

# DEFERRED COMPENSATION PLAN BOARD REPORT 10-05

Date: February 5, 2010  
To: Board of Deferred Compensation Administration  
From: Staff  
Subject: Staff Report: Pending Projects & Information Items

Members  
*Eugene K. Canzano, Chairperson*  
*Richard Kraus, Vice-Chairperson*  
*Sally Choi, Second Provisional Chair*  
*Maggie Whelan, Third Provisional Chair*  
*Sangeeta Bhatia*  
*Cliff Cannon*  
*John R. Mumma*  
*Michael Perez*

## Recommendation:

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

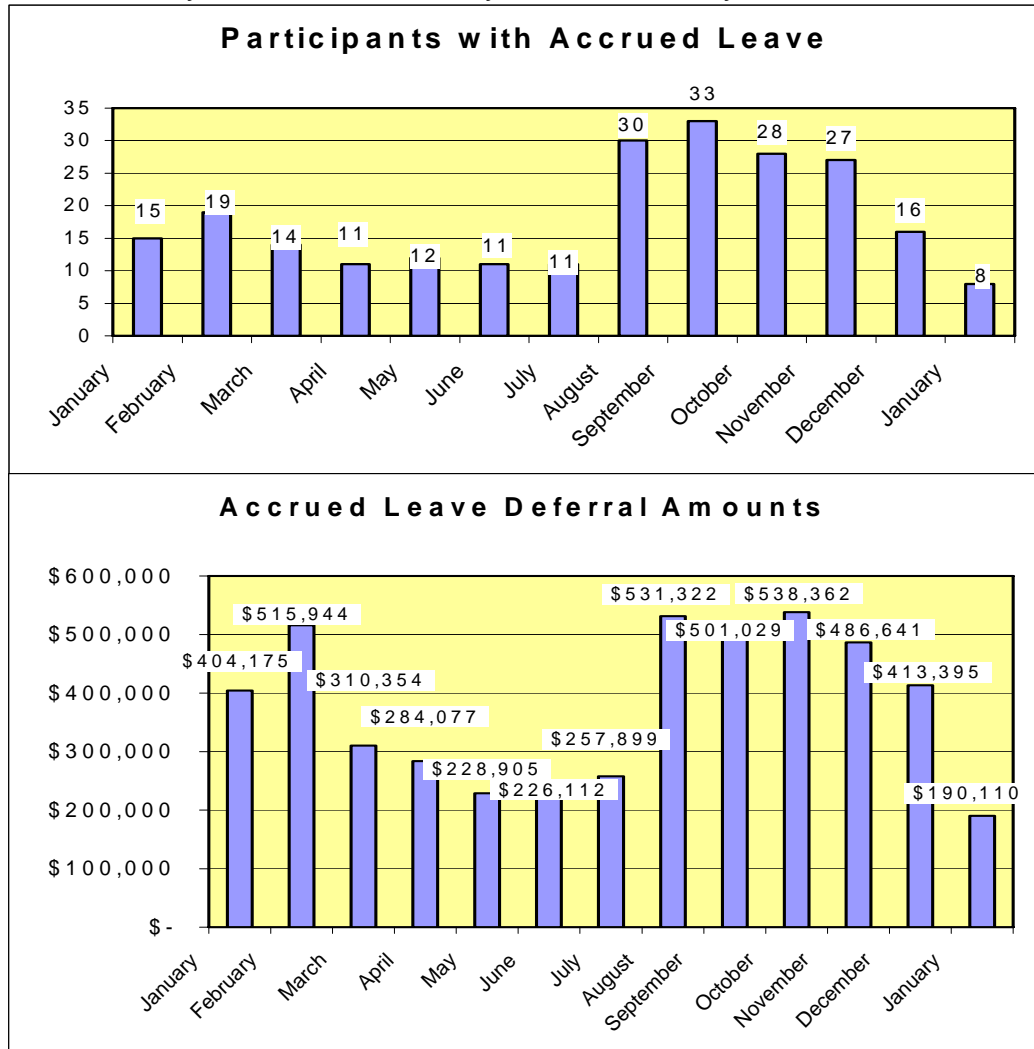
## Pending Projects & Information Items:

- **Staffing** – A highly valued and exemplary staff member, Management Analyst II Natasha Gameroz, will be leaving the Personnel Department and her work with the Deferred Compensation Plan effective February 12, 2010, to accept a position with the Los Angeles City Employees' Retirement System (LACERS). Ms. Gameroz' position will be re-filled through reassignment of Management Assistant Irene Gonzalez. In addition, the position formerly held by Benefits Specialist JoAnn Dominguez will be filled through reassignment of Clerk Typist Claudia Guevara.
- **Investment Manager Procurement Process** – Staff is in the process of refining a report for the Board summarizing the findings of the Personnel Department and City Attorney's Office regarding this issue.
- **Investments Committee** – The Investments Committee has met and has established positions on most of the pending issues for the Plan investment menu redesign. The Committee has elected to have staff memorialize those positions in a report to the full Board and submit the remaining decisions (regarding the composition/structure of certain core asset classes) to the Board as part of consideration of that report. This report is pending.
- **Plan Governance Committee** – The Plan Governance Committee met on December 1, 2009 and began its work on proposed Board bylaws. Additional meetings are pending.
- **Domestic Partner Benefits** – As a result of information gained at this year's NAGDCA Conference, City Attorney staff are reviewing the Plan's obligations as they relate to domestic partner benefits. Certain conflicts between State and Federal law must be resolved as they relate to account separations due to divorce and beneficiary designations. Staff is reaching out to other California entities as part of its research.
- **Beneficiary Form Focus Group and Report-Back to Board** – The revised beneficiary form recently considered by the Board has been revised based on domestic partner benefit information noted above and is now being reviewed by

Great-West compliance staff. The focus group will follow that review, with the results subsequently reported back to the Board.

- **Fiduciary Liability Insurance** – Board member Richard Kraus has requested that staff provide information to the Board regarding fiduciary liability insurance.
- **Proxy Share Voting** – A report on this item is pending.
- **Pre-Audit Testing Phase II** – The next phase of pre-audit testing is pending.
- **Beneficiary Notifications** – This item is pending.
- **Deemed IRA Implementation** – This item is pending.
- **Refined Count of Non-Contributing Participants** – This item is pending.
- **Automatic Enrollment** – This item is pending and may be developed further within the California Large-Plans Working Group.
- **Distribution Guide Revisions** – Staff will be working with Great-West to revise/update the Plan distribution guide.
- **Abbreviated Enrollment Brochure** - Staff will be working with Great-West to revise/update the abbreviated enrollment brochure.
- **Retirement Plan Summit** – This item is pending.

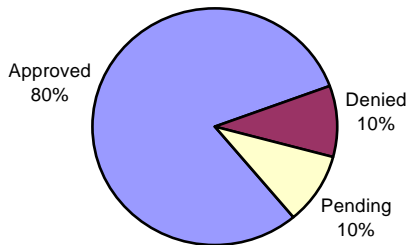
**Accrued Leave Activity** – Staff has compiled the following results of Accrued Leave enrollment for the months of December 2009 and January 2010. During the months of December and January, twenty-four participants elected to enroll in Accrued Leave and \$603,505 was contributed into the Plan from their Accrued Leave payouts. Following are accrued leave activity results from January 2009 to January 2010:



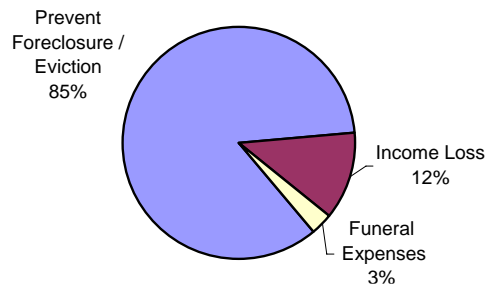
**Hardship Activity** – Staff has compiled the following results of hardship processing with Great-West for the months of December 2009 and January 2010. During the month of December, forty-one hardship cases were submitted to Great-West. Thirty-three cases were approved, four denied, and four were pending further documentation. During the month of January, thirty-three hardship cases were submitted to Great-West. Twenty-five cases were approved, four denied, and four were pending further documentation.

Following are hardship activity results for the month of December:

**Hardship Activity December '09**

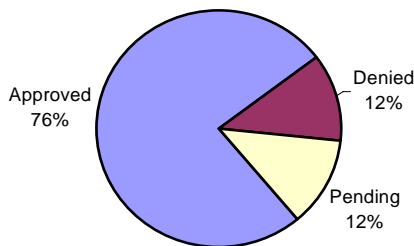


**Distribution Reasons**

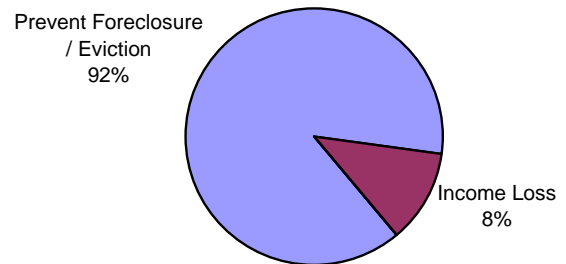


Following are hardship activity results for the month of January:

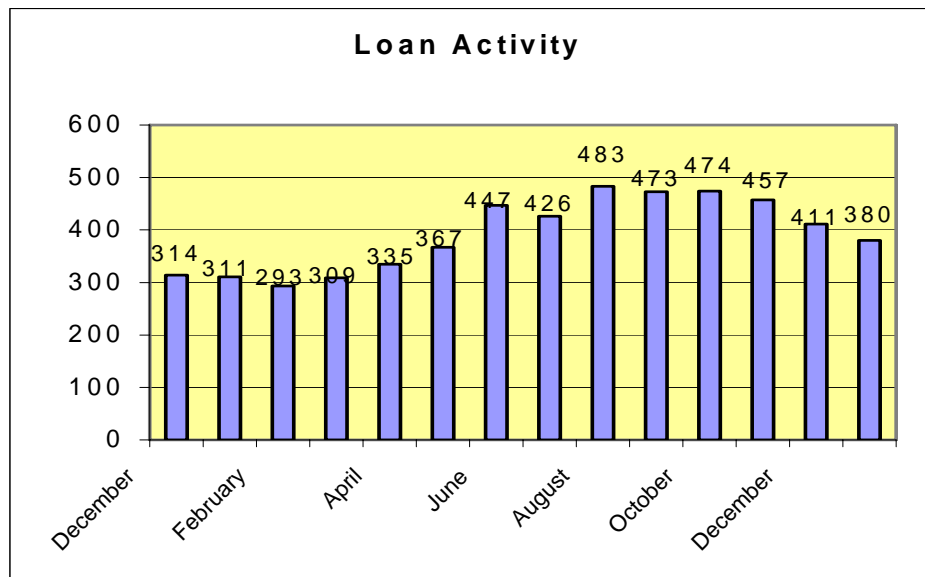
**Hardship Activity January '10**



**Distribution Reasons**

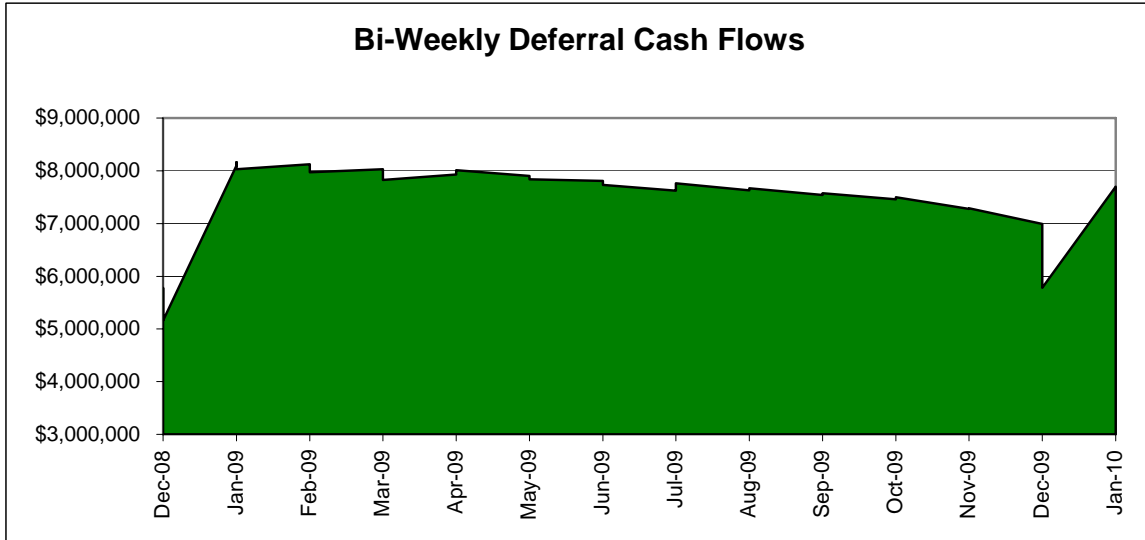


**Loan Activity** – Staff has compiled the following results of new loans acquired for the months of December 2009 – January 2010. During the month of December, 411 participants elected to obtain a new loan and \$4,465,363 was withdrawn from the Plan from their loan payouts. During the month of January, 380 participants elected to



obtain a new loan and \$4,335,007 was withdrawn from the Plan from their loan payouts.

**Deferral Tracking** - Staff has compiled the following results of bi-weekly deferral cash flows for the months of December 2008 – January 2010 for the City of Los Angeles and Department of Water and Power. During the month of December, the City and Department of Water and Power deferred **\$12,771,704** into the Deferred Compensation Plan. During the month of January, the City and Department of Water and Power deferred **\$22,739,779** into the Deferred Compensation Plan. (The higher amount for January was a result of there being three deposits instead of two).



Submitted by: \_\_\_\_\_  
Natasha Gameroz

\_\_\_\_\_  
Steven Montagna

Approved by: \_\_\_\_\_  
Alejandrina Basquez