

DEFERRED COMPENSATION PLAN BOARD REPORT 12-10

Date: January 13, 2012
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

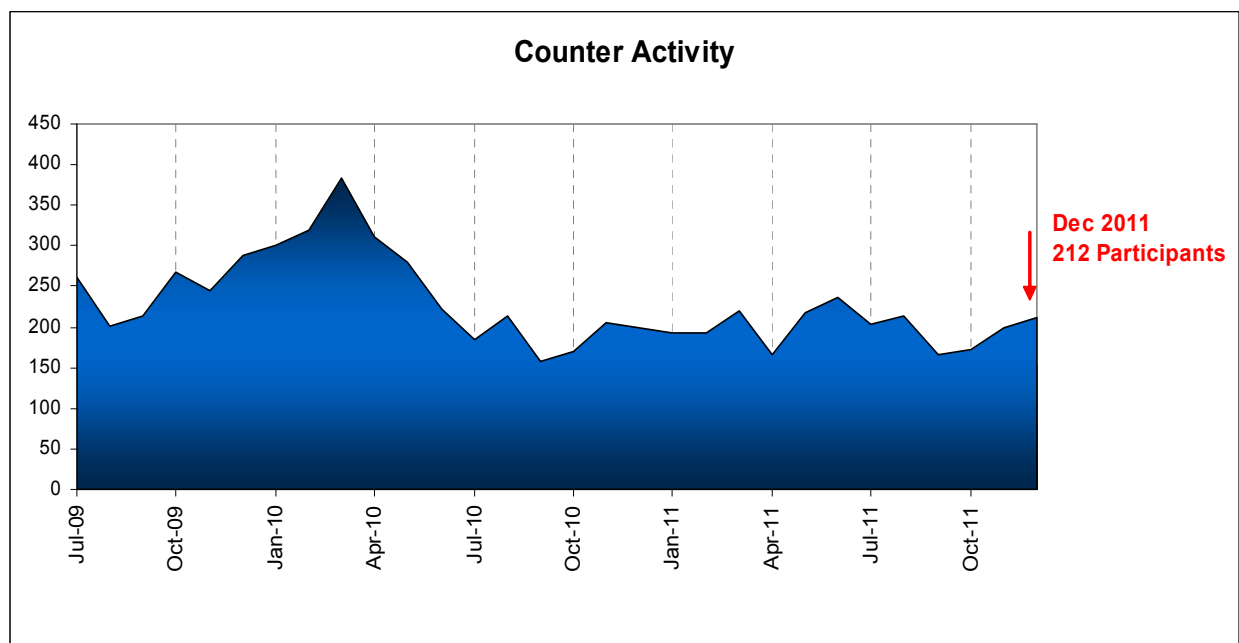
Recommendation:

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

Activity Reports:

Counter Activity Employee Benefits Division

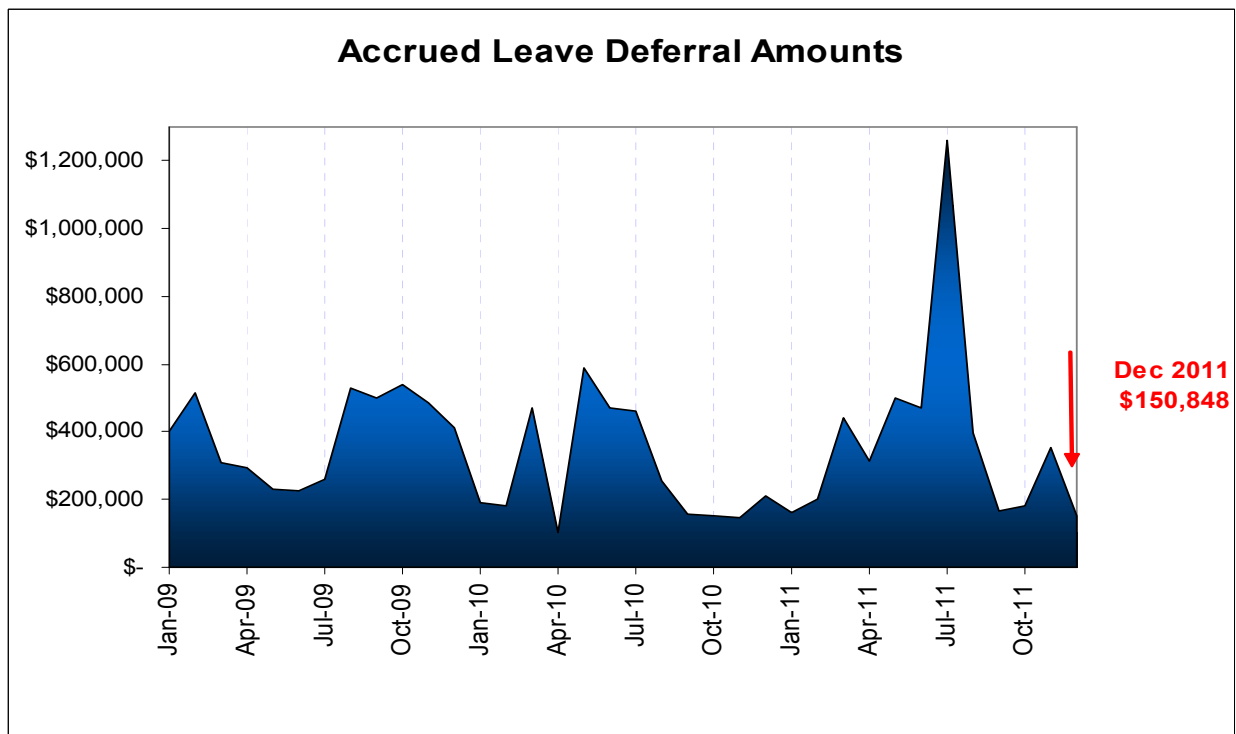
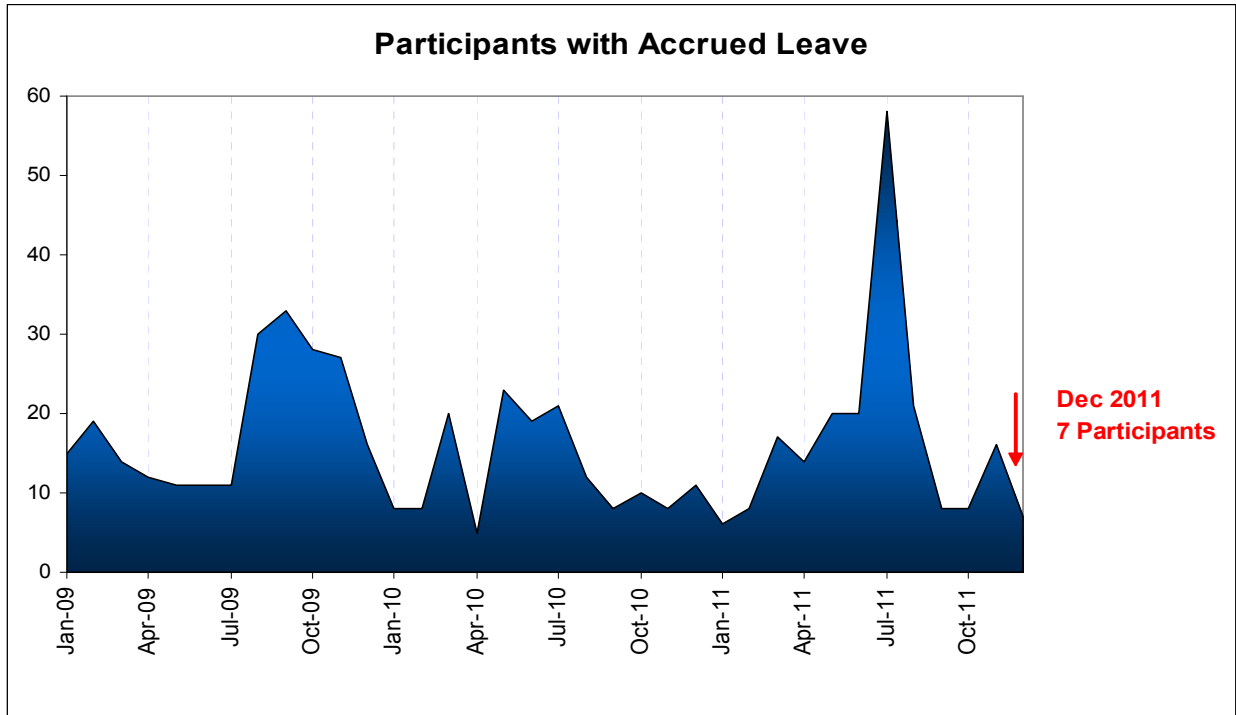
Staff has compiled the following results of Counter Activity flow for the month of December 2011. During the month of December, 212 participants visited the Employee Benefits Division to discuss their Deferred Compensation accounts with the Great-West representatives and/or staff. Following are counter activity results from July 2009 through December 2011:



Accrued Leave Activity

Staff has compiled the following results of Accrued Leave enrollment for the month of December 2011. During the month of December, 7 participants elected to enroll in Accrued Leave and **\$150,848** was contributed into the Plan from their Accrued Leave payouts.

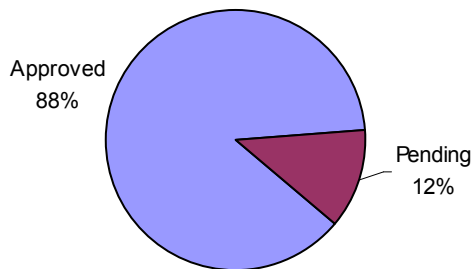
Following are accrued leave activity results from January 2009 to December 2011:



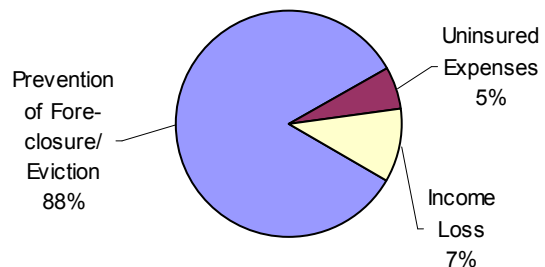
Hardship Activity

Staff has compiled the following results of hardship processing with Great-West for the month of December 2011. During the month of December, 49 hardship cases were submitted to Great-West. There were 43 cases approved and 6 pending further documentation. The dollar amount for hardships withdrawn from the plan in December 2011 was **\$246,393**.

