

DEFERRED COMPENSATION PLAN BOARD REPORT 11-64

Date: September 6, 2011
To: Board of Deferred Compensation Administration
From: Staff
Subject: Staff Report: Completed & Pending Projects & Activity Report

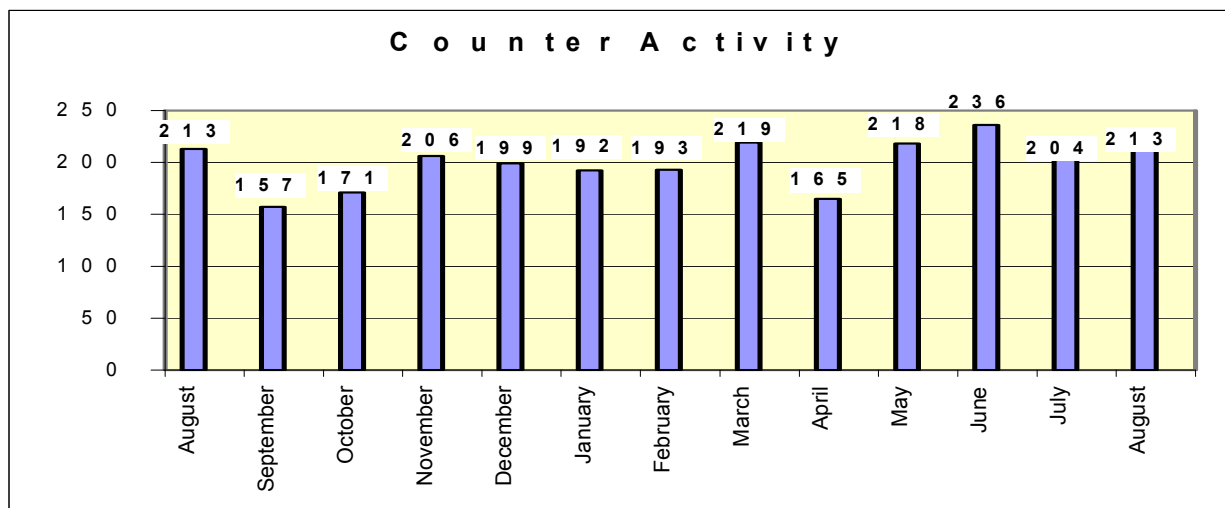
Members
Eugene K. Canzano, Chairperson
John R. Mumma, Vice-Chairperson
Cliff Cannon, First Provisional Chair
Tom Moutes, Second Provisional Chair
Sangeeta Bhatia, Third Provisional Chair
Michael Amerian
Michael Perez
Robert Schoonover
Maggie Whelan

Recommendation:

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

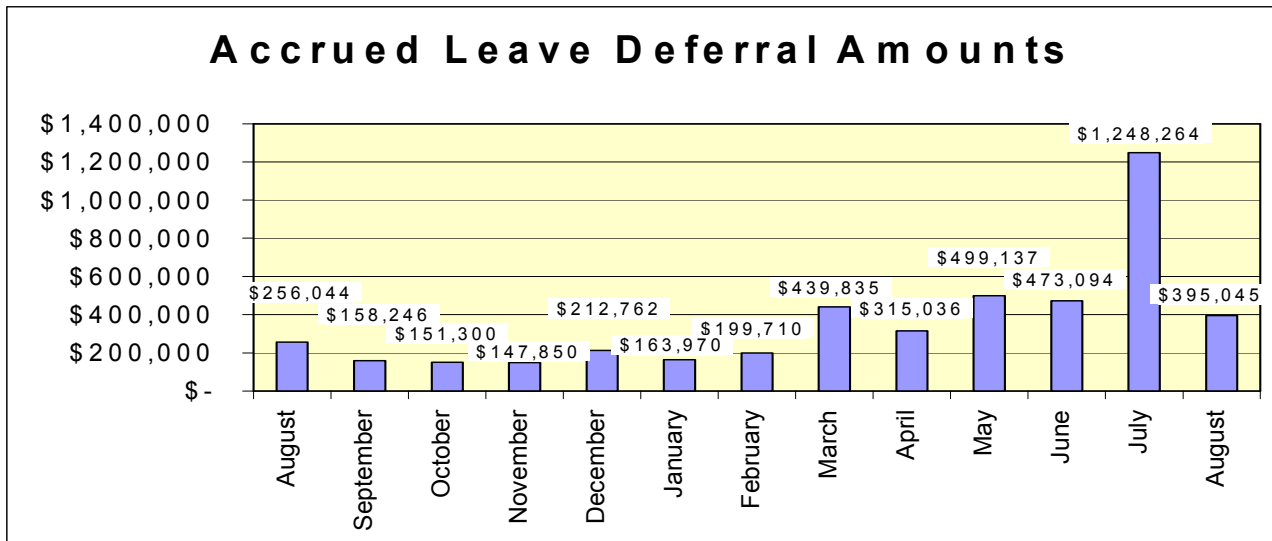
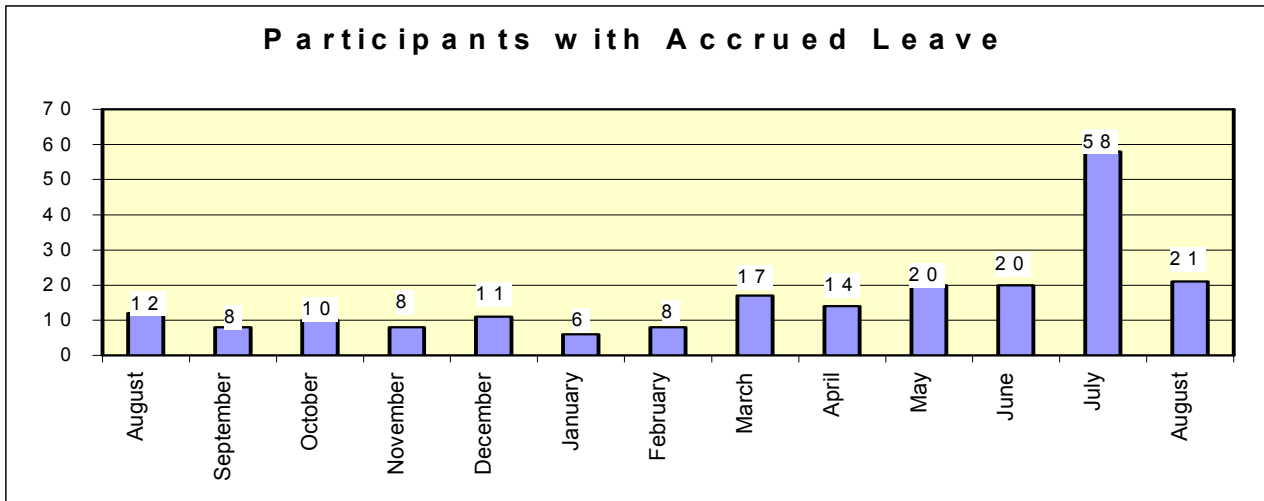
Activity Reports:

Counter Activity Employee Benefits Division – Staff has compiled the following results of Counter Activity flow for the month of August 2011. During the month of August, 213 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 August 2010 to August 2011:



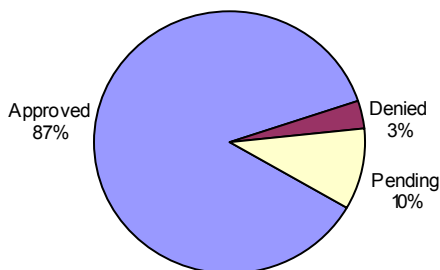
Accrued Leave Activity – Staff has compiled the following results of Accrued Leave enrollment for the month of August 2011. During the month of August, twenty-one participants elected to enroll in Accrued Leave and \$395,045 was contributed into the Plan from their Accrued Leave payouts.

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

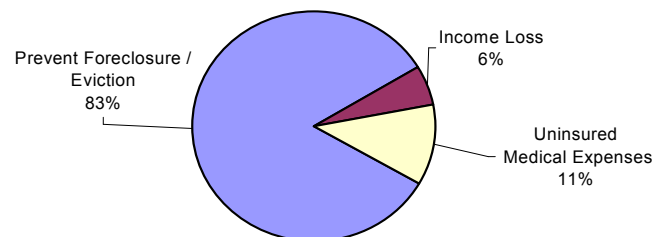


Hardship Activity – Staff has compiled the following results of hardship processing with Great-West for the month of August 2011. During the month of August, sixty-one hardship cases were submitted to Great-West. Fifty-three cases were approved, two denied, and six were pending further documentation.

