

DEFERRED COMPENSATION PLAN BOARD REPORT 11-28

Date: April 5, 2011
 To: Board of Deferred Compensation Administration
 From: Staff
 Subject: Staff Report: Completed & Pending Projects & Activity Report

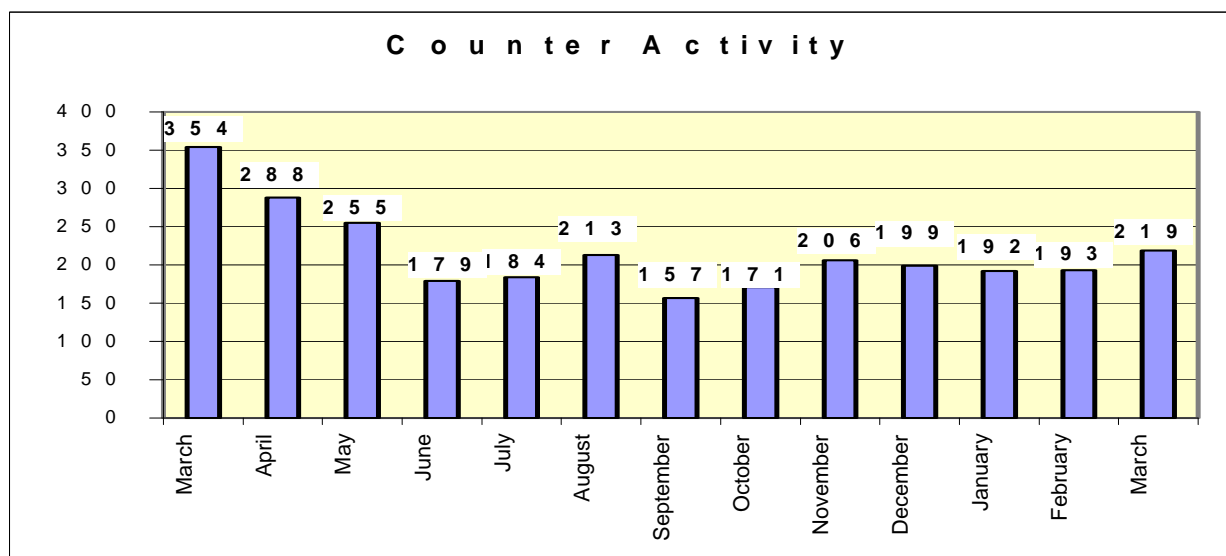
Members
 Eugene K. Canzano, Chairperson
 Richard Kraus, Vice-Chairperson
 Sangeeta Bhatia
 Cliff Cannon
 Tom Moutes
 John R. Mumma
 Michael Perez
 Robert Schoonover
 Maggie Whelan

Recommendation:

