

Deferred Compensation Plan BOARD REPORT 11-17

Date: March 3, 2011
To: Board of Deferred Compensation Administration
From: Staff
Subject: Roth 457 Update

*Board of Deferred Compensation
Administration
Eugene 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 regarding implementation of a Roth 457 savings option within the Deferred Compensation Plan.

Discussion:

The following are updates in certain areas that need to be addressed before implementation of the Board's previously approved addition of a Roth savings option into the City's Deferred Compensation Plan:

Governing Documents – After reviewing the City of Los Angeles Administrative Code and the comments provided by the Board's consultant, Mercer Investment Consulting, Assistant City Attorney Curtis Kidder has determined that changes to the Code are not needed. The Roth 457 option can be implemented by changes to the Board's Plan Document. Staff has completed its first draft of revisions to the Plan Document which is now with Mercer for review. Staff anticipates that all revisions to the Plan's governing documents will be brought to the Board for review and approval by April.

Payroll changes – At the Board's February 15, 2011 meeting, staff reported that staff had tentatively scheduled an implementation date of May 1, 2011 for the Plan's Roth 457 savings option, but that certain payroll issues involving the City's PaySr payroll system may require the Plan to push back the implementation date to July 1, 2011.

Staff is in the process of arranging a follow-up meeting with the City Controller and the Information Technology Agency (ITA) for the end of March to address issues related to a potential implementation delay. The City Controller has communicated to staff that this delay relates to the broader issue of how information is exchanged between the City and Great-West.

Staff has scheduled a meeting with the programmers from DWP and Great-West on March 22, 2011 to make sure that new rules and reporting are handled properly. DWP Payroll has communicated to staff that testing of the new Roth deduction code in the DWP payroll system has been scheduled for the end of April.

Communications - As previously reported, Great-West is presently drafting imagery/text for the Roth communications campaign. Those draft materials had not been completed as of the time of writing of this report. Staff’s objective is to integrate the core concept into key communications documents and to relate that back to the general theme/materials presently used by the Plan.

The following documents have been identified as priority targets for revision:

- Plan Enrollment Booklet
- Plan Enrollment Form
- Plan Highlights
- Plan Distribution Form
- Plan Distribution Guide
- Plan Website

Staff will continue to update the Board on the progress of the Roth 457 implementation.

Submitted by: _____
Natasha Gameroz

Reviewed by: _____
Steven Montagna

Approved by: _____
Alejandrina Basquez