

DEFERRED COMPENSATION PLAN BOARD REPORT 10-26

Date: July 13, 2010
To: Board of Deferred Compensation Administration
From: Staff
Subject: Staff Report: Completed & Pending Projects & Activity Report

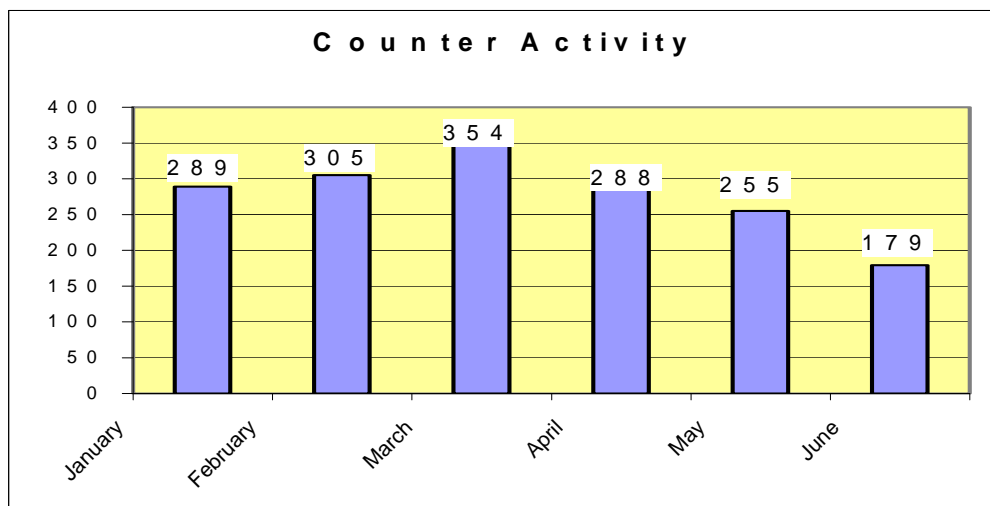
Members
Eugene K. Canzano, Chairperson
Richard Kraus, Vice-Chairperson
Sally Choi, Second Provisional Chair
Maggie Whelan, Third Provisional Chair
Sangeeta Bhatia
Cliff Cannon
John R. Mumma
Michael Perez

Recommendation:

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

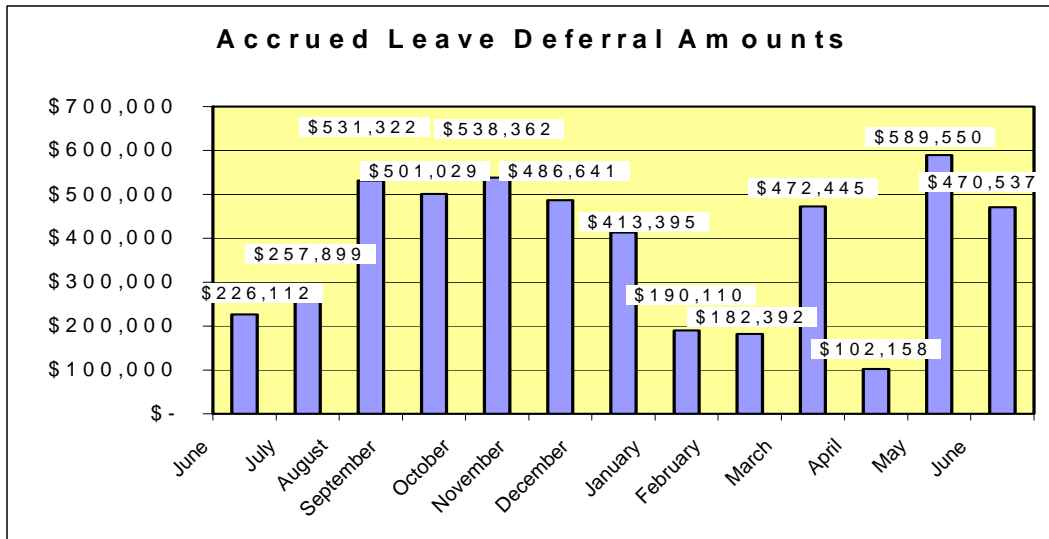
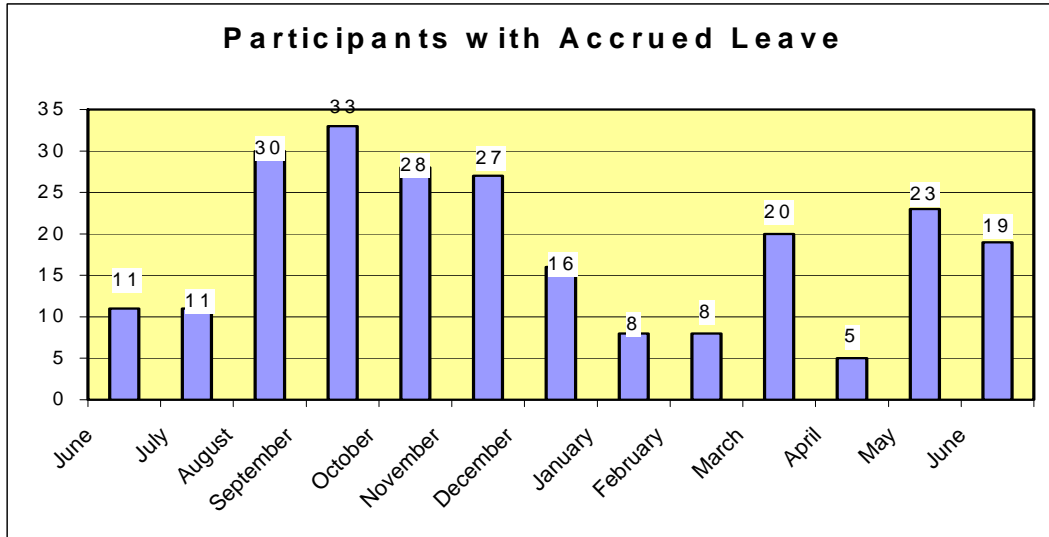
Activity Reports:

