



CITY OF *Los Angeles*
DEFERRED COMPENSATION PLAN



City of Los Angeles

Deferred Compensation Plan

Second Quarter 2018 Review





Table of contents

1. Goals and Metrics
2. Participant Contributions Analysis
3. Participant Distributions Analysis
4. Asset Analysis
5. Participant Services
6. Local Service Center



CITY OF *Los Angeles*
DEFERRED COMPENSATION PLAN



Goals and Metrics



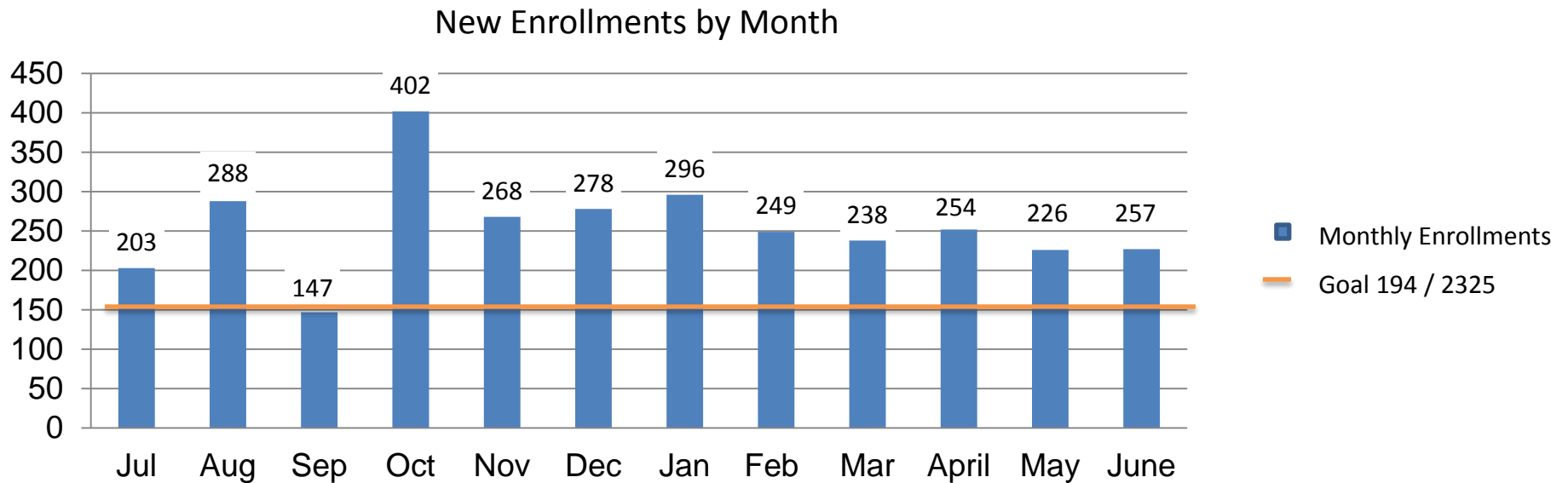
Performance Standard: Increase Participation

As of June 30, 2018

CITY OF LOS ANGELES

Goal: Increase the number of new enrollments by 6%

The targets are further refined at the departmental level, with targets for each department adjusted according to the department's size and current Plan participation rate. Departments with higher enrollment rates have smaller targets, while departments with lower enrollment rates have larger targets. This refinement helps focus local enrollment efforts on populations which have historically proven more challenging to enroll.



The goal for Fiscal year 2017-18 was to enroll **2,325** new participants. The Plan exceeded this goal by enrolling **3,106** new participants. **134%** of Goal

