

# DEFERRED COMPENSATION PLAN BOARD REPORT 11-82

Date: December 8, 2011  
To: Board of Deferred Compensation Administration  
From: Staff  
Subject: Staff Report – Completed & Pending Projects & Activity Report

Members  
Eugene K. Canzano, Chairperson  
John R. Mumma, Vice-Chairperson  
Cliff Cannon, First Provisional Chair  
Tom Moutes, Second Provisional Chair  
Sangeeta Bhatia, Third Provisional Chair  
Michael Amerian  
Michael A. Perez  
Robert Schoonover  
Margaret M. Whelan

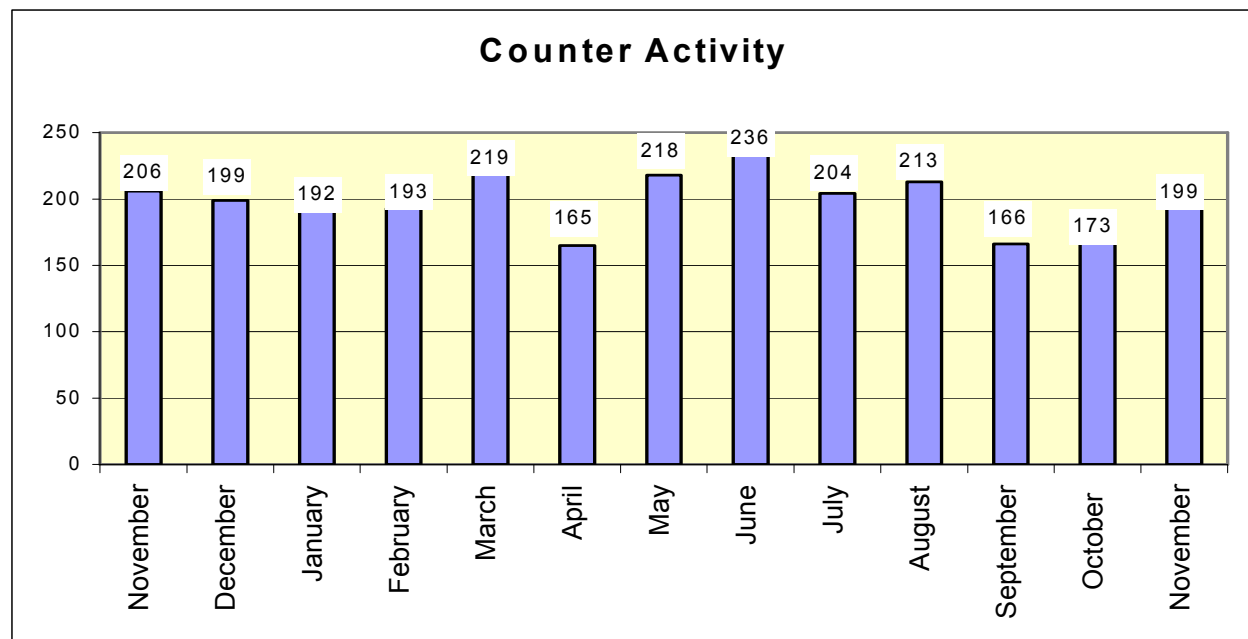
## Recommendation:

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

## Activity Reports:

### **Counter Activity Employee Benefits Division**

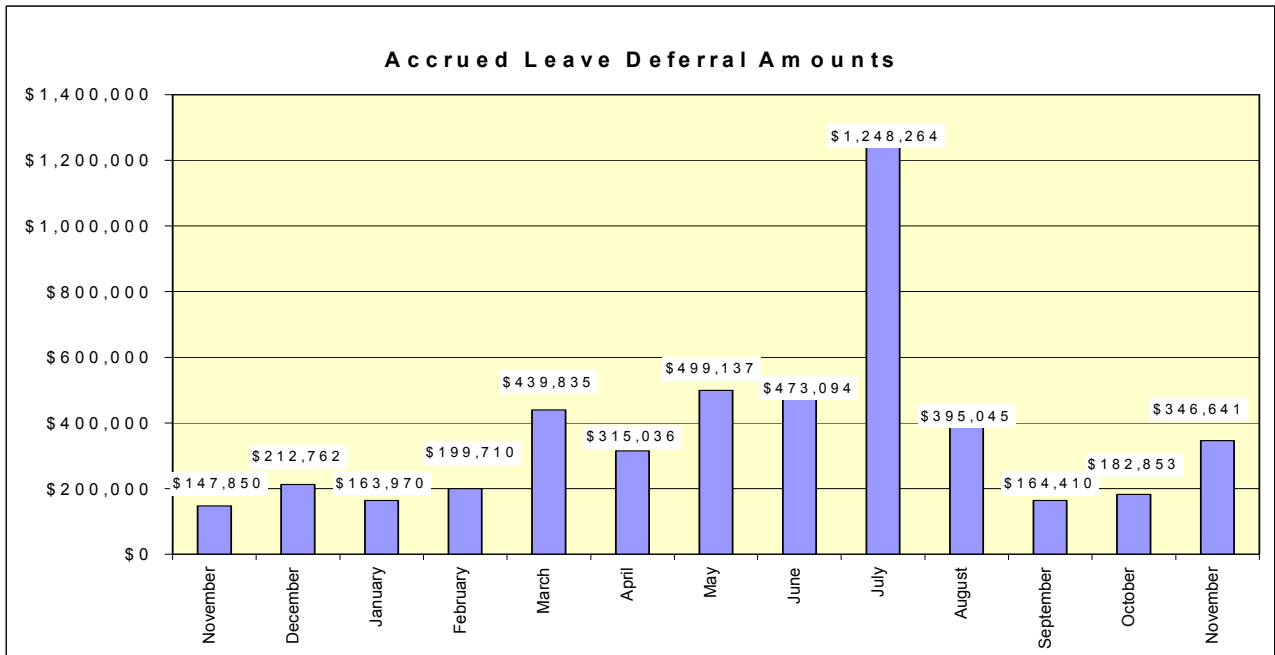
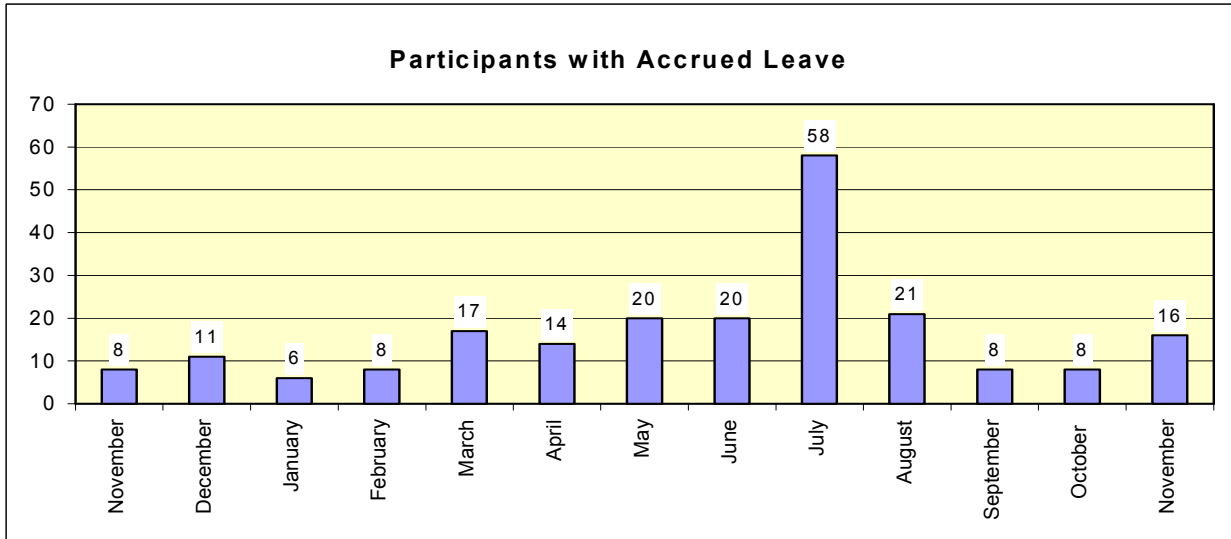
Staff has compiled the following results of Counter Activity flow for the month of November 2011. During the month of November, 199 participants visited the Employee Benefits Division to discuss their Deferred Compensation accounts with the Great-West representatives and/or staff. Following are counter activity results from November 2010 to November 2011:



### Accrued Leave Activity

Staff has compiled the following results of Accrued Leave enrollment for the month of November 2011. During the month of November, 16 participants elected to enroll in Accrued Leave and \$346,641 was contributed into the Plan from their Accrued Leave payouts.

