

DEFERRED COMPENSATION PLAN BOARD REPORT 10-11

Date: April 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.

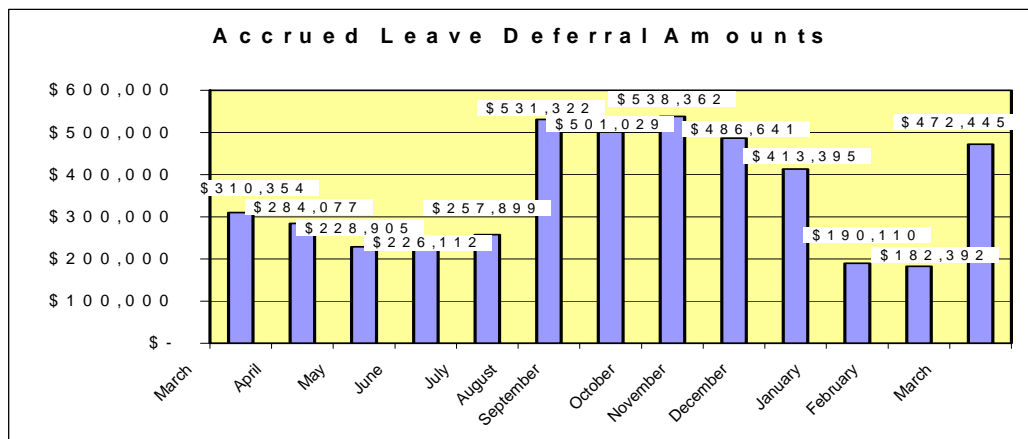
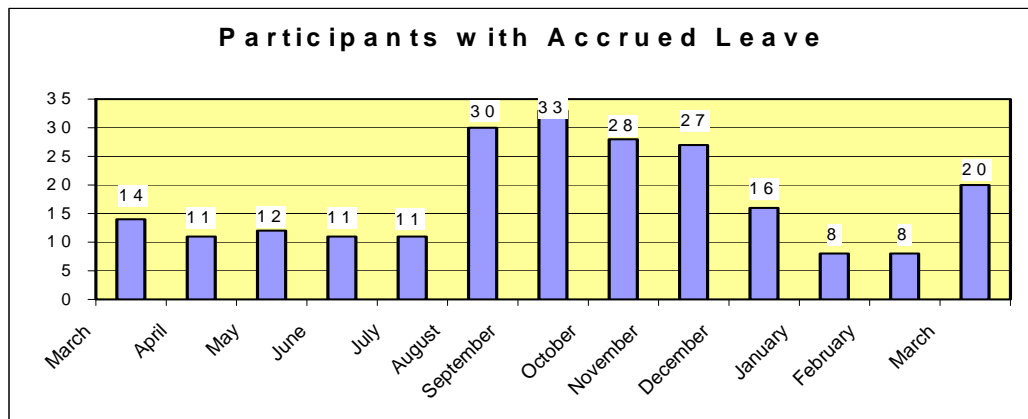
Pending Projects & Information Items:

- **Automated Uploads of Deferral & Loan Files** – The City Controller is working with staff to allow for automated uploads of bi-weekly loan and contribution files for Plan participants. This automation is being accelerated by the Controller's Office as a result of their interest in eliminating deduction input into the legacy payroll system (which is presently where deferral and loan changes are made). The new automated process is in testing now and expected to become operational sometime during the month of April. This will create a significant efficiency for the Plan; presently staff manually enter approximately 15,000 deferral and loan transactions into the payroll system on an annual basis.
- **Plan Governance Committee** – The Plan Governance Committee met on December 1, 2009 and began its work on proposed Board bylaws. Staff will be contacting Committee members to schedule the next meeting before the end of April.
- **2009 Annual Report** – The 2009 Annual Report is expected to be presented to the Board at its May 19, 2010 meeting.
- **Cal-Net Meeting** – The first meeting of Cal-Net (an affiliation of large State of California Section 457 plan sponsors), previously scheduled for March 23-24, has been rescheduled to June 2-3 in Sacramento, California. Staff member Steven Montagna will be attending on behalf of the City.
- **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. Staff member Natasha Gameroz is working on this project.

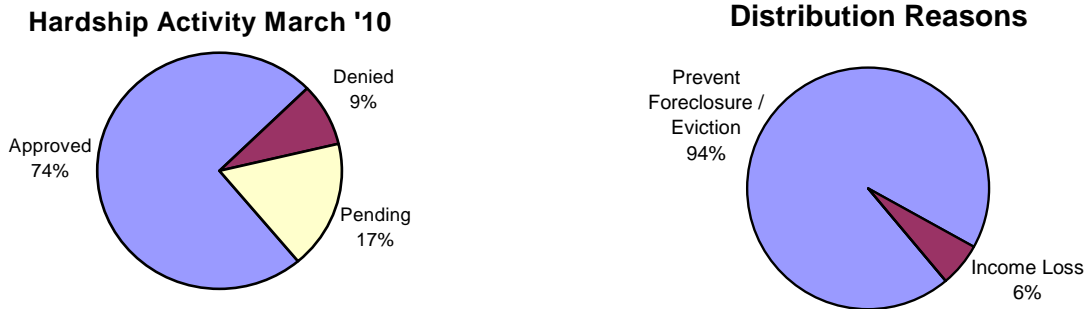
- **Fiduciary Liability Insurance** – Board member Richard Kraus has requested that staff provide information to the Board regarding fiduciary liability insurance. Board member Sally Choi has forwarded information from LACERS concerning this issue as it is being explored by the LACERS Board. This information is presently under review.
- **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 month of March 2010. During the month of March, twenty participants elected to enroll in Accrued Leave and \$472,445 was contributed into the Plan from their Accrued Leave payouts. Following are accrued leave activity results from March 2009 to March 2010:

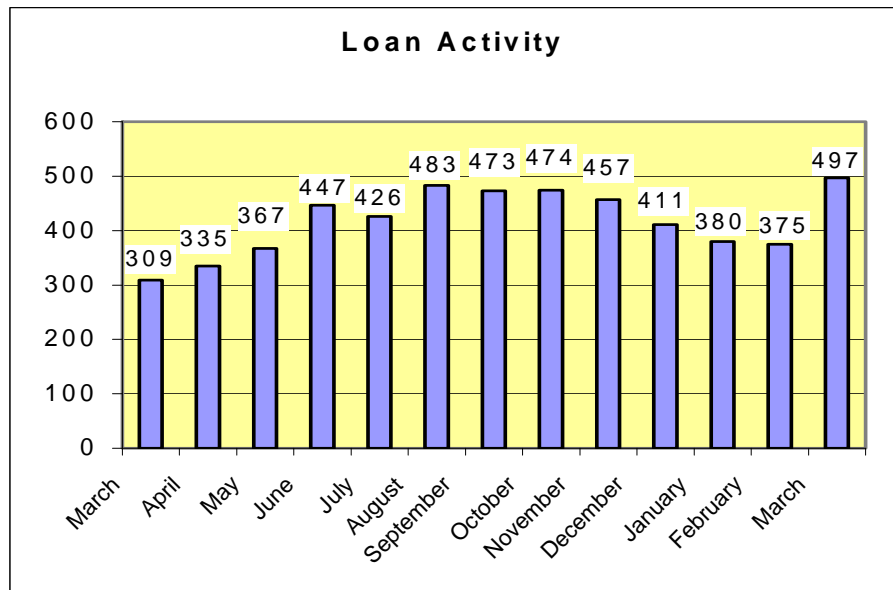


Hardship Activity – Staff has compiled the following results of hardship processing with Great-West for the month of March 2010. During the month of March, twenty-three hardship cases were submitted to Great-West. Seventeen cases were approved, two denied, and four were pending further documentation.

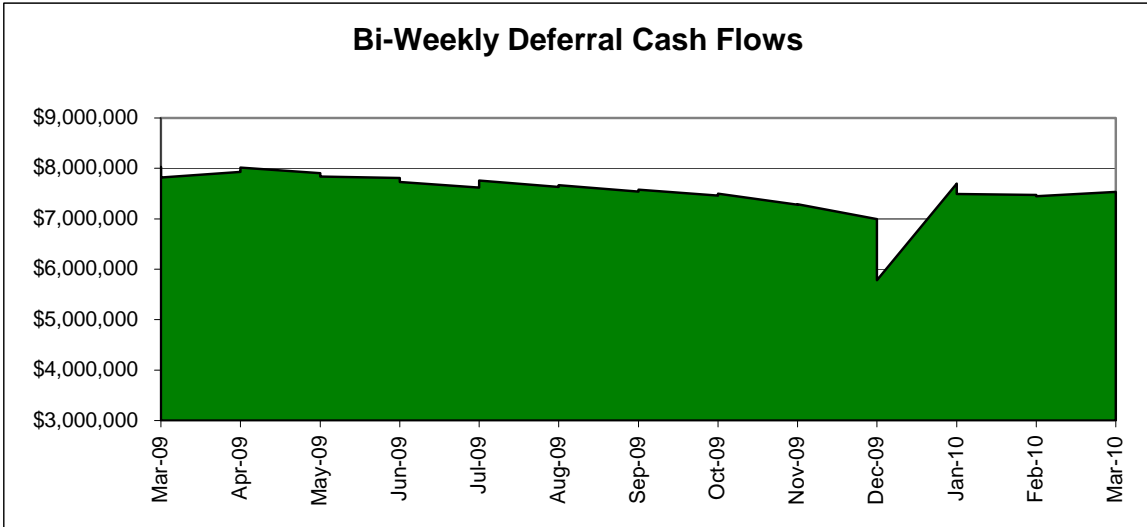
Following are hardship activity results for the month of March:



Loan Activity – Staff has compiled the following results of new loans acquired for the month of March 2010. During the month of March, 497 participants elected to obtain a new loan and \$6,279,807 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 month of March 2010 for the City of Los Angeles and Department of Water and Power. During the month of March, the City and Department of Water and Power deferred \$14,921,530 into the Deferred Compensation Plan.



Submitted by: _____
 Natasha Gameroz

 Steven Montagna

Approved by: _____
 Alejandrina Basquez