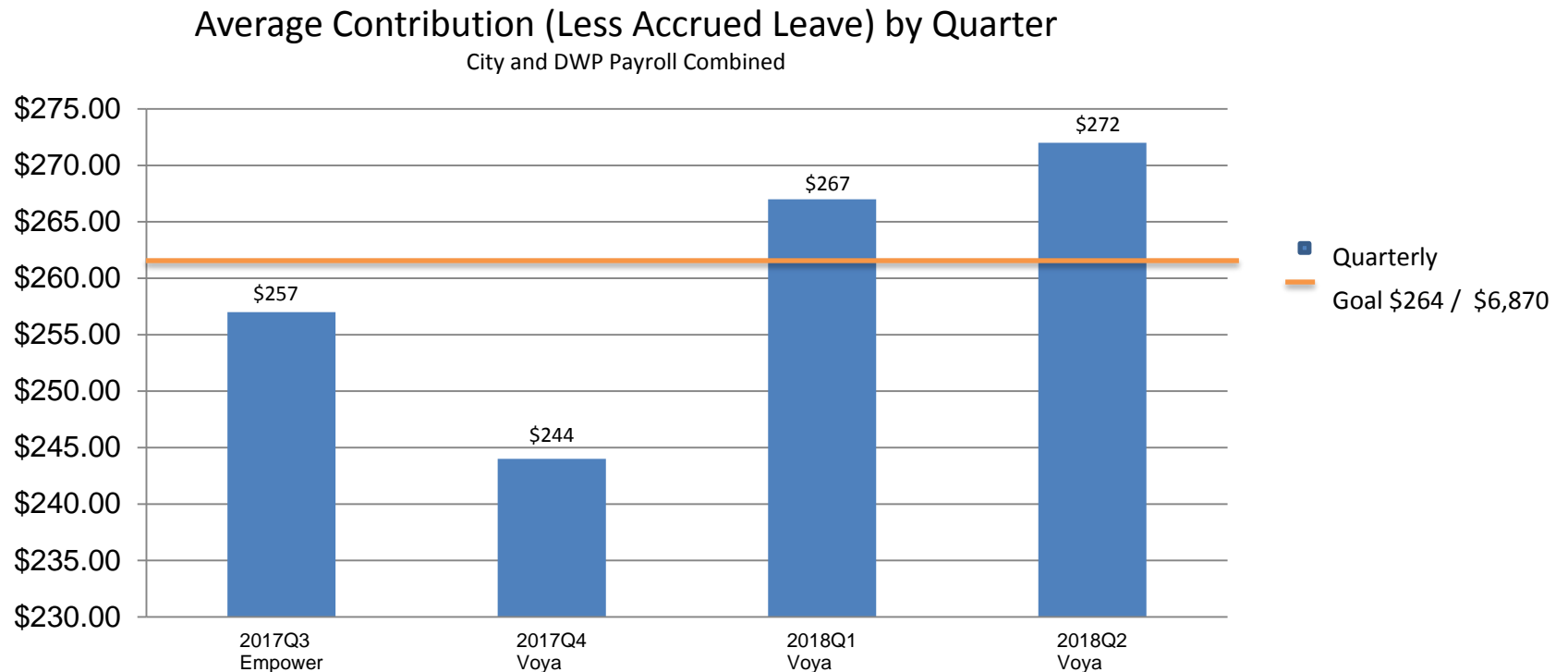
Performance Standard: Increase Contributions

As of June 30, 2018

CITY OF LOS ANGELES

Goal: Increase annual contribution amount by 2%

The target includes ongoing participant contributions, but does not include accrued leave deferrals (large lump sum amounts contributed from unused sick and vacation payouts upon retirement) due to the volatility of these deferrals.



The adopted goal for Fiscal year 2017-18 translated to reaching an average annual contribution of \$264 per pay period (or \$6,870 annually). The Plan did not meet this goal. Bi-weekly contributions averaged \$260 (\$6,760 annually).

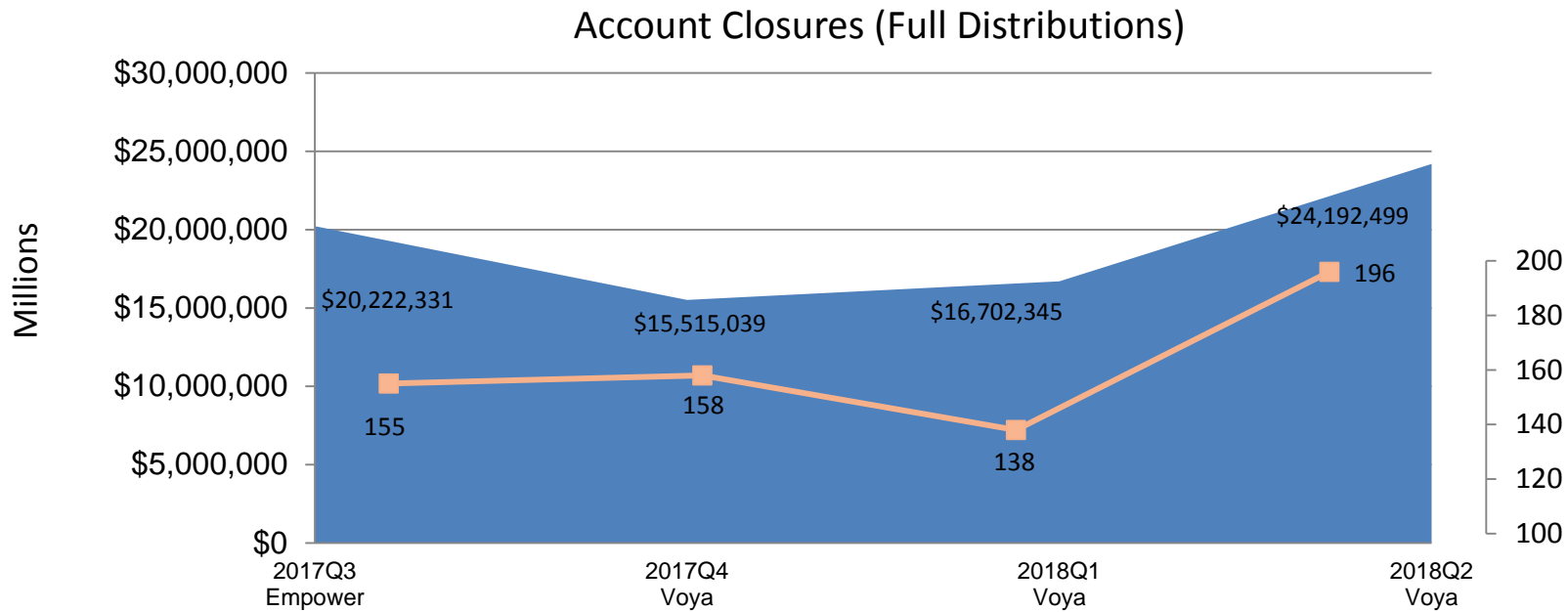
Performance Standard: Reduce Distributions