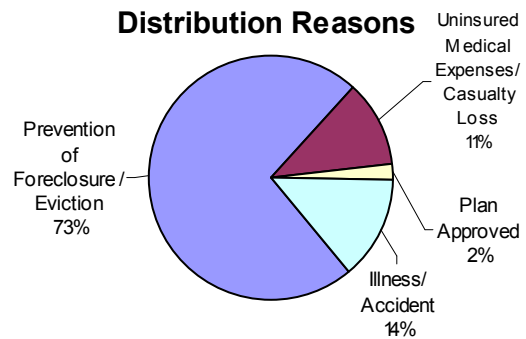
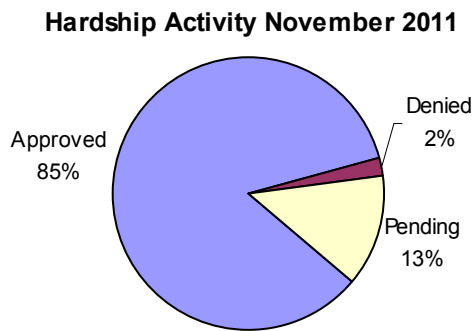
Following are accrued leave activity results from November 2010 to November 2011:



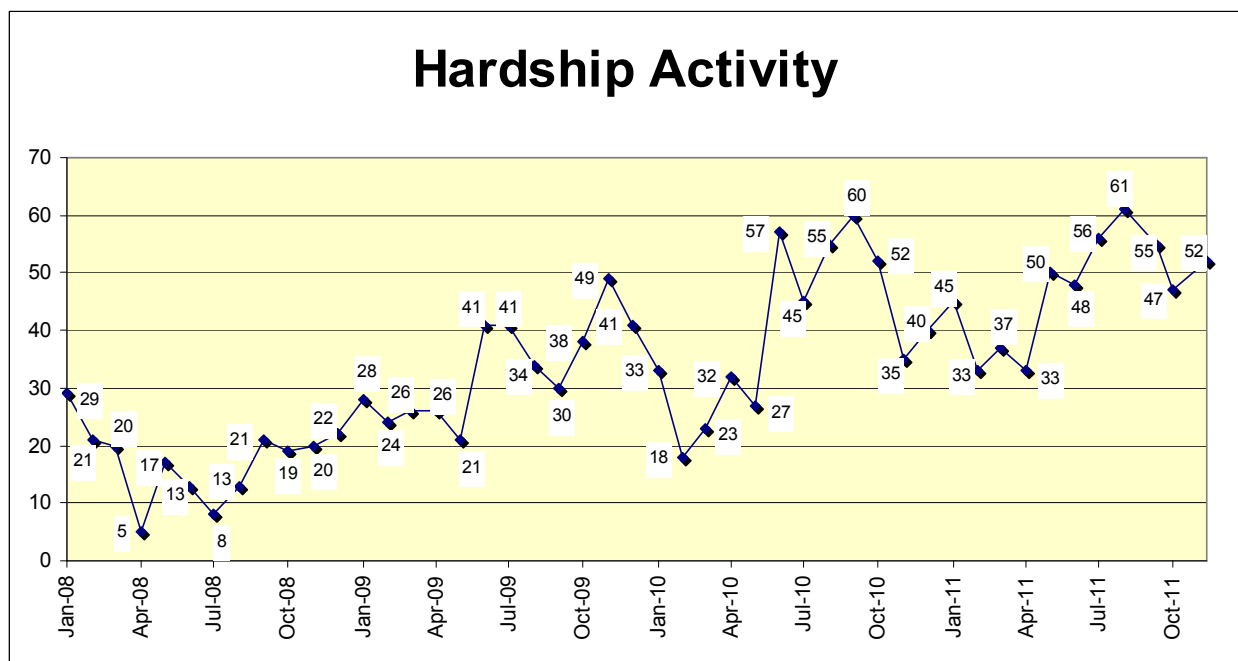
## Hardship Activity

Staff has compiled the following results of hardship processing with Great-West for the month of November 2011. During the month of November, 52 hardship cases were submitted to Great-West. Forty-four cases were approved, one was denied, and seven were pending further documentation.