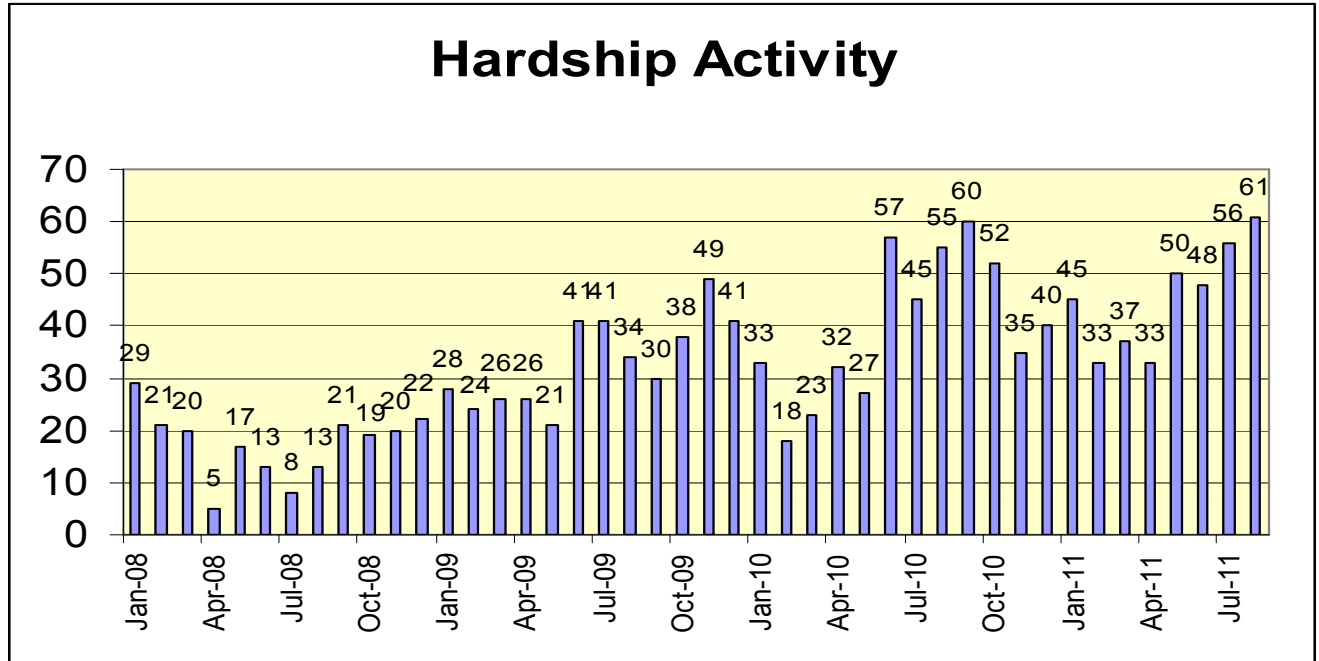
Hardship Activity August '11



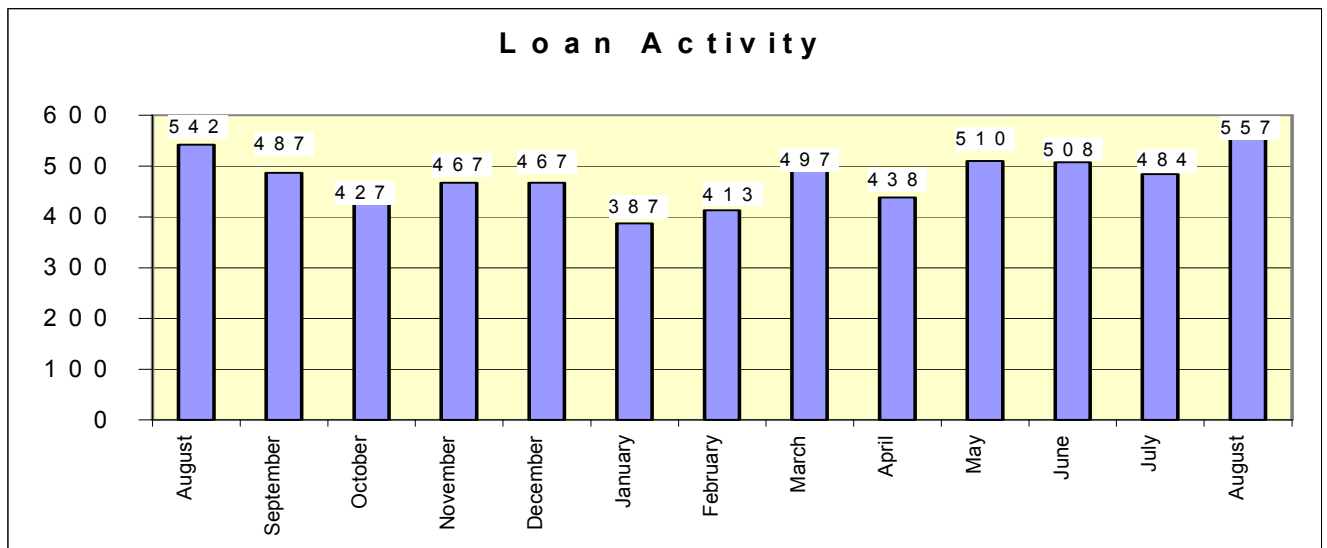
Distribution Reasons



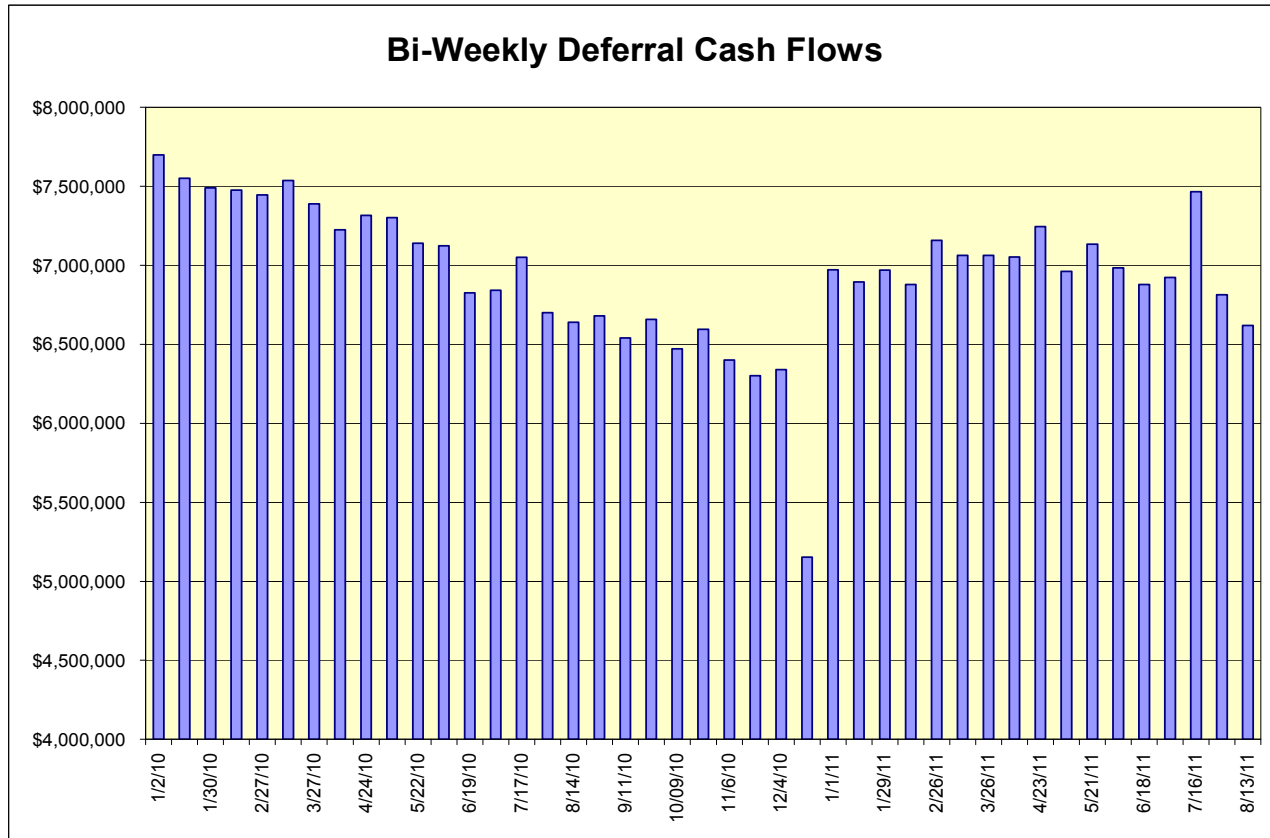
Staff has compiled long-term hardship activity results since the reassignment of hardship processing to Great-West in 2008. Following are hardship activity results from January 2008 to August 2011:



Loan Activity – Staff has compiled the following results of new loans acquired for the month of August 2011. During the month of August, 557 participants elected to obtain a new loan and \$6,147,826 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 August 2011 for the City of Los Angeles and Department of Water and Power. During the month of August, the City and Department of Water and Power deferred **\$13,433,035** into the Deferred Compensation Plan. This compares to **\$13,338,650** in August 2010, or an increase of **0.71%** year-over-year.



Staff completed a legislative survey for NAGDCA to assist them in representing the views of NAGDCA members when the federal government begins examining pension reform. NAGDCA had asked for statistics regarding participant contribution levels. Staff gathered the data and wanted to share the information with the Board.

In Calendar Year 2010, the number of Participants who:

Deferred less than \$16,000:	26,207 (88%)
Deferred at least \$16,000 and less than \$16,501:	1,157 (4%)
Deferred at least \$16,501 and less than \$22,001:	1,924 (6%)
Deferred more than \$22,001:	450 (2%)

The above data indicates that approximately 12% of our participants in 2010 contributed at or close to the maximum deferral amount.

PROJECT UPDATE
(reflects project activity for period 08/01/11 through 08/31/11)

COMPLETED PROJECTS: AUGUST 2011					
#	STATUS	PROJECT	DUE DATE	COMPLETED	NOTES
1	Completed	Issue RFP for Consulting Services	07/15/11	08/09/11	N/A
2	Completed	Minutes - 07/19/11 Meeting	08/01/11	08/05/11	N/A
3	Completed	Hardship Case 11-01	08/01/11	08/11/11	N/A
4	Completed	RFP-Fund Custodian	08/01/11	08/08/11	N/A
5	Completed	Board Report - Focus Group Solicitation Materials	08/01/11	08/05/11	N/A
6	Completed	Board Report - Retirement Income Calculator	08/01/11	08/05/11	N/A
7	Completed	Board Report - Committee Assignments	08/01/11	08/05/11	N/A
8	Completed	Board Report - Investment Menu Planning	08/01/11	08/05/11	N/A
9	Completed	Board Report - Board Bylaws & Resources	08/01/11	08/05/11	N/A
10	Completed	Board Report - August Staff Report	08/01/11	08/11/11	N/A
11	Completed	Great-West Contract Amendment - Wells Fargo	09/01/11	8/29/2011	N/A
12	Completed	Board Report - Strategic Plan 1 - Resources	09/01/11	8/30/2011	N/A
13	Completed	Board Report - Quarterly Budget Review	09/01/11	8/30/2011	N/A
14	Completed	Board Report - Communication Materials & Other DCP Plans	09/01/11	8/30/2011	N/A
15	Completed	Minutes - 08/16/11 Meeting	09/01/11	8/30/2011	N/A
PENDING PROJECTS					
#	STATUS	PROJECT	DUE DATE	COMPLETED	NOTES
1	PENDING	Board Plenary Authority/ Fiduciary Liability Insurance	09/01/11		Pending
2	PENDING	Board Report - Investment Menu Implementation Update	09/01/11		Pending
3	PENDING	Board Report - Staff Report	09/01/11		Pending
4	PENDING	Board Report - FDIC Option Asset Apportionment	10/01/11		Pending
5	PENDING	Great-West Contract Amendment Extension DCP Services 2012-2016	10/01/11		Pending
6	PENDING	Great-West Contract Amendment Extension PSP Services 2012-2016	10/01/11		Pending
13	PENDING	Investments Committee Meeting: Investment Policy Statement - Termination	10/01/11		Pending