As of June 30, 2018

CITY OF LOS ANGELES

Goal: Reduce the percentage of closed accounts relative to the total number of retired participant accounts

The target was 7% for fiscal year 16/17 and 6% in 17/18, or a ceiling of no more than approximately 650 account closures. Moving to a percentage-based goal allows the goal to float with changes in the total number of retired accounts that may occur over the course of a year.



The Plan reached this goal with only 5.6% of retiree accounts being closed during the fiscal year, totaling 647 closures.

Performance Standard: Improve Asset Retention

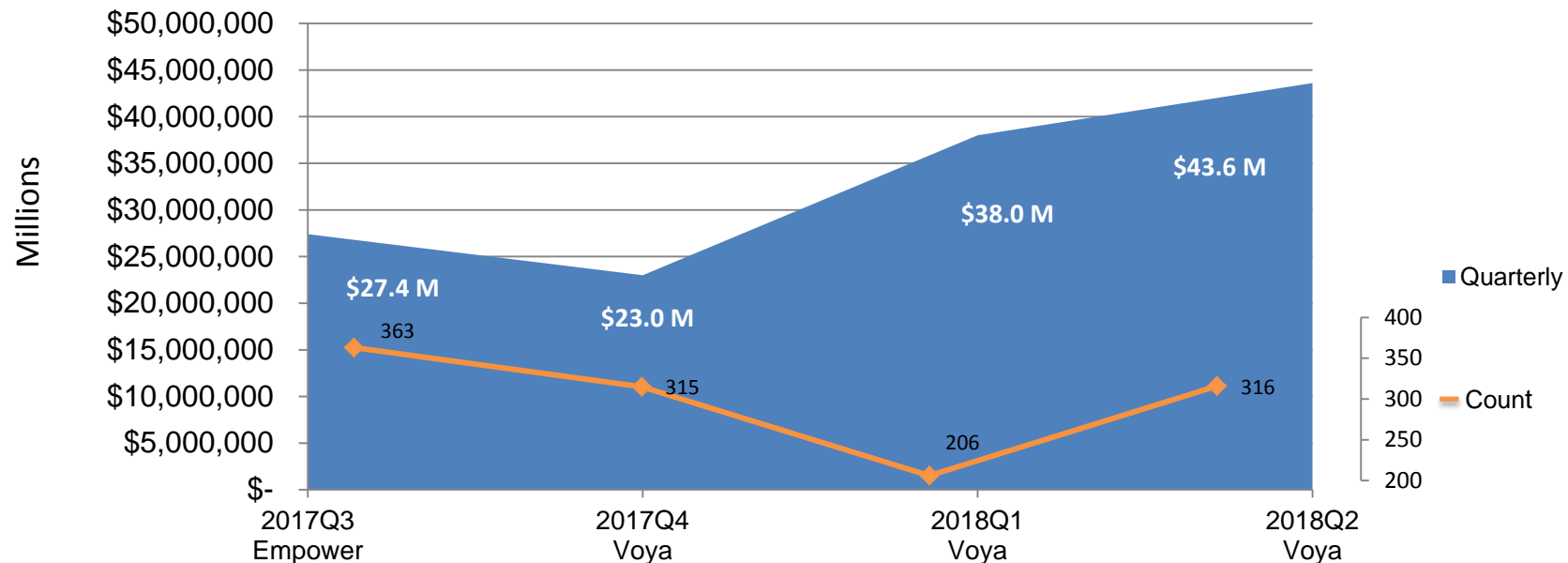
As of June 30, 2018

CITY OF LOS ANGELES

Goal: Reduce the number of outgoing rollovers as a percentage of retirees from 5% to 4%

Similar to the proposed goal related to full distributions, a shift to a percentage-based goal allows the Plan to account for changes in the size of the employee population. By tracking the number of rollovers rather than the dollar amount of rollovers, the primary focus will be participant behaviors. Of the 1,200 outgoing rollovers, 710 (or 59%) were rollovers to one of the City's three pension systems.

Outgoing Rollovers



The Plan did not reach this goal as there were 1,200 outgoing rollovers, representing 10.4% of the retiree population.