Additionally, the Board had asked that the number of cases referred to staff by Great-West, upon denial by Great-West on the basis of income loss over a year, be included in the staff reports. As requested, there was one case that was referred and approved by staff, which was discussed at the November 15, 2011 Board meeting. The Board also requested the dollar amount for hardships approved be included, which staff has included: for November 2011, a total of \$318,706 was withdrawn from the Plan for hardship requests.

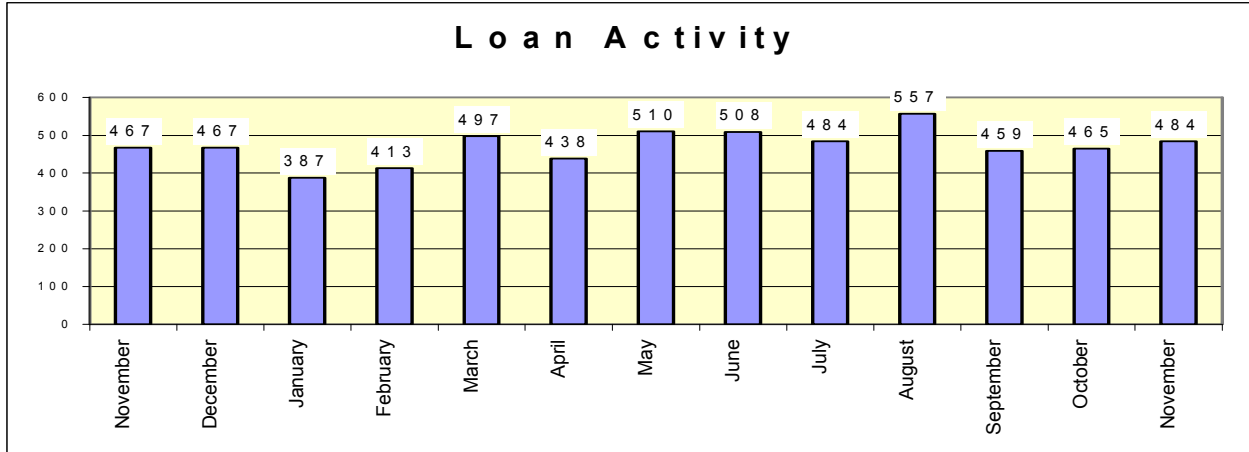


Staff has compiled long-term hardship activity results since the reassignment of hardship processing to Great-West in 2008. Following are hardship activity results from January 2008 to October 2011:



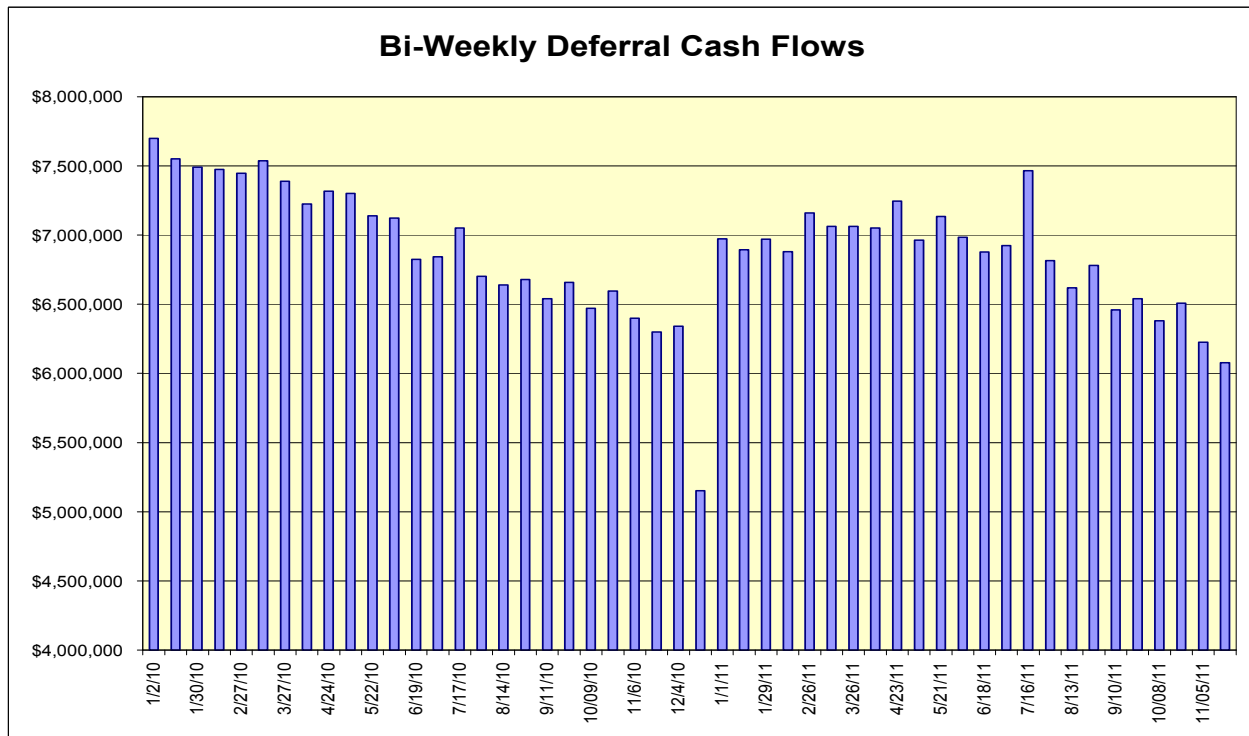
### Loan Activity

Staff has compiled the following results of new loans acquired for the month of November 2011. During the month of November, 484 participants elected to obtain a new loan and \$4,503,160 was withdrawn from the Plan for their loan payouts.



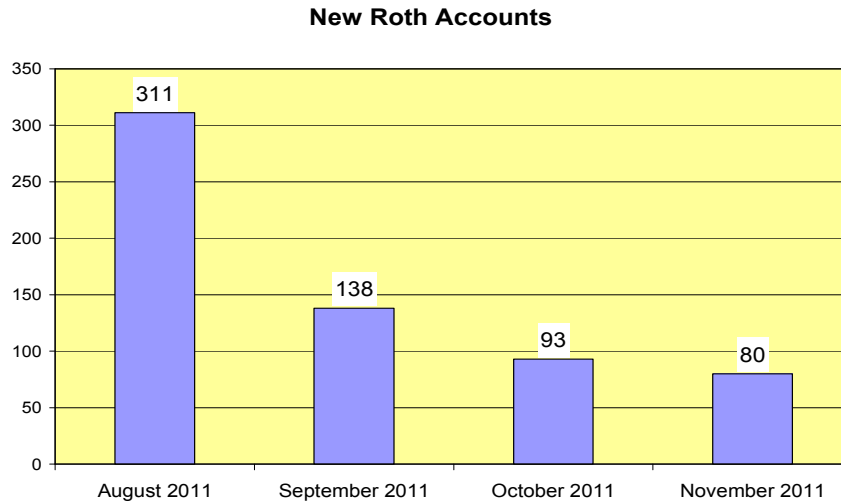
### Deferral Tracking

Staff has compiled the following results of bi-weekly deferral cash flows for the month of November 2011 for the City of Los Angeles and Department of Water and Power. During the month of November, the City and Department of Water and Power deferred **\$18,808,174** into the Deferred Compensation Plan. This compares to **\$19,294,551** in November 2010, or a decrease of **2.52%** year-over-year.