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

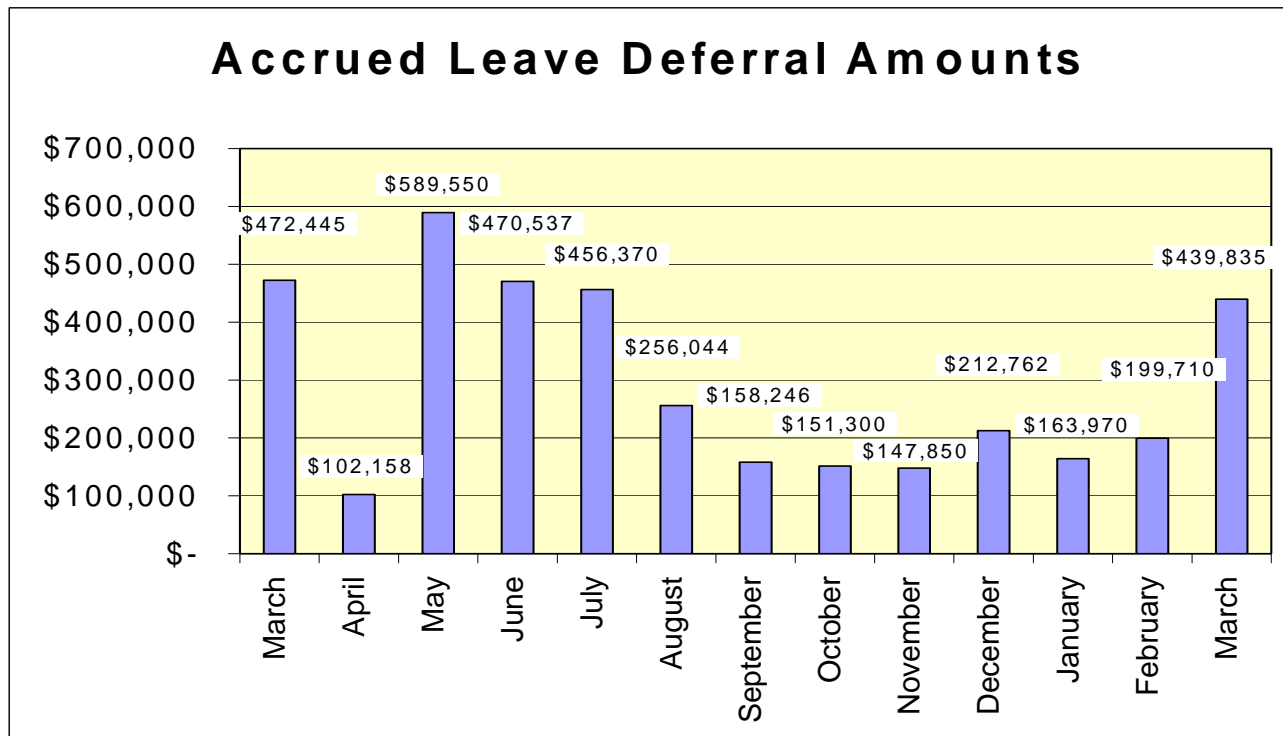
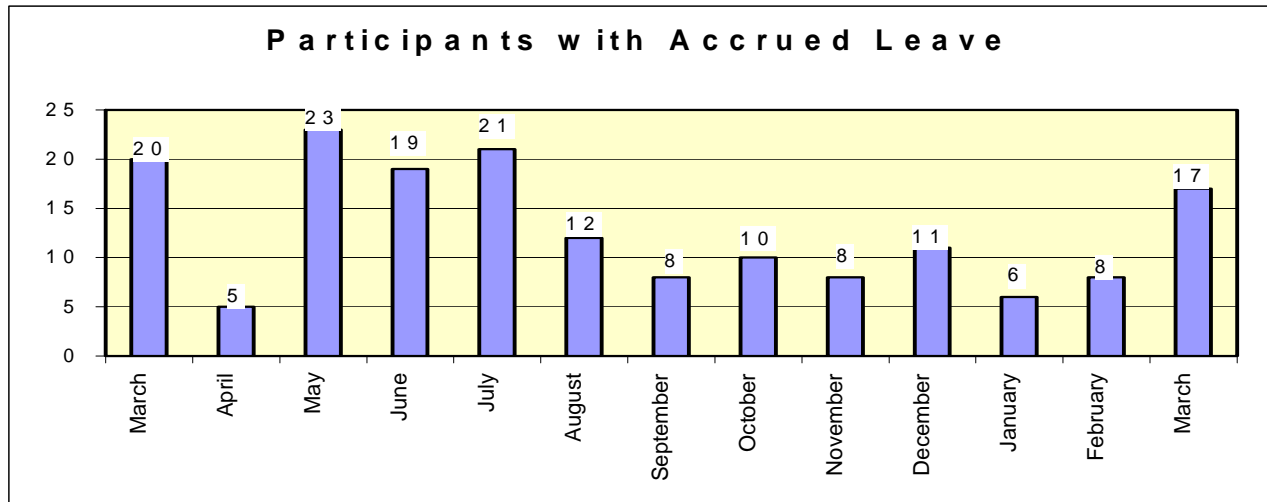
Activity Reports:

Counter Activity Employee Benefits Division – Staff has compiled the following results of Counter Activity flow for the month of March 2011. During the month of March, 219 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 March 2010 to March 2011:



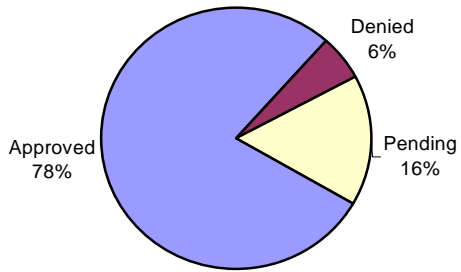
Accrued Leave Activity – Staff has compiled the following results of Accrued Leave enrollment for the month of March 2011. During the month of March, seventeen participants elected to enroll in Accrued Leave and \$439,835 was contributed into the