Plan Highlights

As of June 30, 2018

CITY OF LOS ANGELES

Plan assets (millions) 03/31/2018	\$6,365,267,927
Number of participants with a balance	46,028
Average participant account balance	\$138,282
Median account balance	\$57,662
Average outstanding loan balance per borrower	\$14,911
Total contributing participants	32,236
Total participation rate	75%
Average deferral rate – Pre-Tax (including accrued leave)	7.5% \$305.30
Average deferral rate – Roth	5.5% \$161.75

Cash Flow Summary

April 1, 2018 to June 30, 2018

CITY OF LOS ANGELES

Cash In

Pre-tax Contributions	53,177,944.42
Roth Contributions	7,016,208.81
Rollover Contributions	29,054,984.56
Loan Repayments	21,247,826.60
Other	6,620,950.89

Total Cash In \$117,117,915.28

Cash Out

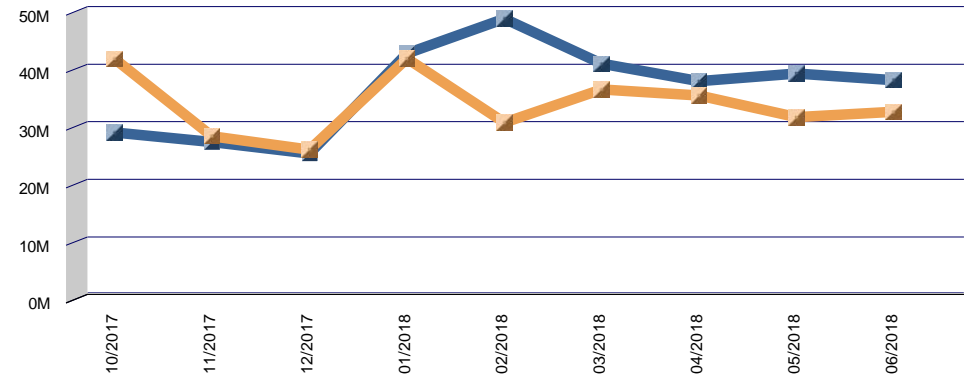
Distributions / Rollovers	70,838,668.14
Loans Issued	23,128,634.12
Fees	929,262.60
Other	6,620,950.89

Total Cash Out (\$101,517,515.75)

Net Cash Flow \$15,600,399.53

"Other" activity represents all inter-participant transfer activity, which includes decedent/beneficiary activity, QDRO splits and Alternate participant transfers.

"Withdrawals" activity represents withdrawals, installments and termination payments.