Counter Activity Employee Benefits Division – Staff has compiled the following results of Counter Activity flow for the month of June 2010. During the month of June, 179 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 January 2010 to June 2010:



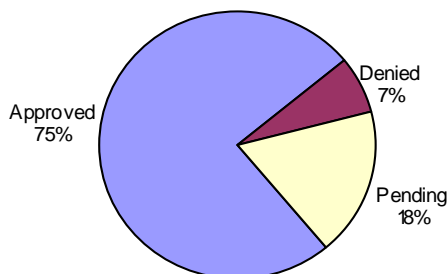
Accrued Leave Activity – Staff has compiled the following results of Accrued Leave enrollment for the month of June 2010. During the month of June, nineteen participants elected to enroll in Accrued Leave and \$470,537 was contributed into the Plan from

their Accrued Leave payouts. Following are accrued leave activity results from June 2009 to June 2010:

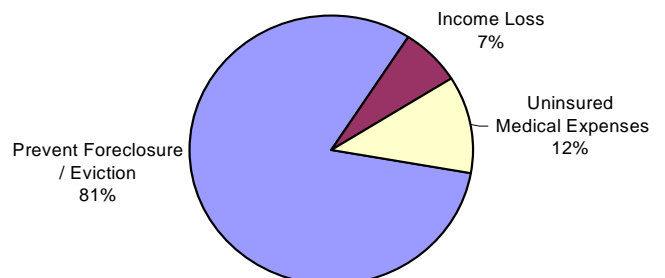


Hardship Activity – Staff has compiled the following results of hardship processing with Great-West for the month of June 2010. During the month of June, fifty-seven hardship cases were submitted to Great-West. Forty-three cases were approved, four denied, and ten were pending further documentation.

