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DEFERRED COMPENSATION PLAN BOARD REPORT 07-10



Date: March 6, 2007

To: Board of Deferred Compensation Administration

From: Staff

Subject: Staff Report: Pending Projects & Information Items

Recommendation:

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

Pending Projects & Information Items:

Hardship Withdrawal Guide/Handout – As discussed at the Board's February 20th, 2007 meeting, staff has developed a one-page hardship withdrawal guide/handout which was included with this Board package and will be included in future packages as well. This document represents a consolidated version of some of the information provided in staff's presentation regarding hardship withdrawals at the Board's January 16th meeting.

NAGDCA Participation – Staff member Steven Montagna was accepted as a volunteer on the National Association of Government Defined Contribution Administrator's (NAGDCA's) Publications Committee. The Publications Committee's function is to develop a minimum of three-four written informational pieces annually for general use by NAGDCA membership. The Committee has identified four potential development projects, of which Mr. Montagna will be working on a general guide for defined contribution Plan participants regarding fees in retirement plans.

Plan Document Changes – Staff is working with the Board's consultant to develop proposed modifications to the City's Plan Document to formally incorporate certain benefits provided for under the Pension Reform Act. Once the consultant has drafted the language it will be reviewed by the City Attorney and then presented to the Board for adoption. This should take place at the Board's April 17th meeting.

Stable Value Consolidation – A meeting will be held on March 7th involving the Board's consultant, Mercer Investment Consulting; Hartford Life Insurance; and Galliard Capital Management to address technical details concerning the consolidation of the Plan's fixed account options into a Plan-branded stable value fund. Great-West Retirement Services has developed a communications strategy and is at work on the actual materials. A more

detailed update will be provided to the Board as the Plan moves closer to the implementation date in October of this year.

Audit Testing – Staff and Great-West have been working together to identify potential audit items in the event the City’s Plan is audited at some point by the Internal Revenue Service. The primary focus has been on testing contribution limits for regular contributions as well as Catch-Up. Once this internal review/testing has been completed the results will be presented to the Board.

New Contracts with Great-West – Staff and Great-West continue to work on developing new contracts for Deferred Compensation Plan and Pension Savings Plan administration. Staff will provide further updates in future reports.

Labor Outreach Event – Staff and the Board’s Labor Representative have begun early strategizing around an education/outreach event for the City’s labor organizations with respect to the Deferred Compensation Plan. Staff will provide further updates in future reports.

Sick/Vacation Leave Rollovers – The City Controller’s Office indicates it is continuing to work on functionality in the City’s new “PaySr” payroll system to permit rollovers of sick and vacation leave into the City’s Deferred Compensation Plan. DWP Payroll indicates it has begun work on this project as well. Staff will provide further updates in future reports.

Submitted by: _____
Steven Montagna

Approved by: _____
Maryanne Keehn