Plan from their Accrued Leave payouts. Following are accrued leave activity results from March 2010 to March 2011:

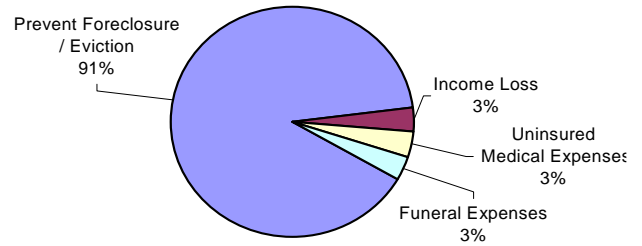


Hardship Activity – Staff has compiled the following results of hardship processing with Great-West for the month of March 2011. During the month of March, thirty-seven hardship cases were submitted to Great-West. Twenty-nine cases were approved, two denied, and six were pending further documentation.

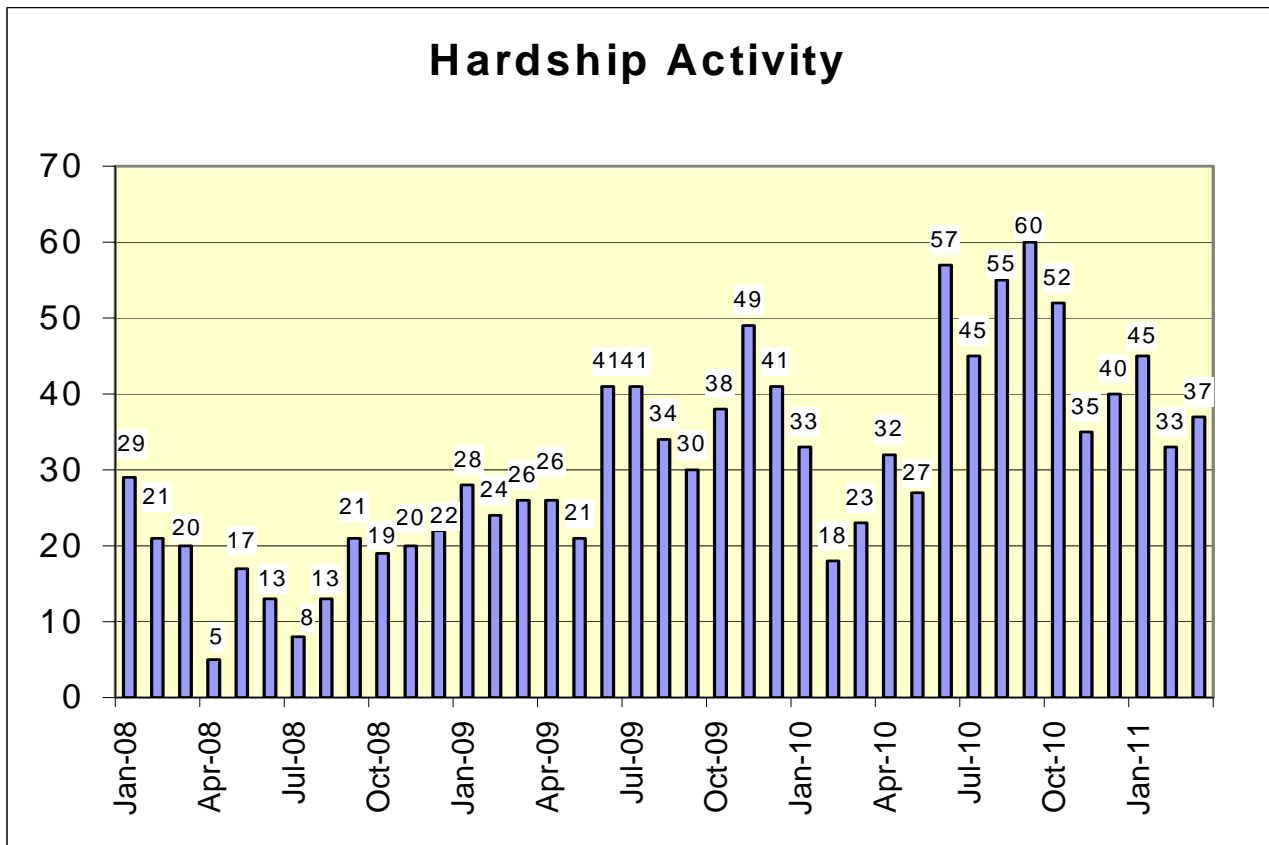
Hardship Activity March '11



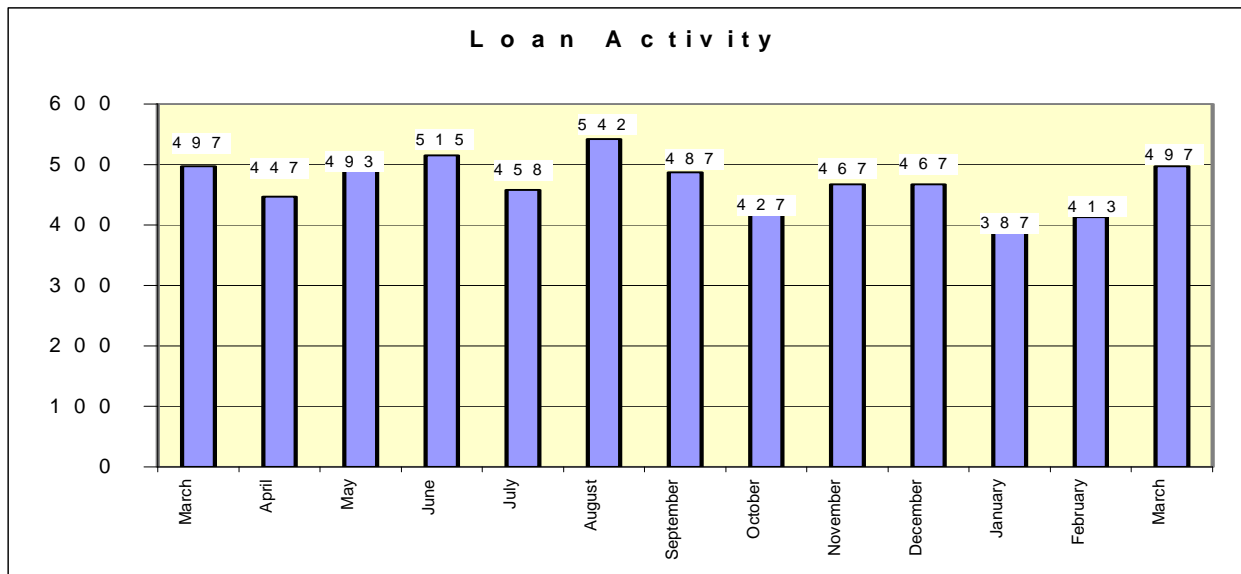
Distribution Reasons



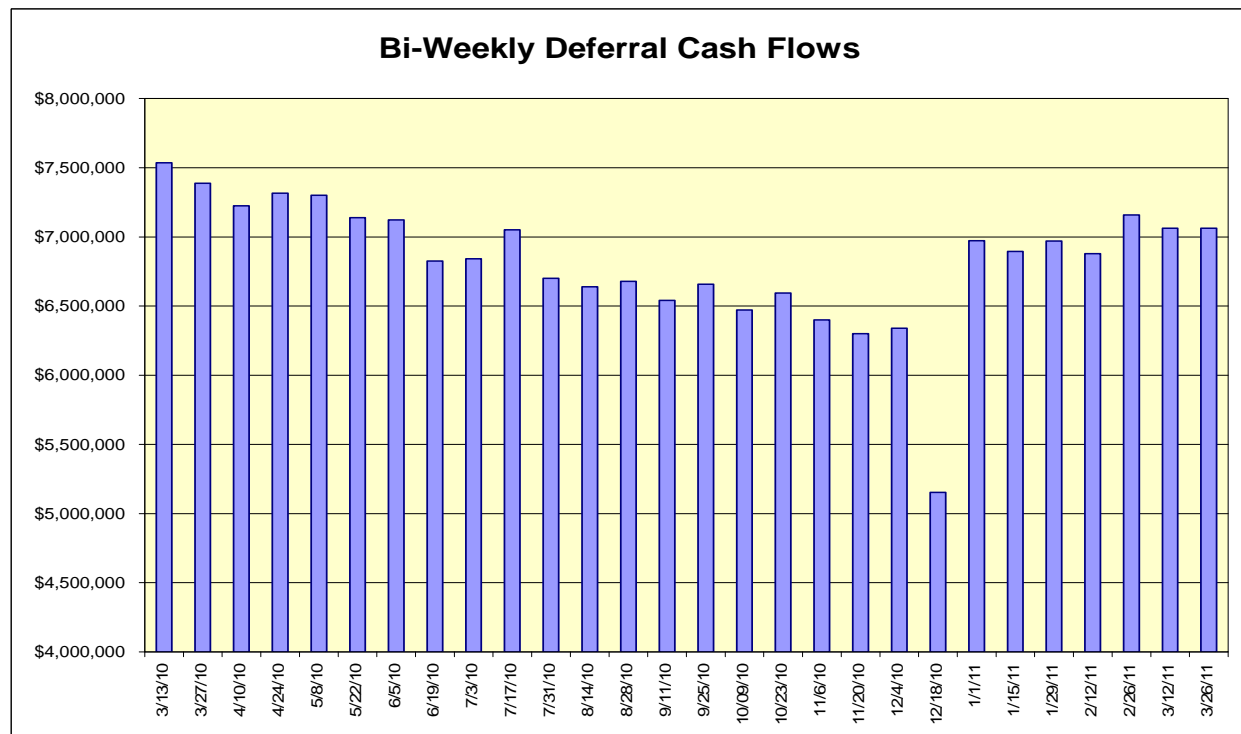
As requested from the March 15, 2011 Board meeting, staff has compiled long-term hardship activity results since the reassignment of hardship processing to Great-West in 2008. Following are hardship activity results from January 2008 to March 2011:



Loan Activity – Staff has compiled the following results of new loans acquired for the month of March 2011. During the month of March, 497 participants elected to obtain a new loan and \$6,163,789 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 March 2011 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 **\$14,126,050** into the Deferred Compensation Plan. This compares to **\$14,921,530** in March 2010, or a reduction of **5.3%** year-over-year.



PROJECT UPDATE
(reflects project activity for period 03/01/11 through 03/31/11)

COMPLETED PROJECTS: MARCH 2011					
#	STATUS	PROJECT	DUE DATE	COMPLETED	NOTES
1	Completed	Council Report - TPA Contract Extension	3/4/2011	3/7/2011	N/A
2	Completed	Board Report - March Staff Report	3/4/2011	3/7/2011	N/A
3	Completed	Board Report - March Elections Update	3/4/2011	3/7/2011	N/A
4	Completed	Board Report - March Roth Update	3/4/2011	3/7/2011	N/A
5	Completed	Board Report - Contract Status Update	03/07/11	3/7/2011	N/A
PENDING PROJECTS					
#	STATUS	PROJECT	DUE DATE	COMPLETED	NOTES
1	PENDING	Board Report - Quarterly Budget Review 9/30/10	04/08/11		Drafting for 4/19/11 Board meeting
2	PENDING	Board Report - Revised Bylaws	04/08/11		Drafting for 04/19/11 Board Meeting
3	PENDING	Board Report - De Minimis Account Balances	04/08/11		Drafting for 04/19/11 Board Meeting
4	PENDING	Roth 457 Implementation - Core Communication Document	04/15/11		Initial draft of concept prepared and submitted to Great-West on 2/11
5	PENDING	Board Report - Travel for NAGDCA/CalNet	04/08/11		Drafting for 04/19/11 Board Meeting
6	PENDING	Minutes - 03/15/11 Meeting	04/08/11		Drafting for 04/19/11 Board Meeting
7	PENDING	Board Report - April Roth Update	04/08/11		Drafting for 04/19/11 Board Meeting
8	PENDING	Board Report - April Elections Update	04/08/11		Drafting for 04/19/11 Board Meeting
9	PENDING	Board Report - April Staff Report	04/08/11		Pending
10	PENDING	Great-West Contract Amendment - Wells Fargo	04/11/11		Amendment drafted, pending City Attorney review
11	PENDING	Investments Committee - Fund Implementation	04/11/11		Staff report and draft investment policy statement drafted for 4/18/11 Meeting
12	PENDING	Deferred Compensation and Pension Savings Plan Annual reports	05/06/11		Drafting for 05/17/11 Board Meeting
13	PENDING	Board Plenary Authority/ Fiduciary Liability Insurance	05/06/11		Drafting for 5/17/11 Board Meeting
14	PENDING	Board Report - SAS Form from Great-West	05/06/11		Pending
15	PENDING	Board Report - Consulting Services RFP	05/06/11		Pending
16	PENDING	Board Report - In-Kind Transfers from SDBO	05/06/11		Drafting for 05/17/11 Board Meeting