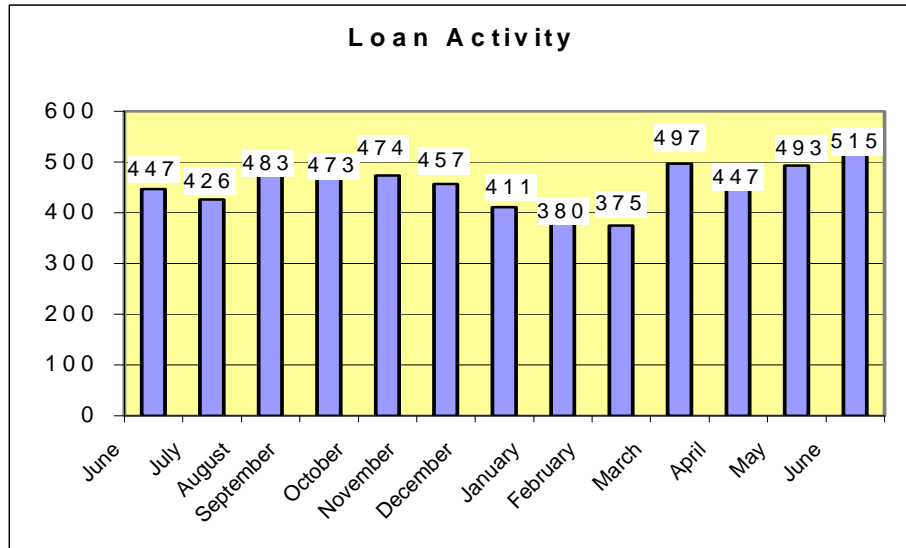
Hardship Activity June'10



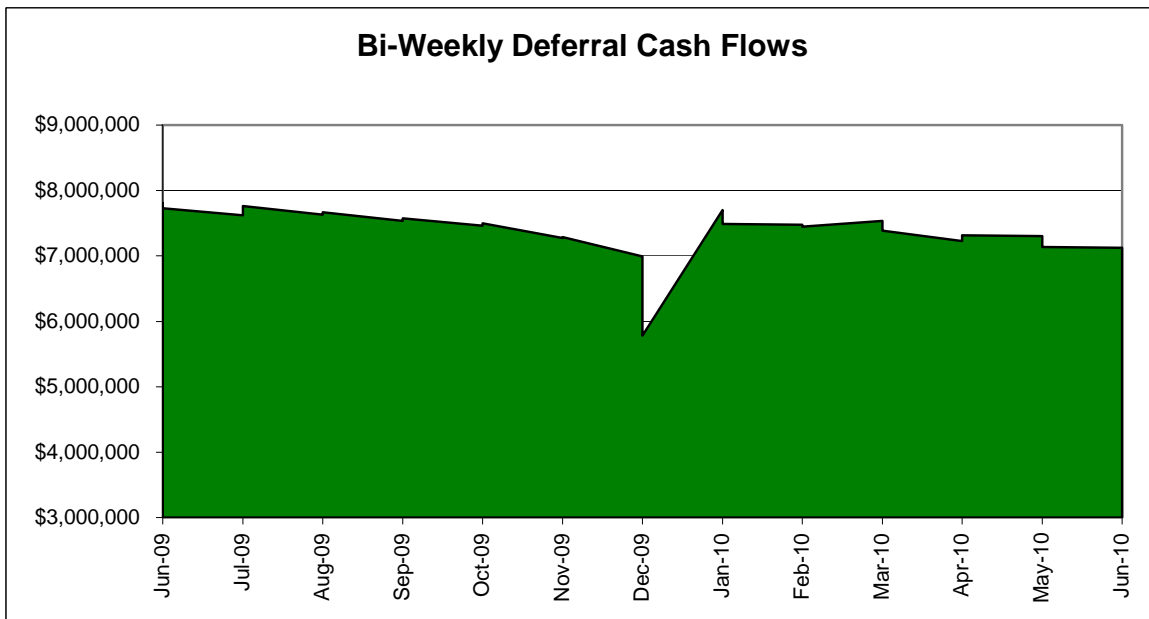
Distribution Reasons



Loan Activity – Staff has compiled the following results of new loans acquired for the month of June 2010. During the month of June, 515 participants elected to obtain a new loan and \$5,736,837 was withdrawn from the Plan from their loan payouts.



Deferral Tracking - Staff has compiled the following results of bi-weekly deferral cash flows for the month of June 2010 for the City of Los Angeles and Department of Water and Power. During the month of June, the City and Department of Water and Power deferred \$13,947,485 into the Deferred Compensation Plan. This compares to **\$15,534,525** in June 2009, or a reduction of **11.3%** year-over-year.



