

DEFERRED COMPENSATION PLAN BOARD REPORT 12-27

Date: April 9, 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

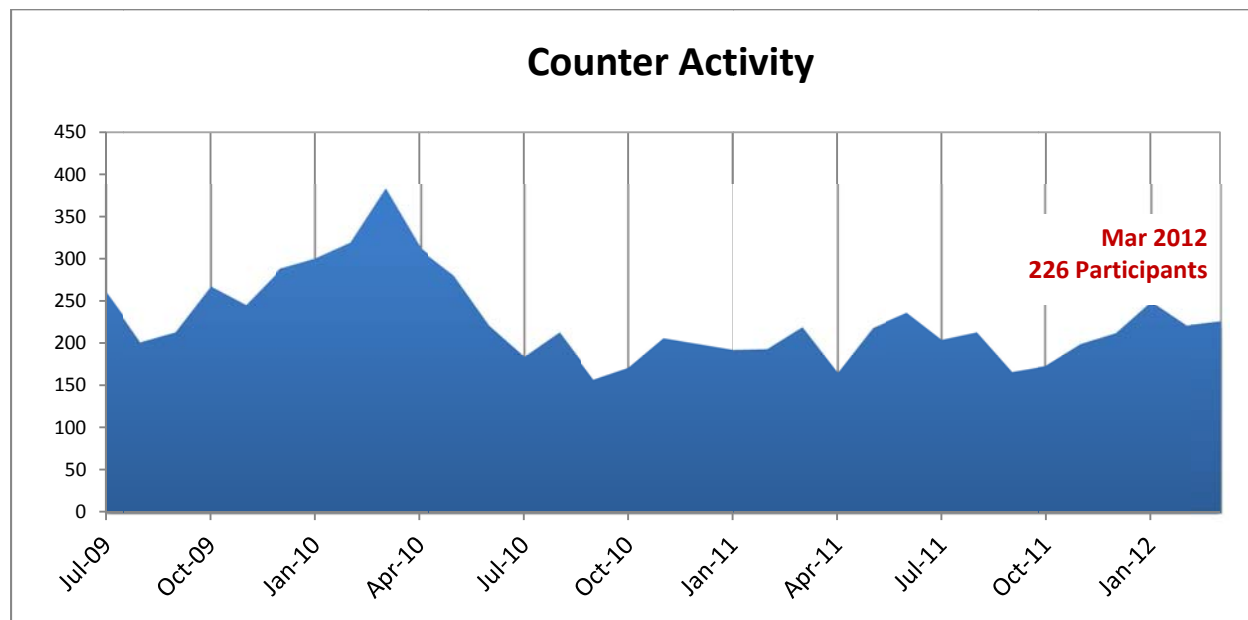
Recommendation:

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

Activity Reports:

Counter Activity Employee Benefits Division

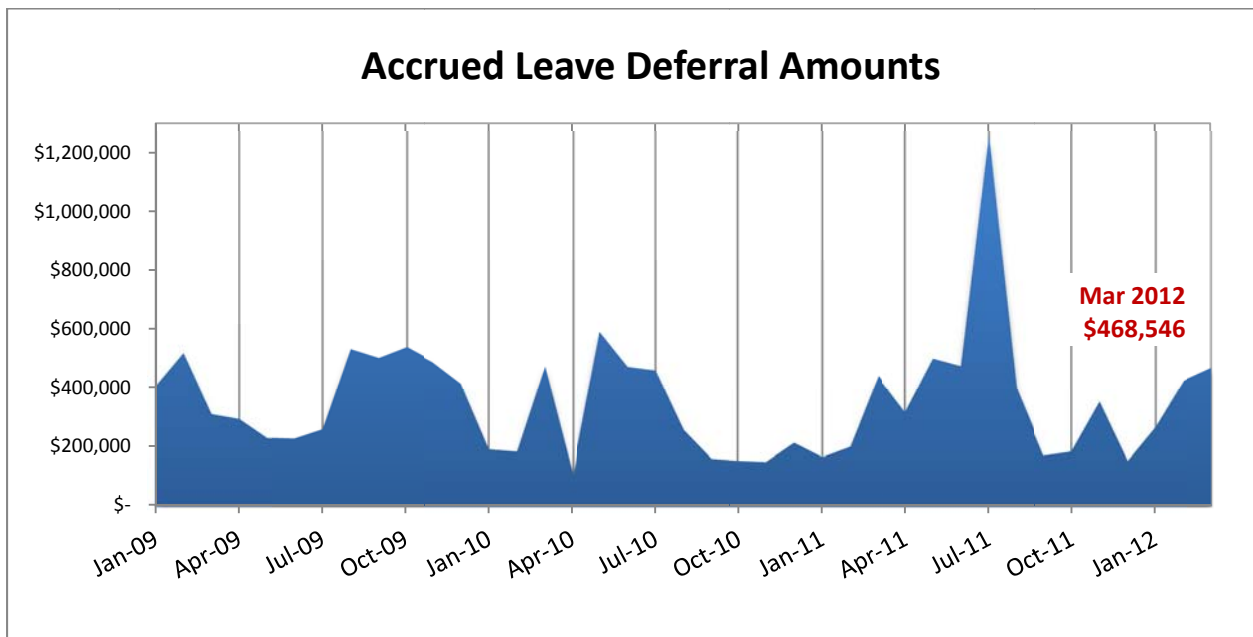
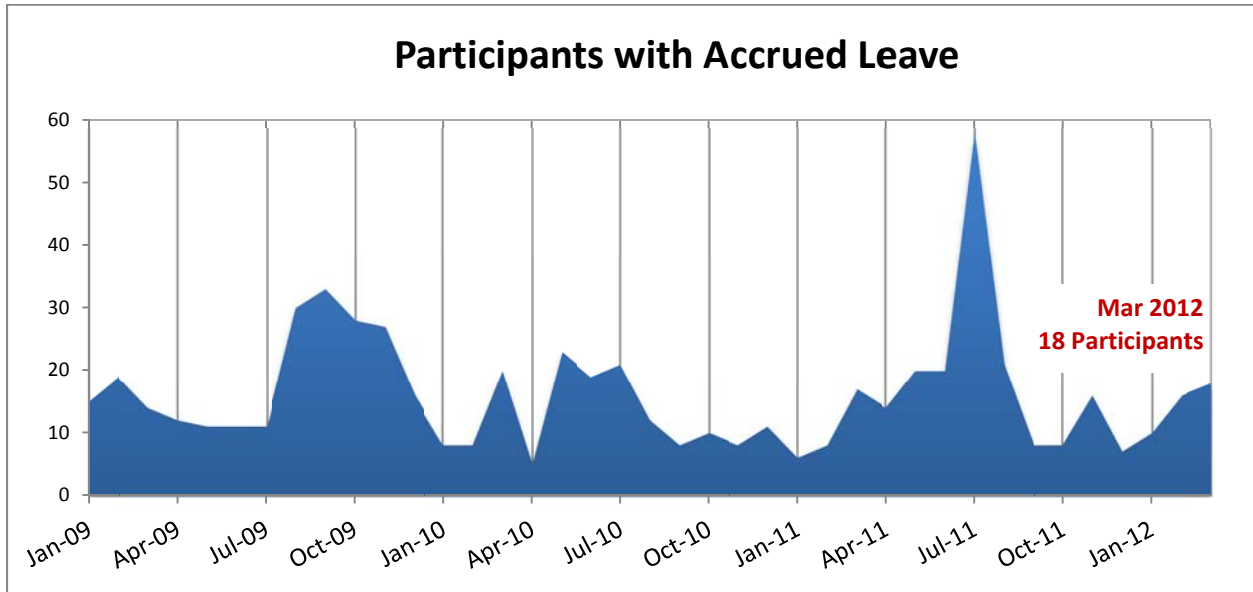
Staff has compiled the following results of Counter Activity flow for the month of March 2012. During the month of March, 226 participants visited the Employee Benefits Division to discuss their Deferred Compensation accounts with the Great-West representatives and/or staff. Following are counter activity results from July 2009 through March 2012:



Accrued Leave Activity

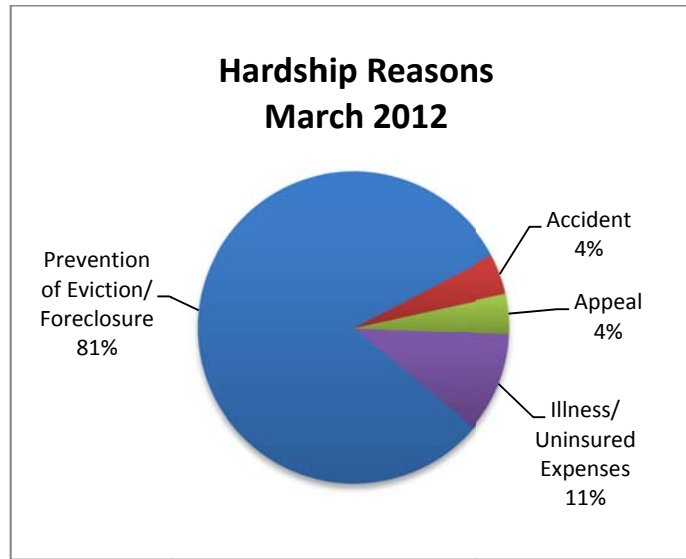
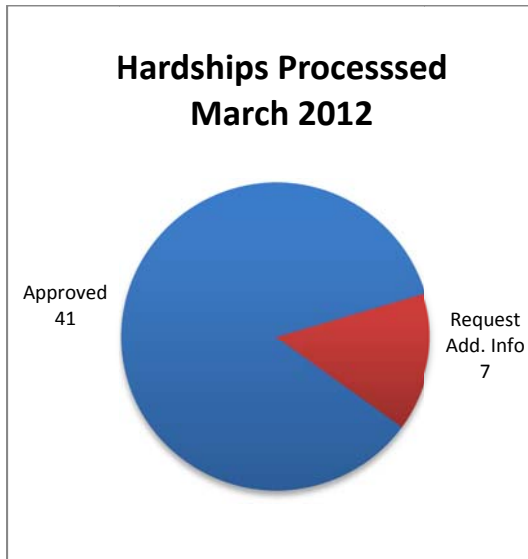
Staff has compiled the following results of Accrued Leave enrollment for the month of March 2012. During the month of March, 18 participants elected to enroll in Accrued Leave and **\$468,546** was contributed into the Plan from their Accrued Leave payouts.

Following are accrued leave activity results from January 2009 to March 2012:

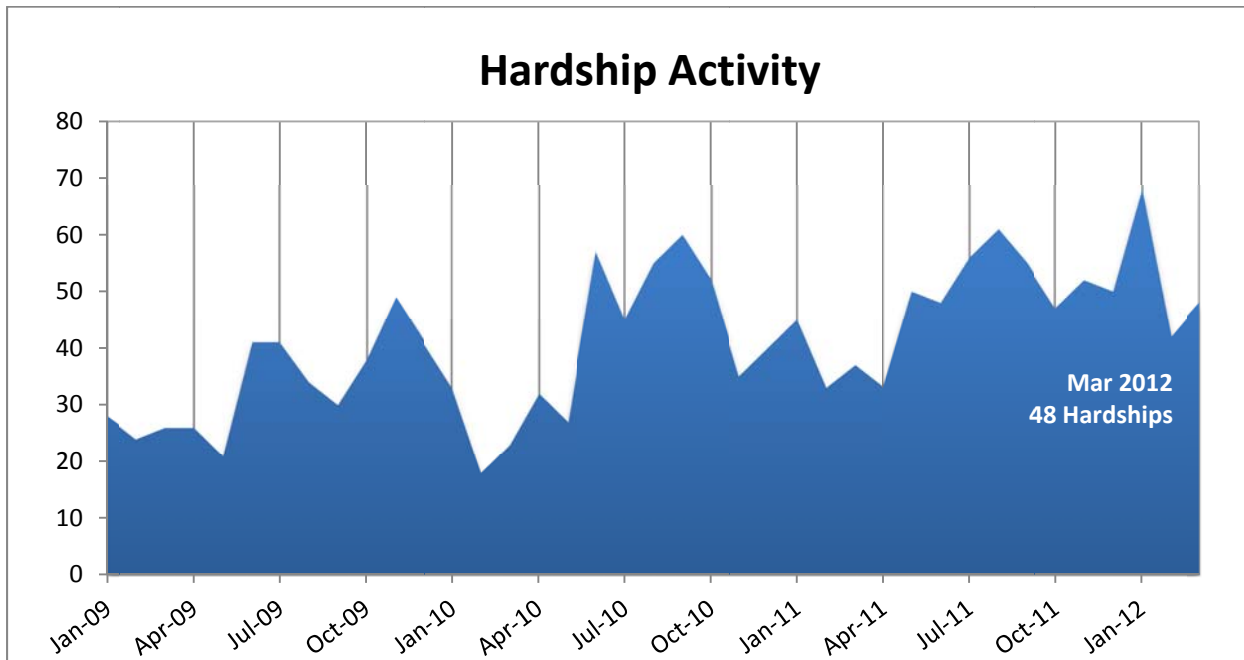


Hardship Activity

Staff has compiled the following results of hardship processing with Great-West for the month of March 2012. During the month of March, 48 hardship cases were submitted to Great-West. There were 41 cases approved and 7 cases pending further documentation. The dollar amount for hardships withdrawn from the plan in March 2012 was approximately **\$402,713**.

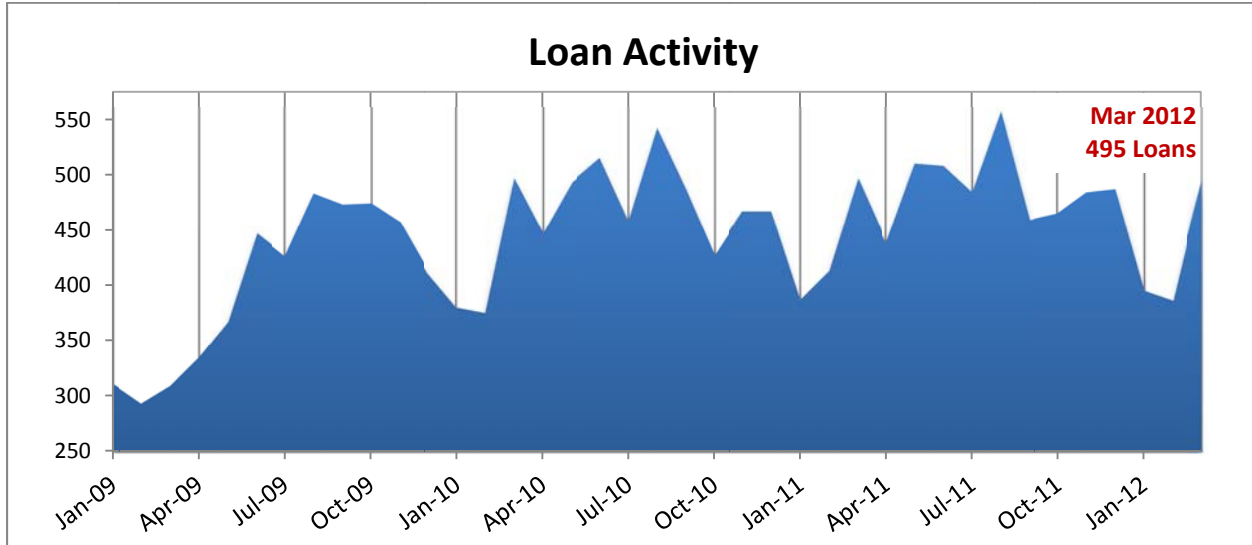


Following are hardship activity results from January 2009 to March 2012:



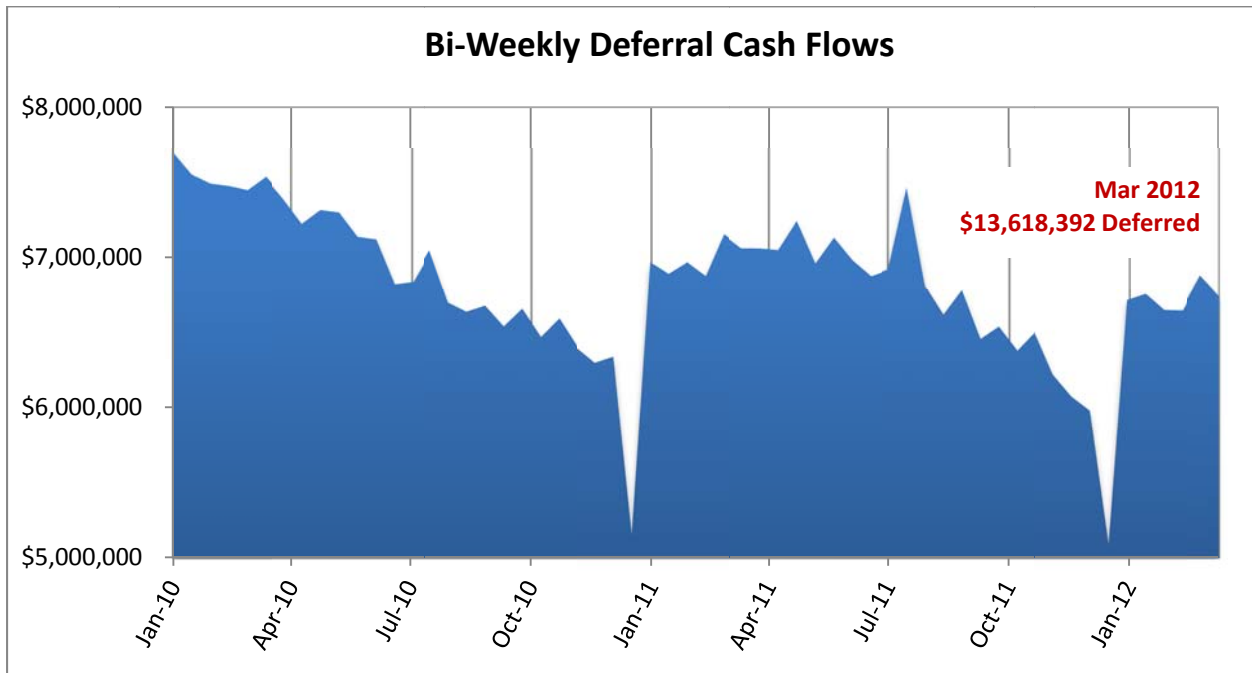
Loan Activity

Staff has compiled the following results of new loans acquired for the month of March 2012. During the month of March, 495 participants elected to obtain a new loan and **\$5,787,851** was withdrawn from the Plan for their loan payouts.