## Roth Accounts

Since deferrals for the Roth option began in August 2011, there have been 622 new Roth accounts established. This constitutes a 2.16% participation rate of the 28,855 employees contributing to the plan<sup>1</sup>. The chart below illustrates the number of new Roth deferral accounts since August.



## Other Activity

Staff is pleased to notify the Board that the Plan won a **2011 Gold MarCom Award** for its Roth 457 campaign communication materials. The MarCom Awards is an international awards competition that recognizes creative achievement by marketing and communication professionals. The awards are administered and judged by the Association of Marketing and Communication Professionals, an international organization that consists of several thousand marketing, communication, advertising, public relations, media production and free-lance professionals.

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<sup>1</sup> There are 28,855 employees contributing to the Plan as of the third quarter 2011 (Great-West 2011 Quarterly Report).

**PROJECT UPDATE**  
(reflects project activity for period 11/01/11 through 11/30/11)

<b>COMPLETED PROJECTS: NOVEMBER 2011</b>					
<b>#</b>	<b>STATUS</b>	<b>PROJECT</b>	<b>DUE DATE</b>	<b>COMPLETED</b>	<b>NOTES</b>
1	Completed	Minutes - 10/18/11 Meeting	11/01/11	11/01/11	N/A
2	Completed	Board Report - FDIC Option Asset Apportionment	11/01/11	11/01/11	N/A
3	Completed	Board Report - Investment Menu Update November 2011	11/01/11	11/01/11	N/A
4	Completed	Board Report - January 2012 Training Event	11/01/11	11/01/11	N/A
5	Completed	Board Report - Accountability Summary Revision	11/01/11	11/01/11	N/A
6	Completed	Board Report- Budget Review for 09/30/11	11/01/11	11/01/11	N/A
7	Completed	Board Report- Plan Sponsor Survey Results	11/01/11	11/01/11	N/A
8	Completed	Board Report- November Staff Report	11/01/11	11/01/11	N/A
9	Completed	Contribution Limit Increase Flyer & Distribution to City employees	12/01/11	11/22/11	N/A
10	Completed	Retirement Income Calculator - PowerPoint for Planning Meeting	12/01/11	11/28/11	N/A
11	Completed	Planning Meeting - January 2012 CA-DCPN Meeting	01/01/12	11/14/2011	N/A
<b>PENDING PROJECTS</b>					
<b>#</b>	<b>STATUS</b>	<b>PROJECT</b>	<b>DUE DATE</b>	<b>COMPLETED</b>	<b>NOTES</b>
1	PENDING	Special Mailing - Investment Menu Changes	12/01/11		Communication materials drafted; first focus group scheduled for 12/12
2	PENDING	Minutes - 11/15/11 Meeting	12/01/11		Pending
3	PENDING	Board Report - Great-West Contract Amendment Extension DCP Services 2012-2016	12/01/11		Drafting amendment and Board Report
4	PENDING	Board Report - Investment Menu Update & Communications Materials December 2011	12/01/11		Pending
5	PENDING	Board Report - Plan Document Revisions	12/01/11		Pending
6	PENDING	Board Report - FDIC Option Asset Apportionment & Investment Policy Change	12/01/11		Pending
7	PENDING	Board Report - Strategic Plan Part 3	12/01/11		Drafting revisions from prior meeting and goals
8	PENDING	Board Report- December Staff Report	12/01/11		Pending
9	PENDING	Minutes - 12/20/11 Meeting	12/01/11		Pending