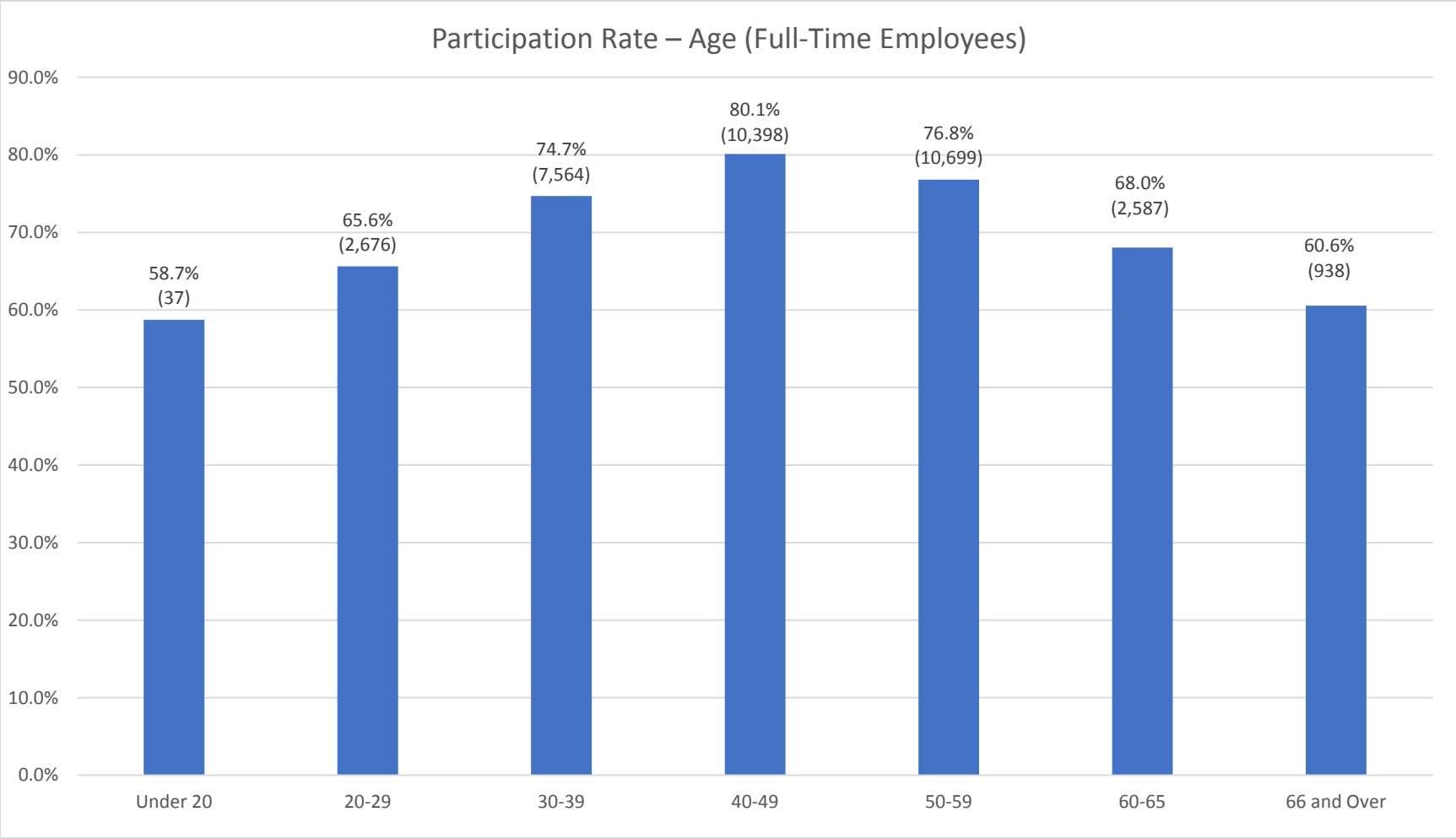


	Cash In	Cash Out	Net Cash
Oct 2017	\$29,604,625.10	\$42,417,871.81	-\$12,813,246.71
Nov 2017	\$27,962,153.16	\$28,949,721.47	-\$987,568.31
Dec 2017	\$25,968,460.11	\$26,647,879.91	-\$679,419.80
Jan 2018	\$43,331,708.30	\$42,461,046.62	\$870,661.68
Feb 2018	\$49,411,540.33	\$31,316,366.43	\$18,095,173.90
Mar 2018	\$41,577,085.85	\$37,113,716.37	\$4,463,369.48
Apr 2018	\$38,550,920.95	\$36,061,911.18	\$2,489,009.77
May 2018	\$39,868,971.76	\$32,246,821.50	\$7,622,150.26
Jun 2018	\$38,694,321.41	\$33,208,783.07	\$5,485,538.34
	\$334,969,786.97	\$310,424,118.36	\$24,545,668.61