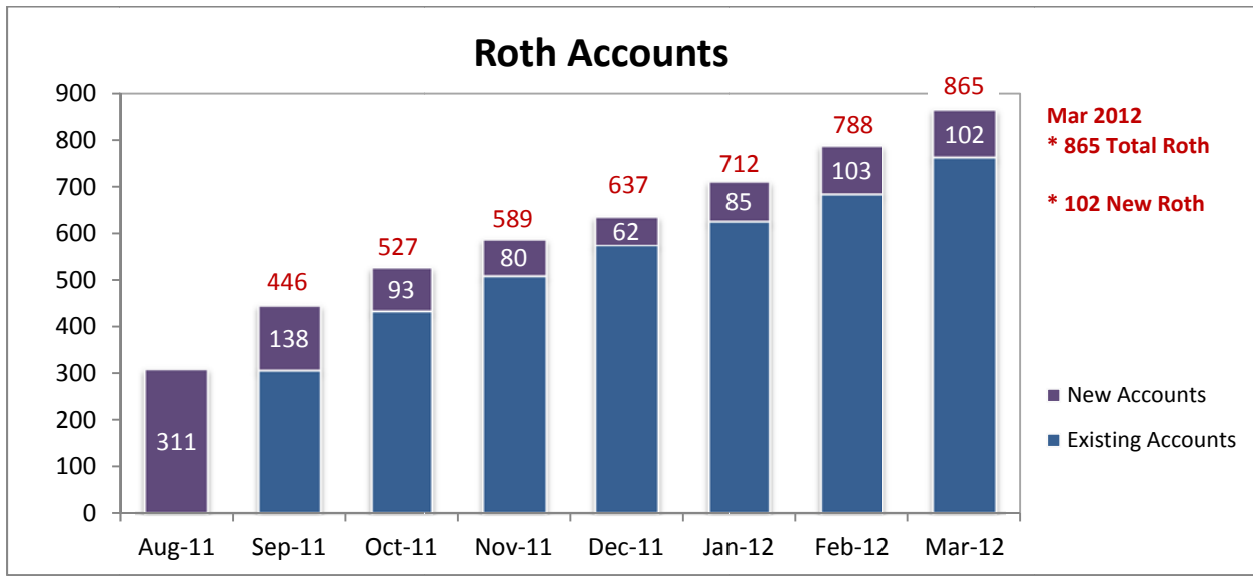
Deferral Tracking

Staff has compiled the following results of bi-weekly deferral cash flows for the month of March 2012 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 **\$13,618,392** into the Deferred Compensation Plan. This compares to **\$14,221,135** in March 2011, or a decrease of **4.2%** year-over-year.



Roth Accounts

The Roth deferral option was made available to participants starting July 2011, with actual deferrals being made by August 2011. For the month of March 2012, there were 102 new Roth accounts established. There are currently a total of 865 Roth accounts. This constitutes a **3.02%** participation rate of the 28,647 employees contributing to the plan¹. The chart below illustrates the number of new Roth deferral accounts since August.



¹ There are 28,647 employees contributing to the Plan as of 12/31/2011 (Great-West Quarterly Report).

PROJECT UPDATE
(reflects project activity for period 03/01/12 through 03/31/12)

COMPLETED PROJECTS: MARCH 2012					
#	STATUS	PROJECT	DUE DATE	COMPLETED	NOTES
1	Completed	Completion of Communication Materials - Investments Mailing	03/15/12	03/15/12	N/A
2	Completed	Minutes - 02/21/12 BDCA Meeting	03/31/12	03/06/12	N/A
3	Completed	Board Report - BIP Requirements & Exclusion	03/31/12	03/06/12	N/A
4	Completed	Board Report - Mid-Cap Share Class Change	03/31/12	03/06/12	N/A
5	Completed	Board Report - Hardship Withdrawal Guidelines	03/31/12	03/06/12	N/A
6	Completed	Hardship Case No 12-01	03/31/12	03/06/12	N/A
7	Completed	Board Report - Staff Report March 2012	03/31/12	03/06/12	N/A
8	Completed	Performance Exams: Admin Consulting	03/31/12	03/15/12	N/A
9	Completed	Performance Exams: Investment Consulting	03/31/12	03/15/12	N/A
10	Completed	Great-West Contract Amendment Extension DCP Services 2012-2016	03/31/12	03/15/12	N/A
PENDING PROJECTS					
#	STATUS	PROJECT	DUE DATE	COMPLETED	NOTES
1	PENDING	Fund Transition & Consolidation	04/20/12		Pending
2	PENDING	Memo from Benefits to City Attorney re Outside Legal Counsel Services	04/30/12		Pending
3	PENDING	Draft Citywide Memo re Marketing by Non-Contracted Financial & Benefit Services Providers	04/30/12		Pending
4	PENDING	Minutes - 3/20/12 Meeting	04/30/12		Pending
5	PENDING	Board Report - Consulting Services	04/30/12		Pending
6	PENDING	Board Report - Plan Document Changes	04/30/12		Pending
7	PENDING	Board Report - Plan Staffing and Fees	04/30/12		Pending
8	PENDING	Board Report - Training & Education Policy	04/30/12		Pending
9	PENDING	Board Report - Contract Status Update	04/30/12		Pending
10	PENDING	Board Report - Quarterly Communications Activity Report	04/30/12		Pending
11	PENDING	Board Report - Elections Update	04/30/12		Pending
12	PENDING	Board Report - Staff Report April 2012	04/30/12		Pending

