

# Deferred Compensation Plan BOARD REPORT 11-12

Date: February 1, 2011  
To: Board of Deferred Compensation Administration  
From: Staff  
Subject: California Large Defined Contribution Plans Network

*Board of Deferred  
Compensation Administration  
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## Recommendation:

That the Board of Deferred Compensation Administration receive and file information in this report regarding attendance at a meeting of the California Large Defined Contribution Plans Network in San Francisco, California, on January 20-21, 2011.

## Discussion:

The Board recently approved funding for staff to attend a meeting of California Large Defined Contribution Plans Network in San Francisco on January 20-21, 2011. In addition to the City, the group includes representatives from the County of Los Angeles, State of California Savings Plus Plan, California Public Employees Retirement System (CalPERS), California State Teachers Retirement Fund (CALSTRS), City/County of San Diego, and City/County of San Francisco. The network was formed in 2009 on an informal basis in order to explore issues common to large California governmental defined contribution plan sponsors.

Members have agreed on an initial schedule of meeting three times annually: once concurrently with the NAGDCA Conference, and twice on a rotating basis at various member locations. The first such meeting was held in Sacramento, California on March 23-24, 2010; the second meeting was held concurrent with the September, 2010 NAGDCA Conference; and the third was held in San Francisco. A June meeting is planned in San Diego, a September meeting in Santa Fe, New Mexico concurrent with the 2011 NAGDCA Conference, and a January 2012 meeting will be hosted in Los Angeles.

In San Francisco, for the first time the group invited a guest speaker (Marilyn Collister of Great-West Retirement Services) to discuss regulatory issues. Participants agreed that this meeting was the most productive and engaging thus far, as we were able to pose a variety of regulatory inquiries and compare policy approaches with input from someone well versed in the regulatory framework that governs our plans. Ms. Collister attended the first day of the meeting. One of the most valuable discussions centered around the implementation of Roth 457, as the group was able to explore the many variations that exist between traditional and Roth accounts and gain a greater appreciation for the challenges in communicating this complexity to Plan participants.

Other discussions with Ms. Collister included payroll deposits and plan sponsor obligations (examining the impact of recent Internal Revenue Service guidance concerning distributions

for participants who terminate and then return to work); a segment on fiduciary responsibility; a discussion regarding hardship withdrawals and related rules; audit preparation; a review of pending guidance regarding fee disclosure and its potential impact on plan communication materials; and a variety of other topics that arose less formally during the course of the day.

The second day of the meeting was focused on a discussion of stable value funds and different approaches utilized by plan sponsors in offering these or other cash equivalent products; ways that the group could leverage its resources in developing requests for proposal; and discussion about various possibilities for how the group might evolve going forward. For the next meeting there was agreement that a primary focus should be in working with a facilitator to explore options for the future of the group, including the potential for establishing itself more formally as a non-profit association.

Submitted by: \_\_\_\_\_  
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