Participation Rate - Age

As of June 30, 2018

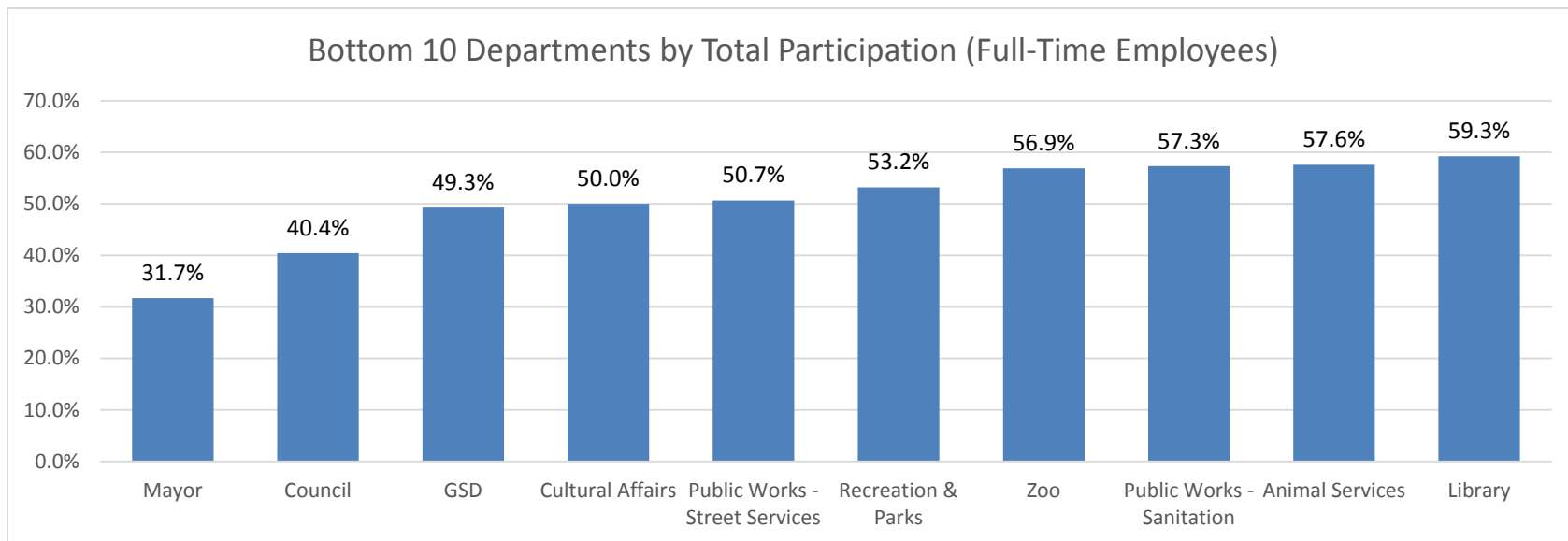
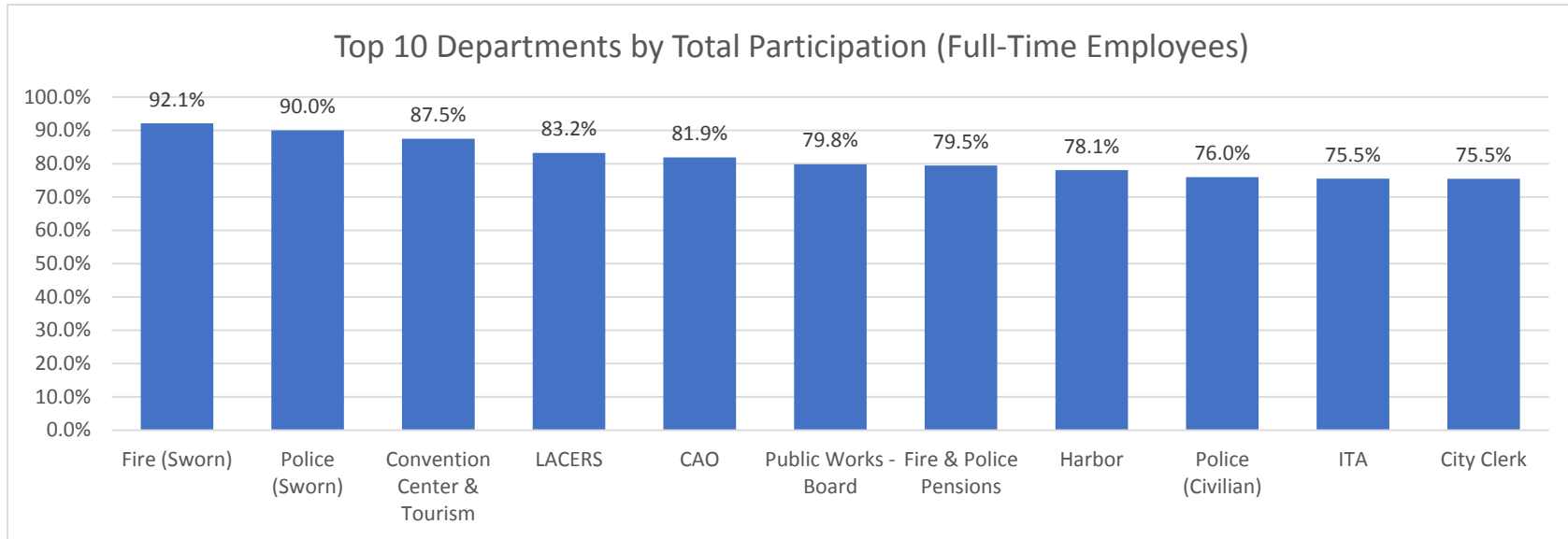
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Participation Rate - Department

As of June 30, 2018

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Participation Rate - Department