13	PENDING	Investments Committee Meeting: Investment Policy Statement - Termination	05/31/12		Identifying schedule availability for Committee meeting
14	PENDING	Online Enrollment	05/31/12		Staff tested web functionality, errors identified; Great-West reviewing
15	PENDING	Minutes - 3/20/12 Meeting	05/31/12		Pending
16	PENDING	Board Report - Strategic Plan V	05/31/12		Pending
17	PENDING	Board Report - DROP Mailing	05/31/12		Draft materials developed and now being revised
18	PENDING	Board Report - Historical Contribution History	05/31/12		Draft materials developed and now being revised
19	PENDING	Board Report - History of funds on monitor/watch	05/31/12		Pending
20	PENDING	Annual Report 2011 - PSP	05/31/12		Pending
21	PENDING	Annual Report 2011 - DCP	05/31/12		Pending
22	PENDING	Great-West Contract Amendment Extension PSP Services 2012-2016	05/31/12		Pending
23	PENDING	Retirement Calculator - Develop Prototype w/Great-West	05/31/12		Pending
24	PENDING	Board Report - Plan EIN	05/31/12		Pending
25	PENDING	Board Report - Loan Repayment Policy	05/31/12		Pending
26	PENDING	Investments Committee Minutes - 4-18-11 Meeting	05/31/12		Pending
27	PENDING	Board Report - review of consistency of access to separating City employees	05/31/12		Pending
28	PENDING	Create Catch-Up Flyer Incorporating Roth	05/31/12		Pending
29	PENDING	Board Report - Contribution History & Rollovers	05/31/12		Pending
30	PENDING	Board Report - In-Kind Transfers from SDBO	05/31/12		Pending
31	PENDING	Board Report - Beneficiary Notifications and Focus Group Results	05/31/12		Pending
32	PENDING	Board Report - SAS Form from Great-West	05/31/12		Pending
33	PENDING	Domestic Partners Research and Discussion with City Attorney and California Peers	06/30/12		Pending
34	PENDING	Revise Distribution Form	06/30/12		Pending
35	PENDING	Revise Enrollment Guide	06/30/12		Pending
36	PENDING	Produce files for elections/Clean-Up payroll codes	06/30/12		Pending
37	PENDING	Board Report - Document Retention Policy	06/30/12		Pending
38	PENDING	Review and report back on City of New York financial advice program	06/30/12		Pending

39	PENDING	Board Report - Merrill Lynch - Communication to Outside Vendors	06/30/12		Pending
40	PENDING	Beneficiary Addresses	06/30/12		Pending
41	PENDING	Review and report back on PIMCO hedge fund strategy	06/30/12		Pending
42	PENDING	Review and report back on Plan statistics broken down by constituency	06/30/12		Pending
43	PENDING	Communications Plan: List of alternative DC publications and outlets (LACERS, Pensions, Union pubs, etc.)	06/30/12		Pending
44	PENDING	Board Report - Social Media Options	06/30/12		Pending
45	PENDING	Board Report - Auto Glide-Path for Asset Allocation Funds	06/30/12		Pending
46	PENDING	Board Report - Proxy Share Voting	06/30/12		Pending
47	PENDING	Investment Advice Review and Proposal	06/30/12		Pending
48	PENDING	Notification of Participants - Catch-Up Eligibility	06/30/12		Pending
49	PENDING	Pre-Audit Testing - Phase II	06/30/12		Pending
50	PENDING	Revise Pension Savings Plan Highlights	06/30/12		Pending
51	PENDING	Retirement Plan Summit	07/31/12		Pending
52	PENDING	Revisit Plan Audit	07/31/12		Pending
53	PENDING	PSP Account Consolidation	07/31/12		Pending
54	PENDING	Statistical Project: Refined Count of Non-Contributing Participants	07/31/12		Pending
55	PENDING	Deemed IRA Implementation	07/31/12		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

Submitted by: _____
Esther Chang

Reviewed by: _____
Steven Montagna

Approved by: _____
Alex Basquez