| PROJECT UPDATE | | | | | |
|------------------------------------|-----------|---|----------|-----------|---|
| COMPLETED PROJECTS: JUNE/JULY 2010 | | | | | |
| # | STATUS | PROJECT | DUE DATE | COMPLETED | NOTES |
| 1 | Completed | Minutes - 6/15/10 Meeting | 07/12/10 | 7/5/2010 | For 07/20/10 Board Meeting |
| 2 | Completed | Board/Consultant Report - Investment Menu Part IV | 07/12/10 | 7/12/2010 | For 07/20/10 Board Meeting |
| 3 | Completed | Board Report - TPA RFP II & Conflict-of-Interest Statement | 07/12/10 | 7/12/2010 | For 07/20/10 Board Meeting |
| 4 | Completed | Board Report - Election of Chair/Vice-Chair | 07/12/10 | 7/12/2010 | For 07/20/10 Board Meeting |
| 5 | Completed | Board Report - Trust & City Atty Letter | 07/12/10 | 7/12/2010 | For 07/20/10 Board Meeting |
| 6 | Completed | Board Report - Staff Report for July | 07/12/10 | 7/12/2010 | For 07/20/10 Board Meeting |
| PENDING PROJECTS | | | | | |
| # | STATUS | PROJECT | DUE DATE | COMPLETED | NOTES |
| 1 | PENDING | Board Report - Small Account Balances | 06/30/10 | | Data gathered from Great-West, researching w/other plans, report pending |
| 2 | PENDING | Next Meeting - Plan Governance Committee - Bylaws | 06/30/10 | | 2nd Discussion of Bylaws - Plan Governance Committee Meeting scheduled for August 19 |
| 3 | PENDING | Minutes - 7/20/10 Board Meeting | 06/30/10 | | Pending |
| 4 | PENDING | Board Report - Travel/Education Issues (On-site Review) | 07/31/10 | | Pending City Attorney Review |
| 5 | PENDING | Board Report - Beneficiary Notifications and Focus Group Results | 07/31/10 | | Focus group held 5/10-5/14; revisions to draft form pending; staff report being drafted |
| 6 | PENDING | 2009 PSP Annual Report | 07/31/10 | | Pending |
| 7 | PENDING | Domestic Partners Research and Discussion with City Attorney and California Peers | 07/31/10 | | Pending |
| 8 | PENDING | Communications Plan: List of alternative DC publications and outlets (LACERS, Pensions, Union pubs, etc.) | 07/31/10 | | Pending |
| 9 | PENDING | Plan Account Records | 07/31/10 | | Researching obligations to retain historical records in light of issues w/Nationwide and Great Western Bank records |
| 10 | PENDING | Board or Investments Committee Report: DC Menu Implementation Plan | 06/30/10 | | Pending |
| 11 | PENDING | PSP Contract thru 12/31/11 | 06/30/10 | | Contract drafted - presently under review by City Attorney & Admin Services |

| | | | | |
|----|---------|---|----------|---|
| 12 | PENDING | Cal-Net Marketing Brochure on Retaining Assets | 06/30/10 | Materials obtained; first conference call on 7/13/10 |
| 13 | PENDING | Board Report - Auto Glide-Path for Asset Allocation Funds | 07/31/10 | Pending |
| 14 | PENDING | Beneficiary Addresses | 08/31/10 | Beneficiary addresses can be captured on system - waiting to implement until we have new form issues resolved |
| 15 | PENDING | Board Report - Proxy Share Voting | 08/31/10 | Pending |
| 16 | PENDING | Fiduciary Liability Insurance | 08/31/10 | Pending |
| 17 | PENDING | Investment Advice Review and Proposal | 09/30/10 | Pending |
| 18 | PENDING | Notification of Participants - Catch-Up Eligibility | 09/30/10 | Pending |
| 19 | PENDING | National Save for Retirement Week - Promotion Plan | 09/30/10 | Pending |
| 20 | PENDING | DCP Trustee and Governance Documents Review | 10/31/10 | Pending |
| 21 | PENDING | Pre-Audit Testing - Phase II | 10/31/10 | Pending |
| 22 | PENDING | Revise Mini-Enrollment Brochure | 10/31/10 | Pending |
| 23 | PENDING | Revise Pension Savings Plan Highlights | 10/31/10 | Pending |
| 24 | PENDING | Retirement Plan Summit | 10/31/10 | Pending |
| 25 | PENDING | Automatic Enrollment Initiative | 10/31/10 | Pending |
| 26 | PENDING | Revisit Plan Audit | 10/31/10 | Pending |
| 27 | PENDING | SCPMA Presentation re DCP as Human Resource Function | 10/14/10 | Pending |
| 28 | PENDING | PSP Account Consolidation | 11/30/10 | Pending |
| 29 | PENDING | Statistical Project: Refined Count of Non-Contributing Participants | 11/30/10 | Pending |
| 30 | PENDING | Deemed IRA Implementation | 01/31/11 | Pending |
| 31 | PENDING | Retiree Loans | 01/31/11 | 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 | | | |
| 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 | On loan to Layoff Team | Ashley Stracke |
| Benefits Specialist (prior incumbent left under ERIP) | Clerk Typist | 100% | Claudia Guevara |
| City Attorney | | | |
| Deputy City Attorney | Deputy City Attorney | 25% | Anita Parys |
| Legal Secretary | Legal Assistant | 40% | Vicky Williams |
| DWP | | | |
| Sr. Clerk Typist | Sr. Clerk Typist | 5% | Mary Wilson |

Submitted by: _____
 Natasha Gameroz

 Steven Montagna

Approved by: _____
 Alejandrina Basquez