As of June 30, 2018

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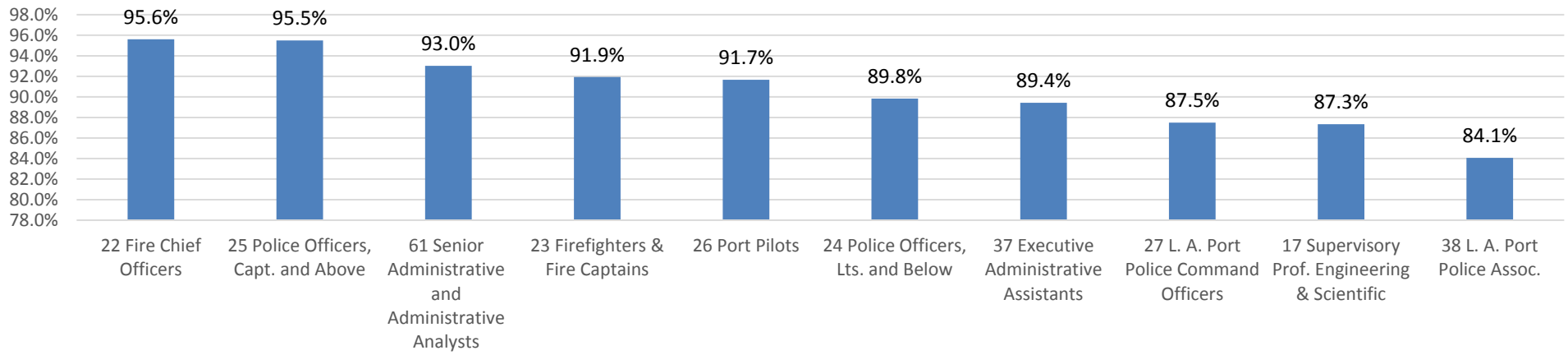
Department	Active	Eligible but not Participating	Total	Participation Rate
Fire (Sworn)	3,143	269	3,412	92.1%
Police (Sworn)	8,958	994	9,952	90.0%
Convention Center & Tourism	7	1	8	87.5%
LACERS	114	23	137	83.2%
CAO	95	21	116	81.9%
Public Works - Board	87	22	109	79.8%
Fire & Police Pensions	89	23	112	79.5%
Harbor	698	196	894	78.1%
Police (Civilian)	2,258	715	2,973	76.0%
ITA	287	93	380	75.5%
City Clerk	80	26	106	75.5%
Transportation	1,019	336	1,355	75.2%
Public Works - Engineering	575	201	776	74.1%
Controller	108	38	146	74.0%
Personnel	353	131	484	72.9%
City Attorney	693	262	955	72.6%
Office of Finance	222	84	306	72.5%
Aging	23	9	32	71.9%
Fire (Civilian)	248	100	348	71.3%
Public Works - Contract Administration	221	95	316	69.9%
Water & Power	7,129	3,133	10,262	69.5%
Public Works - Street Lighting	171	81	252	67.9%
Planning	250	129	379	66.0%
Emergency Management	15	8	23	65.2%
Housing	380	213	593	64.1%
Airports	2,151	1,267	3,418	62.9%
Economic & Workforce Development	80	48	128	62.5%
Building & Safety	556	341	897	62.0%
Ethics	16	11	27	59.3%
Library	490	337	827	59.3%
Animal Services	182	134	316	57.6%
Public Works - Sanitation	1,565	1,165	2,730	57.3%
Zoo	124	94	218	56.9%
Neighborhood Empowerment	17	14	31	54.8%
Recreation & Parks	739	650	1,389	53.2%
Public Works - Street Services	505	492	997	50.7%
Cultural Affairs	30	30	60	50.0%
GSD	677	697	1,374	49.3%
El Pueblo	4	5	9	44.4%
Council	152	224	376	40.4%
Disability	8	13	21	38.1%
Employee Relations	1	2	3	33.3%
Mayor	65	140	205	31.7%
Cannabis Regulation	2	5	7	28.6%
Grand Total	34,869	11,618	46,487	75.0%

Participation Rate - MOU

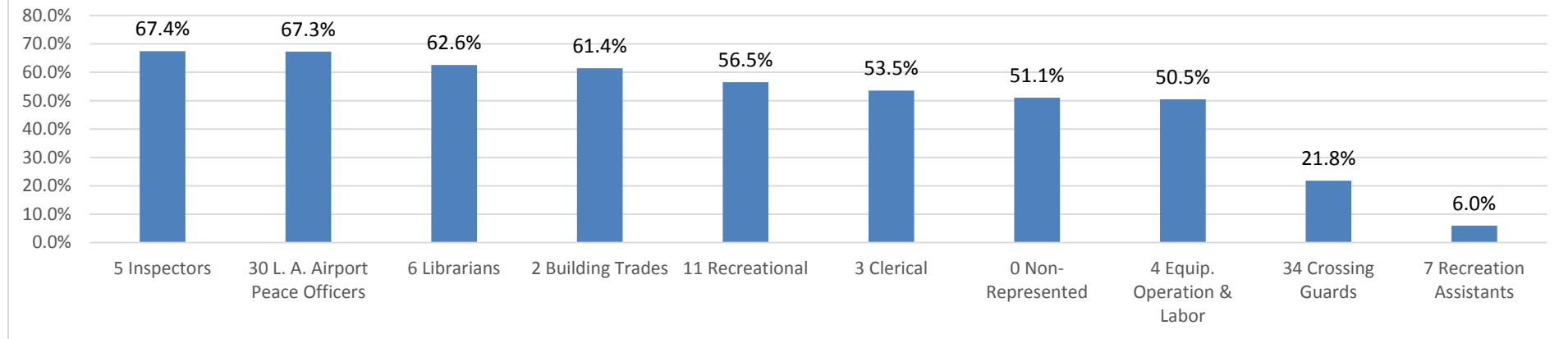
As of June 30, 2018

CITY OF LOS ANGELES

Top 10 MOU by Total Participation (Full-Time Employees)



Bottom 10 MOU by Total Participation (Full-Time Employees)



