

Deferred Compensation Plan BOARD REPORT 11-47

Date: July 8, 2011
To: Board of Deferred Compensation Administration
From: Staff
Subject: Roth 457 Update

Board of Deferred Compensation
Administration

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Recommendation:

That the Board of Deferred Compensation Administration receive and file the following information regarding the implementation of the Roth 457 savings option within the Deferred Compensation Plan.

Discussion:

The following are updates in certain areas following implementation of the Board's previously approved addition of the Roth savings option into the City's Deferred Compensation Plan on July 1, 2011:

Governing Documents – At the June 21st Board meeting, the Board of Deferred Compensation Administration adopted necessary changes to the Plan Document to implement the Roth option. The revised Plan Document has been posted on the Plan's website and the Personnel Department intranet.

Payroll changes – Since the last Board meeting, staff has been working with the City's Information Technology Agency (ITA) and the Controller's Office on developing the automated interface to allow for automated (not manual) uploads of participant Roth deferral elections, to mirror the process currently in place for pre-tax elections. The City's payroll system is currently allowing for the file uploads, however ITA is reviewing the reports that are then produced following the file uploads. The automated uploads are expected to be available on or around the entry period for the August 10th payday. Any delay in this will not foreclose the option of having staff manually enter the deductions, if need be.

Staff has had a final meeting with Department of Water and Power (DWP) on July 6, 2011 to review testing of the new Roth deduction code in DWP's payroll system and verify that all additions have been made. No additional changes are needed to be made in the DWP payroll system for the Roth deduction code. Staff will not be required to test the uploading of any Roth deferral files, since all deductions are inputted into the DWP payroll system manually.

Communications – Our special mailing was sent to all active employee participants on June 24, 2011 announcing the new Roth 457 savings option. In addition, staff sent an email blast on July 7, 2011 to all City and DWP employees noting the new Roth 457 savings option.

The Plan representatives will be holding group educational seminars regarding Roth throughout the City from July 7, 2011 through mid-August. Furthermore, staff is currently placing a Roth article (Attachment A) and Roth advertisement (Attachment B) in various City publications and on various City websites. The Roth article will be included in the 2nd quarter newsletter that participants will be receiving at the end of July.

Staff will update the Board on the number of participants electing Roth contributions at the end of the 3rd quarter.

Submitted by: _____
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Reviewed by: _____
Steven Montagna

Approved by: _____
Alejandrina Basquez