17	PENDING	Board Report - Quarterly Budget Review 12/31/10	05/06/11		Drafting for 5/17/11 Board meeting
18	PENDING	RFP-Fund Custodian	05/06/11		Mercer has drafted RFP questions, pending staff RFP development
19	PENDING	Board Report - FDIC Option Asset Apportionment	05/06/11		Staff working with Mercer to develop policy for FDIC option to address balancing yield with expanded FDIC insurance objective
20	PENDING	Board Report - Travel/Education Review	05/06/11		Pending
21	PENDING	Board Report - Beneficiary Notifications and Focus Group Results	05/06/11		Pending
22		Board Report - May Roth Update	05/06/11		Pending
23		Board Report - May Elections Update	05/06/11		Pending
24		Board Report - May Staff Report	05/06/11		Pending
25	PENDING	Advertisements for DCP in City/Employee Publications	05/31/11		Pending
26	PENDING	Domestic Partners Research and Discussion with City Attorney and California Peers	06/30/11		Pending
27	PENDING	Review and report back on City of New York financial advice program	06/30/11		Pending
28	PENDING	Board Report - Merrill Lynch - Communication to Outside Vendors	06/30/11		Pending
29	PENDING	Board Report - Contribution History & Rollovers	06/30/11		Pending
30	PENDING	Roth 457 Implementation: Revise Enrollment Form	06/30/11		Pending
31	PENDING	Roth 457 Implementation: Revise Enrollment Guide	06/30/11		Pending
32	PENDING	Roth 457 Implementation: Revise Distribution Guide	06/30/11		Pending
33	PENDING	Roth 457 Implementation - Payroll Deduction	06/30/11		Pending
34	PENDING	Beneficiary Addresses	06/30/11		Beneficiary addresses can be captured on system - waiting to implement until we have new form issues resolved
35	PENDING	Plan Document Revisions - Amend Plan Document to reflect 2009 RMD waiver - and make other necessary changes	06/30/11		Provided documentation on 11/24/10; advised to consult w/City Atty on more substantive update of Plan Document
36	PENDING	Review and report back on PIMCO hedge fund strategy	07/31/11		Pending
37	PENDING	Review and report back on Plan statistics broken down by constituency	07/31/11		Pending

38	PENDING	Communications Plan: List of alternative DC publications and outlets (LACERS, Pensions, Union pubs, etc.)	07/31/11		Pending
39	PENDING	Plan Account Records	07/31/11		Researching obligations to retain historical records in light of issues w/Nationwide and Great Western Bank records
40	PENDING	Cal-Net Marketing Brochure on Retaining Assets	07/31/11		Materials obtained; first conference call on 7/13/10; draft flyer prepared, awaiting other versions/concepts
41	PENDING	Board Report - Social Media Options	07/31/11		Pending
42	PENDING	Board Report - Auto Glide-Path for Asset Allocation Funds	07/31/11		Pending
43	PENDING	Board Report - Proxy Share Voting	07/31/11		Pending
44	PENDING	Investment Advice Review and Proposal	08/31/11		Pending
45	PENDING	Notification of Participants - Catch-Up Eligibility	08/31/11		Pending
46	PENDING	Pre-Audit Testing - Phase II	08/31/11		Pending
47	PENDING	Revise Mini-Enrollment Brochure	08/31/11		Pending
48	PENDING	Revise Pension Savings Plan Highlights	08/31/11		Pending
49	PENDING	Retirement Plan Summit	09/30/11		Pending
50	PENDING	Automatic Enrollment Initiative	09/30/11		Pending
51	PENDING	Revisit Plan Audit	09/30/11		Pending
52	PENDING	PSP Account Consolidation	09/30/11		Pending
53	PENDING	Statistical Project: Refined Count of Non-Contributing Participants	09/30/11		Pending
54	PENDING	Deemed IRA Implementation	09/30/11		Pending
55	PENDING	Retiree Loans	09/30/11		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			
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

 Steven Montagna

Approved by: _____
 Alejandrina Basquez