10	PENDING	Consulting RFP Review - Scoring of Written Responses	01/01/12		Drafts pending review of BIP outreach, completed as of 12/7; five eligible firms identified
11	PENDING	Board Report - DROP Mailing	01/01/12		Draft materials developed and now being revised
12	PENDING	Board Report - Communications Report	01/01/12		Pending
13	PENDING	Board Report - Investment Manager Presentations Proposal	01/01/12		Pending
14	PENDING	Board Report - Retiree Loans	01/01/12		Meeting held with Great-West on 11/3/11 to review implementation options
15	PENDING	Board Report & Training Presentation - Plan Demographics	01/01/12		Pending
15	PENDING	Board Report - 2012 Plan Budget	01/01/12		Pending
16	PENDING	Board Report - Strategic Plan 4	01/01/12		Pending
17	PENDING	Board Report - Staff Report January 2012	01/01/12		Pending
18	PENDING	Great-West Contract Amendment Extension PSP Services 2012-2016	01/01/12		Drafting amendment
19	PENDING	Investments Committee Meeting: Investment Policy Statement - Termination	02/01/12		Identifying schedule availability for Committee meeting
20	PENDING	Board Report - History of funds on monitor/watch	02/01/12		Pending
21	PENDING	Board Report - Loan Repayment Policy	02/01/12		Pending
22	PENDING	Investments Committee Minutes - 4-18-11 Meeting	02/01/12		Pending
23	PENDING	Board Report - review of consistency of access to separating City employees	02/01/12		Pending
24	PENDING	Create Catch-Up Flyer Incorporating Roth	02/01/12		Pending
25	PENDING	Board Report - Contribution History & Rollovers	02/01/12		Pending
26	PENDING	Board Report - In-Kind Transfers from SDBO	02/01/12		Pending
27	PENDING	Board Report - Beneficiary Notifications and Focus Group Results	03/01/12		Pending
28	PENDING	Board Report - SAS Form from Great-West	03/01/12		Pending
29	PENDING	Domestic Partners Research and Discussion with City Attorney and California Peers	03/01/12		Pending
30	PENDING	Revise Distribution Form	03/01/12		Pending
31	PENDING	Revise Enrollment Guide	03/01/12		Pending
32	PENDING	Board Report - Document Retention Policy	04/01/12		Pending

33	PENDING	Review and report back on City of New York financial advice program	04/01/12	Pending
34	PENDING	Board Report - Merrill Lynch - Communication to Outside Vendors	04/01/12	Pending
35	PENDING	Beneficiary Addresses	04/01/12	Pending
36	PENDING	Review and report back on PIMCO hedge fund strategy	04/01/12	Pending
37	PENDING	Review and report back on Plan statistics broken down by constituency	04/01/12	Pending
38	PENDING	Communications Plan: List of alternative DC publications and outlets (LACERS, Pensions, Union pubs, etc.)	04/01/12	Pending
39	PENDING	Board Report - Social Media Options	04/01/12	Pending
40	PENDING	Board Report - Auto Glide-Path for Asset Allocation Funds	04/01/12	Pending
41	PENDING	Board Report - Proxy Share Voting	04/01/12	Pending
42	PENDING	Investment Advice Review and Proposal	04/01/12	Pending
43	PENDING	Notification of Participants - Catch-Up Eligibility	04/01/12	Pending
44	PENDING	Pre-Audit Testing - Phase II	04/01/12	Pending
45	PENDING	Revise Pension Savings Plan Highlights	04/01/12	Pending
46	PENDING	Retirement Plan Summit	04/01/12	Pending
47	PENDING	Revisit Plan Audit	05/01/12	Pending
48	PENDING	PSP Account Consolidation	05/01/12	Pending
49	PENDING	Statistical Project: Refined Count of Non-Contributing Participants	05/01/12	Pending
50	PENDING	Deemed IRA Implementation	05/01/12	Pending

**Staffing Summary** – Following is a summary of staff positions supporting the Deferred Compensation Plan:

Position Authority	Incumbent Class	Est. Percent Reimbursed by DCP	Staff Member
<b>Personnel</b>			
Chief Personnel Analyst	Chief Personnel Analyst	20%	Alejandrina Basquez
Senior Personnel Analyst II	Senior Personnel Analyst II	60%	Steven Montagna
Management Analyst II	Management Analyst II	90%	Natasha Gameroz
Management Analyst II	Personnel Analyst II	90%	Esther Chang



Benefits Specialist (prior incumbent left under ERIP)	Clerk Typist	90%	Claudia Guevara
<b>City Attorney</b>			
Assistant City Attorney	Assistant City Attorney	25%	Curt Kidder
Legal Assistant	Legal Assistant	40%	Vicky Williams

Submitted by: \_\_\_\_\_  
Esther Chang

Reviewed by: \_\_\_\_\_  
Steven Montagna

Approved by: \_\_\_\_\_  
Alex Basquez