMPENSATION PLAN BOARD REPORT 06-34



Date: October 6, 2006

To: Board of Deferred Compensation Administration

From: Staff

Subject: Staff Report: Pending Items & Information Items

Recommendation:

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

General Information:

**National Save for Retirement Week** – Staff and Great-West have been working intensively to develop a publicity campaign for National Save for Retirement Week, October 23-28. The short interval between when Congress passed its resolution and when the event will take place has focused efforts on communications that can be quickly and easily disseminated. A custom flyer, developed by staff, will be sent electronically to all City employees who have e-mail. It will also be distributed in hard copy form at select locations. In addition, other communication materials (stickers, buttons, pens and T-shirts) will be distributed by Plan staff and Great-West at select locations during the week. Samples of those materials, if completed in time, may be brought to the Board meeting. Staff is also attempting to coordinate its efforts with the City's three primary retirement systems (LACERS, Pensions and DWP).

**Financial Services Solicitation** – On October 2<sup>nd</sup>, staff became aware of correspondence issued to City employees from a financial advisor named Kevin Wright, a Retirement Planning Advisor with Wachovia Securities. His materials (attached) created the strong impression that Mr. Wright was associated with or endorsed by the City's Deferred Compensation Plan. A Citywide e-mail was sent to advise employees who received this communication that Mr. Wright was not an agent of the Plan. It is staff's understanding that the communication was sent to approximately 600 employees, and only at work addresses. The City Attorney's Office is investigating this matter further and has indicated it will be corresponding with Mr. Wright and Wachovia regarding this matter.

Pending Items:

**Hardship Rules/Polices Presentation** – Pursuant to the Board's request at its July 18, 2006, meeting, a presentation on hardship rules and policies is presently under development and will be presented at an upcoming Board meeting.

**Auto Enrollment Plan** - Pursuant to the Board's request at its July 18, 2006, meeting, a report on automatic enrollment is presently under development and will be presented at an upcoming Board meeting.

**Plan Governance Meeting: Plan Fee Structure** – Pursuant to previous Board action, staff is hoping to schedule a meeting of the Plan Governance Committee in October/November to consider the issue of structuring Plan fees.

**Investments Committee Meeting: Investment Menu Design** – Pursuant to previous Board action, staff is hoping to schedule a meeting of the Investments Committee in October/November to continue discussions surrounding investment menu design.

Information Items:

**American Funds Regulatory Update** – Communication from the American Funds concerning developments regarding a complaint filed by the NASD.

**Great-West Focus on 457** – August 22, 2006 edition of Great-West "Focus on 457" concerning the Pension Protection Act of 2006.

Submitted by:

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Steven Montagna