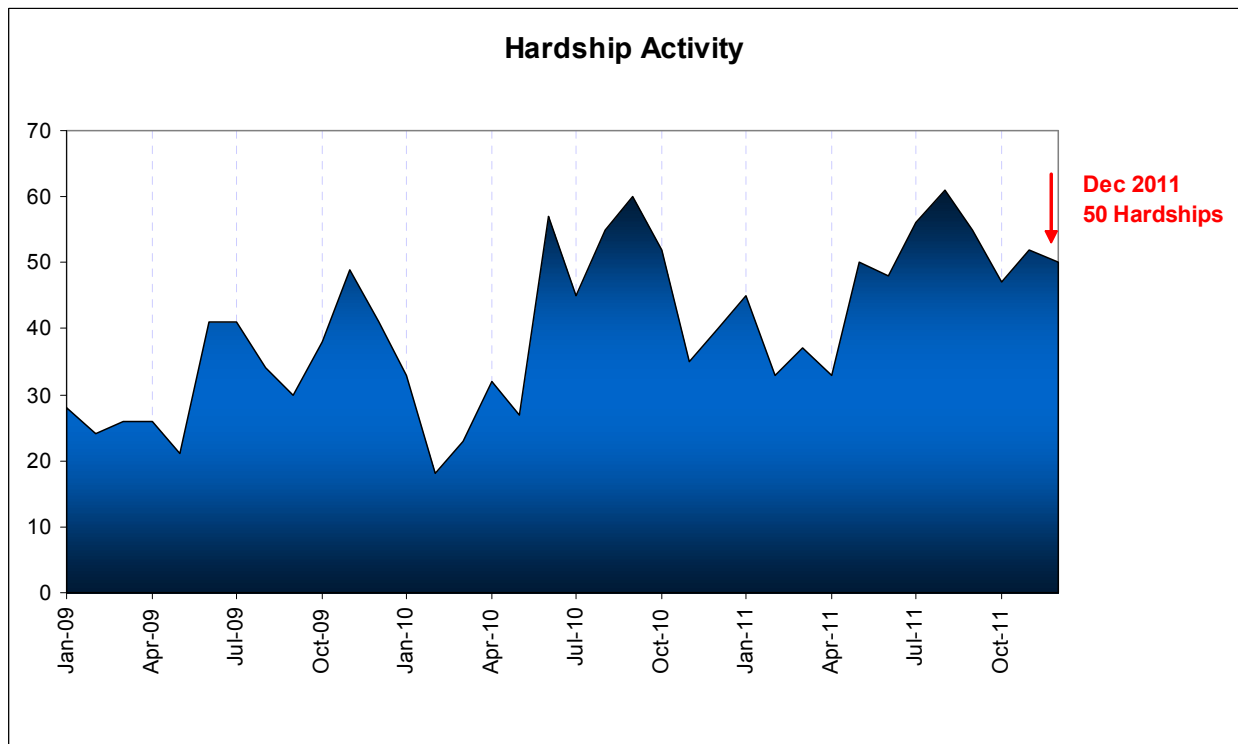
Hardship Activity December 2011



Distribution Reasons

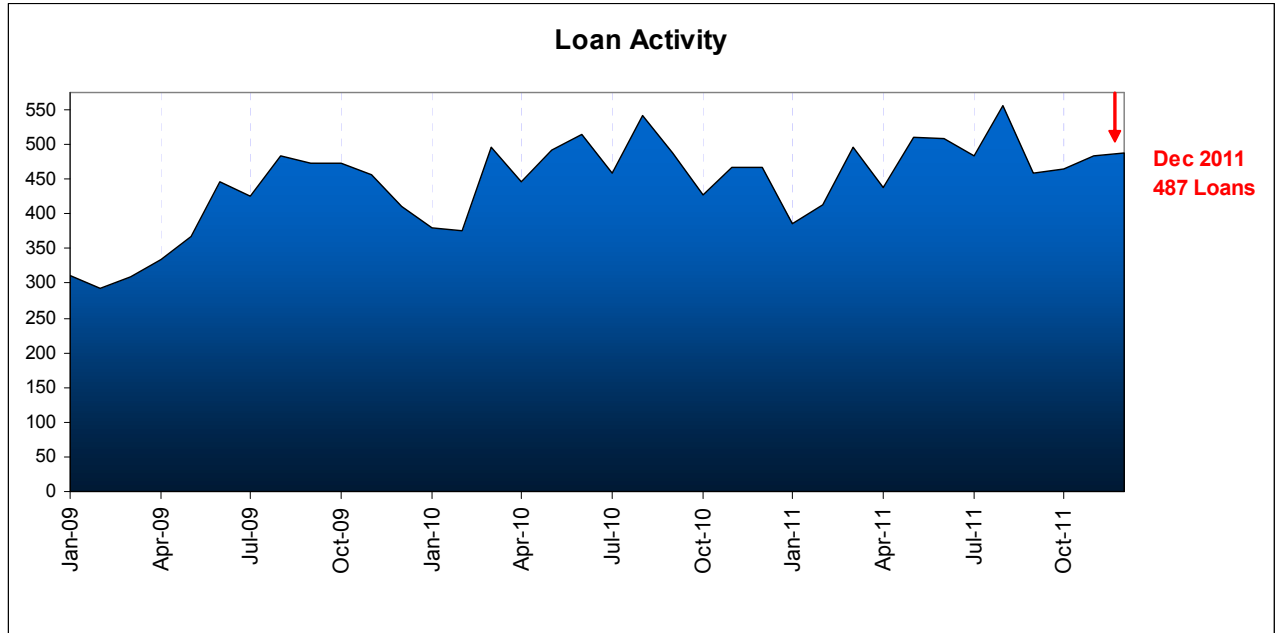


Following are hardship activity results from January 2009 to December 2011:



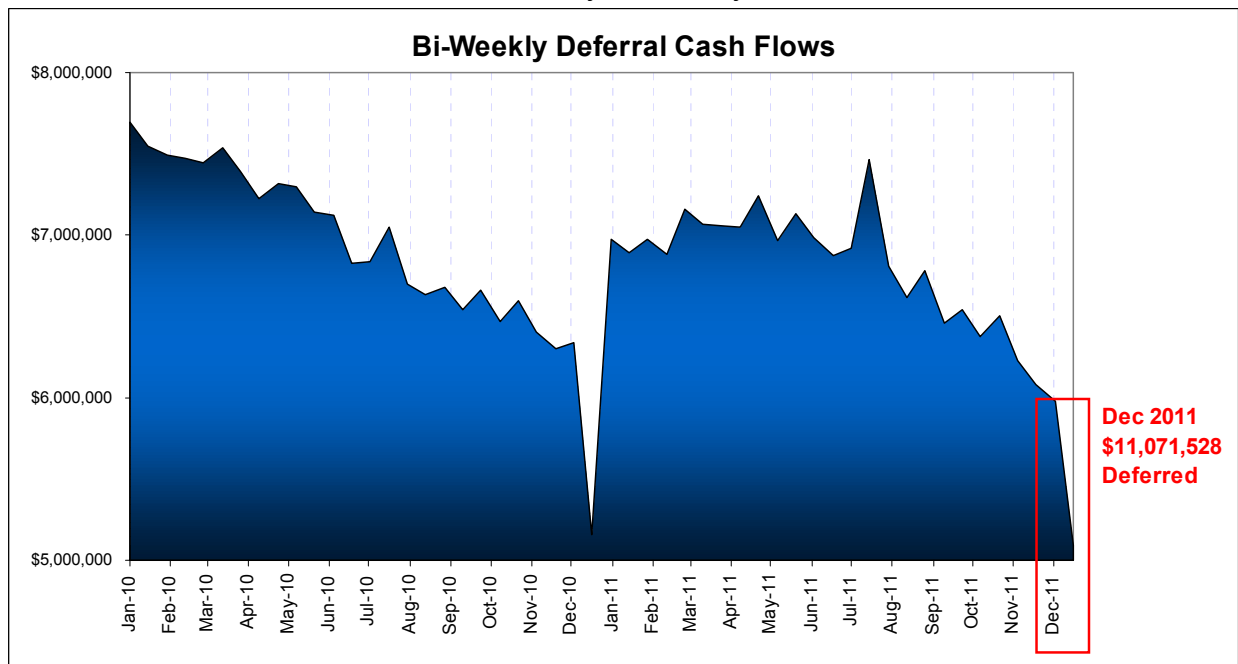
Loan Activity

Staff has compiled the following results of new loans acquired for the month of December 2011. During the month of December, 487 participants elected to obtain a new loan and **\$4,921,113** was withdrawn from the Plan for their loan payouts.