14	PENDING	Board Report - History of funds on monitor/watch	10/01/11	Pending
15	PENDING	Board Report - Loan Repayment Policy	10/01/11	Pending
16	PENDING	Investments Committee Minutes - 4-18-11 Meeting	10/01/11	Pending
17	PENDING	Board Report - review of consistency of access to separating City employees	10/01/11	Pending
18	PENDING	Create Catch-Up Flyer Incorporating Roth	10/01/11	Pending
19	PENDING	Board Report - Contribution History & Rollovers	10/01/11	Pending
20	PENDING	Board Report - In-Kind Transfers from SDBO	10/01/11	Pending
21	PENDING	Board Report - October Contract Status Update	10/01/11	Pending
22	PENDING	Plan Document Revisions - Amend Plan Document to reflect 2009 RMD waiver - and make other necessary changes	10/01/11	Pending
23	PENDING	Board Report - Beneficiary Notifications and Focus Group Results	11/01/11	Pending
24	PENDING	Board Report - SAS Form from Great-West	11/01/11	Pending
25	PENDING	Domestic Partners Research and Discussion with City Attorney and California Peers	11/01/11	Pending
26	PENDING	Revise Distribution Form	11/01/11	Pending
27	PENDING	Revise Enrollment Guide	11/01/11	Pending
28	PENDING	Board Report - Document Retention Policy	11/01/11	Pending
29	PENDING	Review and report back on City of New York financial advice program	11/01/11	Pending
30	PENDING	Board Report - Merrill Lynch - Communication to Outside Vendors	11/01/11	Pending
31	PENDING	Beneficiary Addresses	11/01/11	Pending
32	PENDING	Review and report back on PIMCO hedge fund strategy	11/01/11	Pending
33	PENDING	Review and report back on Plan statistics broken down by constituency	12/01/11	Pending
34	PENDING	Communications Plan: List of alternative DC publications and outlets (LACERS, Pensions, Union pubs, etc.)	12/01/11	Pending
35	PENDING	Plan Account Records	12/01/11	Pending
36	PENDING	Board Report - Social Media Options	12/01/11	Pending

37	PENDING	Board Report - Auto Glide-Path for Asset Allocation Funds	12/01/11	Pending
38	PENDING	Board Report - Proxy Share Voting	12/01/11	Pending
39	PENDING	Investment Advice Review and Proposal	01/01/12	Pending
40	PENDING	Notification of Participants - Catch-Up Eligibility	01/01/12	Pending
41	PENDING	Pre-Audit Testing - Phase II	01/01/12	Pending
42	PENDING	Revise Pension Savings Plan Highlights	01/01/12	Pending
43	PENDING	Retiree Loans	01/01/12	Pending
44	PENDING	Retirement Plan Summit	01/01/12	Pending
45	PENDING	Revisit Plan Audit	02/01/12	Pending
46	PENDING	PSP Account Consolidation	02/01/12	Pending
47	PENDING	Statistical Project: Refined Count of Non-Contributing Participants	02/01/12	Pending
48	PENDING	Deemed IRA Implementation	02/01/12	Pending

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

Position Authority	Incumbent Class	Percent Dedicated to DCP	Staff Member
Personnel			
Chief Personnel Analyst	Chief Personnel Analyst	25%	Alejandrina Basquez
Senior Personnel Analyst II	Senior Personnel Analyst II	80%	Steven Montagna
Management Analyst II	Management Analyst II	100%	Natasha Gameroz
Management Analyst II	Management Assistant	100%	Ashley Stracke
Benefits Specialist (prior incumbent left under ERIP)	Clerk Typist	100%	Claudia Guevara
City Attorney			
Assistant City Attorney	Assistant City Attorney	25%	Curt Kidder
Legal Assistant	Legal Assistant	40%	Vicky Williams

Submitted by: _____
Natasha Gameroz

Approved by: _____
Steven Montagna