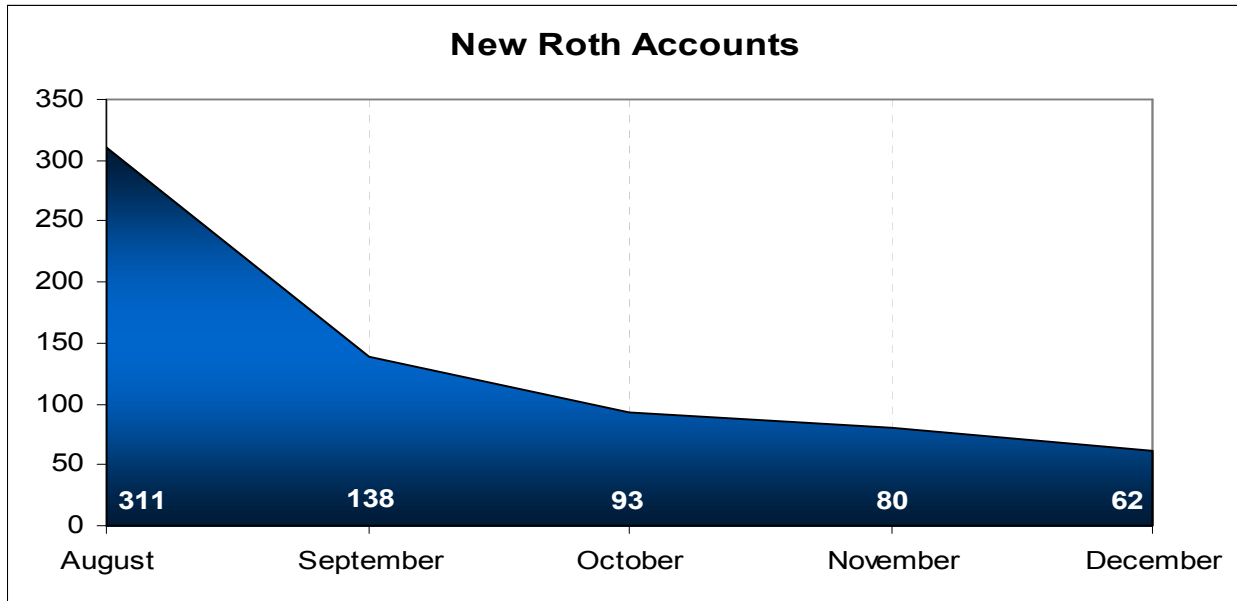
Deferral Tracking

Staff has compiled the following results of bi-weekly deferral cash flows for the month of December 2011 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 **\$11,071,528** into the Deferred Compensation Plan. This compares to **\$11,493,516** in December 2010, or a decrease of **3.67%** year-over-year.



Roth Accounts

Since deferrals for the Roth option began in August 2011, there have been 684 new Roth accounts established. This constitutes a 2.37% participation rate of the 28,834 employees contributing to the plan¹. The chart below illustrates the number of new Roth deferral accounts since August.



¹ There are 28,834 employees contributing to the Plan as of January 2011 (2010 Annual Report).

PROJECT UPDATE
(reflects project activity for period 12/01/11 through 12/31/11)

COMPLETED PROJECTS: DECEMBER 2011					
#	STATUS	PROJECT	DUE DATE	COMPLETED	NOTES
1	Completed	Special Mailing - Investment Menu Changes Materials & Focus Group 1	12/01/11	12/12/2011	N/A
2	Completed	Minutes - 11/15/11 Meeting	12/01/11	12/09/11	N/A
3	Completed	Board Report - Great-West Contract Amendment Extension DCP Services 2012-2016	12/01/11	12/09/11	N/A
4	Completed	Board Report - Investment Menu Update & Communications Materials December 2011	12/01/11	12/09/11	N/A
5	Completed	Board Report - Plan Document Revisions	12/01/11	12/09/11	N/A
6	Completed	Board Report - FDIC Option Asset Apportionment & Investment Policy Change	12/01/11	12/09/11	N/A
7	Completed	Board Report - Strategic Plan Part 3	12/01/11	12/09/11	N/A
8	Completed	Board Report- December Staff Report	12/01/11	12/09/11	N/A
9	Completed	Quarter Four Newsletter - Draft Article and Edit Other Articles	12/12/11	12/12/11	N/A
10	Completed	Board Report - Election of Chairperson/Vice-Chairperson	01/01/12	12/15/11	N/A
11	Completed	Board Report - Board Member Meeting Attendance	01/01/12	12/21/11	N/A
PENDING PROJECTS					
#	STATUS	PROJECT	DUE DATE	COMPLETED	NOTES
1	PENDING	Minutes - 12/20/11 Meeting	01/01/12		Pending
2	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
3	PENDING	Board Report - Bank Deposit Account Policy & Update re Bank of the West	01/01/12		Pending
4	PENDING	Board Report - Communications Report	01/01/12		Pending
5	PENDING	Board Report - Investment Menu Changes	01/01/12		Pending
6	PENDING	Board Report - Investment Manager Presentations Proposal	01/01/12		Pending
7	PENDING	Board Report - Mercer Contract Extension	01/01/12		Pending
8	PENDING	Board Report & Training Presentation - Plan Demographics	01/01/12		Pending
9	PENDING	Board Report - 2012 Plan Budget	01/01/12		Pending
10	PENDING	Memo from Benefits to City Attorney re Outside Legal Counsel Services	01/01/12		Pending

11	PENDING	Draft Citywide Memo re Marketing by Non-Contracted Financial & Benefit Services Providers	01/01/12		Pending
12	PENDING	Great-West Contract Amendment Extension PSP Services 2012-2016	01/01/12		Pending
13	PENDING	Investment Communication Materials - Focus Group 2	01/01/12		Pending
14	PENDING	Board Report - Staff Report January 2012	02/01/12		Pending
15	PENDING	Board Report - Retiree Loans	02/01/12		Meeting held with Great-West on 11/3/11 to review implementation options
16	PENDING	Board Report - DROP Mailing	01/01/12		Draft materials developed and now being revised
17	PENDING	Board Report - Strategic Plan 4	01/01/12		Pending
18	PENDING	Board Report - Elections Update February 2012	02/01/12		Pending
19	PENDING	Annual Report 2011 - PSP	02/01/12		Pending
20	PENDING	Annual Report 2011 - DCP	02/01/12		Pending
21	PENDING	Performance Exams: Admin Consulting	02/01/12		Pending
22	PENDING	Performance Exams: Communications Consulting	02/01/12		Pending
23	PENDING	Performance Exams: Investment Consulting	02/01/12		Pending
24	PENDING	Investments Committee Meeting: Investment Policy Statement - Termination	02/01/12		Identifying schedule availability for Committee meeting
25	PENDING	Board Report - History of funds on monitor/watch	02/01/12		Pending
26	PENDING	Board Report - Loan Repayment Policy	02/01/12		Pending
27	PENDING	Investments Committee Minutes - 4-18-11 Meeting	02/01/12		Pending
28	PENDING	Board Report - review of consistency of access to separating City employees	02/01/12		Pending
29	PENDING	Create Catch-Up Flyer Incorporating Roth	02/01/12		Pending
30	PENDING	Board Report - Contribution History & Rollovers	02/01/12		Pending
31	PENDING	Board Report - In-Kind Transfers from SDBO	02/01/12		Pending
32	PENDING	Board Report - Beneficiary Notifications and Focus Group Results	03/01/12		Pending
33	PENDING	Board Report - SAS Form from Great-West	03/01/12		Pending
34	PENDING	Domestic Partners Research and Discussion with City Attorney and California Peers	03/01/12		Pending
35	PENDING	Revise Distribution Form	03/01/12		Pending
36	PENDING	Revise Enrollment Guide	03/01/12		Pending

37	PENDING	Board Report - Document Retention Policy	04/01/12	Pending
38	PENDING	Review and report back on City of New York financial advice program	04/01/12	Pending
39	PENDING	Board Report - Merrill Lynch - Communication to Outside Vendors	04/01/12	Pending
40	PENDING	Beneficiary Addresses	04/01/12	Pending
41	PENDING	Review and report back on PIMCO hedge fund strategy	04/01/12	Pending
42	PENDING	Review and report back on Plan statistics broken down by constituency	04/01/12	Pending
43	PENDING	Communications Plan: List of alternative DC publications and outlets (LACERS, Pensions, Union pubs, etc.)	04/01/12	Pending
44	PENDING	Board Report - Social Media Options	04/01/12	Pending
45	PENDING	Board Report - Auto Glide-Path for Asset Allocation Funds	04/01/12	Pending
46	PENDING	Board Report - Proxy Share Voting	04/01/12	Pending
47	PENDING	Investment Advice Review and Proposal	04/01/12	Pending
48	PENDING	Notification of Participants - Catch-Up Eligibility	04/01/12	Pending
49	PENDING	Pre-Audit Testing - Phase II	04/01/12	Pending
50	PENDING	Revise Pension Savings Plan Highlights	04/01/12	Pending
51	PENDING	Retirement Plan Summit	04/01/12	Pending
52	PENDING	Revisit Plan Audit	05/01/12	Pending
53	PENDING	PSP Account Consolidation	05/01/12	Pending
54	PENDING	Statistical Project: Refined Count of Non-Contributing Participants	05/01/12	Pending
55	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
Personnel			
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
City Attorney			
Assistant City Attorney	Assistant City Attorney	25%	Curt Kidder

Legal Assistant	Legal Assistant	40%	Vicky Williams
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Submitted by: _____
Esther Chang

Reviewed by: _____
Steven Montagna

Approved by: _____
Alex Basquez