Participation Rate - MOU

As of June 30, 2018

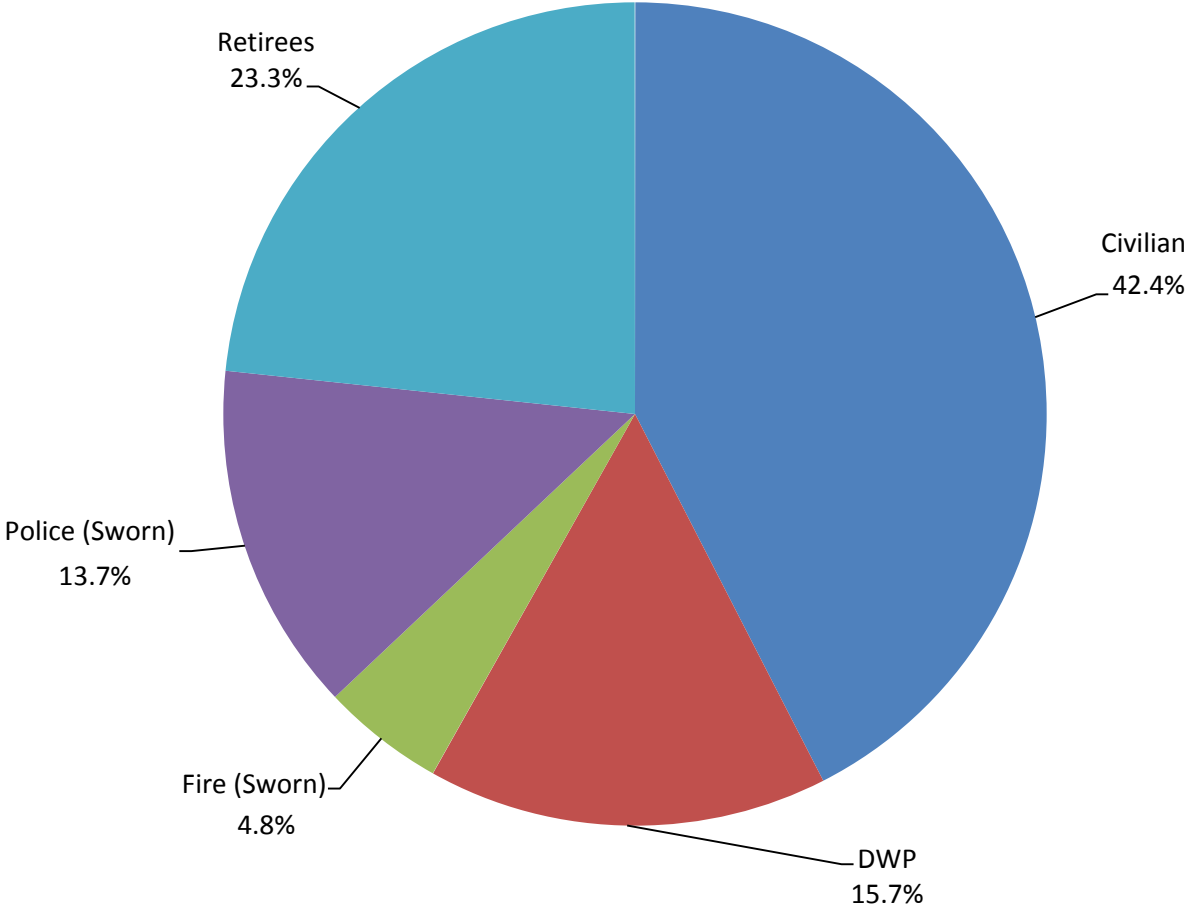
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Department	Active	Non Participating	Total	Participation Rate
22 Fire Chief Officers	87	4	91	95.6%
25 Police Officers, Capt. and Above	106	5	111	95.5%
61 Senior Administrative and Administrative Analysts	40	3	43	93.0%
23 Firefighters & Fire Captains	3,053	268	3,321	91.9%
26 Port Pilots	11	1	12	91.7%
24 Police Officers, Lts. and Below	8,841	1,000	9,841	89.8%
37 Executive Administrative Assistants	93	11	104	89.4%
27 L. A. Port Police Command Officers	14	2	16	87.5%
17 Supervisory Prof. Engineering & Scientific	428	62	490	87.3%
38 L. A. Port Police Assoc.	95	18	113	84.1%
32 Management Attorneys	15	3	18	83.3%
39 L. A. Airport Supervisory Peace Officers	63	13	76	82.9%
36 Management Employees	539	155	694	77.7%
28 L. A. General Services Police Officers	17	5	22	77.3%
29 Deputy City Attorneys	374	114	488	76.6%
16 Supervisory Librarians	82	25	107	76.6%
1 Administrative	3,633	1,366	4,999	72.7%
40 Airport Police Command Officers	5	2	7	71.4%
12 Supervisory Blue Collar	579	245	824	70.3%
31 Confidential Attorneys	23	10	33	69.7%
9 Plant Equip. Operation & Repair	264	122	386	68.4%
5 Inspectors	582	281	863	67.4%
30 L. A. Airport Peace Officers	292	142	434	67.3%
6 Librarians	189	113	302	62.6%
2 Building Trades	672	422	1,094	61.4%
11 Recreational	178	137	315	56.5%
3 Clerical	2,569	2,230	4,799	53.5%
0 Non-Represented	482	462	944	51.1%
4 Equip. Operation & Labor	4,369	4,283	8,652	50.5%
34 Crossing Guards	48	172	220	21.8%
7 Recreation Assistants	53	833	886	6.0%

Population Type

As of June 30, 2018

CITY OF LOS ANGELES





CITY OF *Los Angeles*
DEFERRED COMPENSATION PLAN

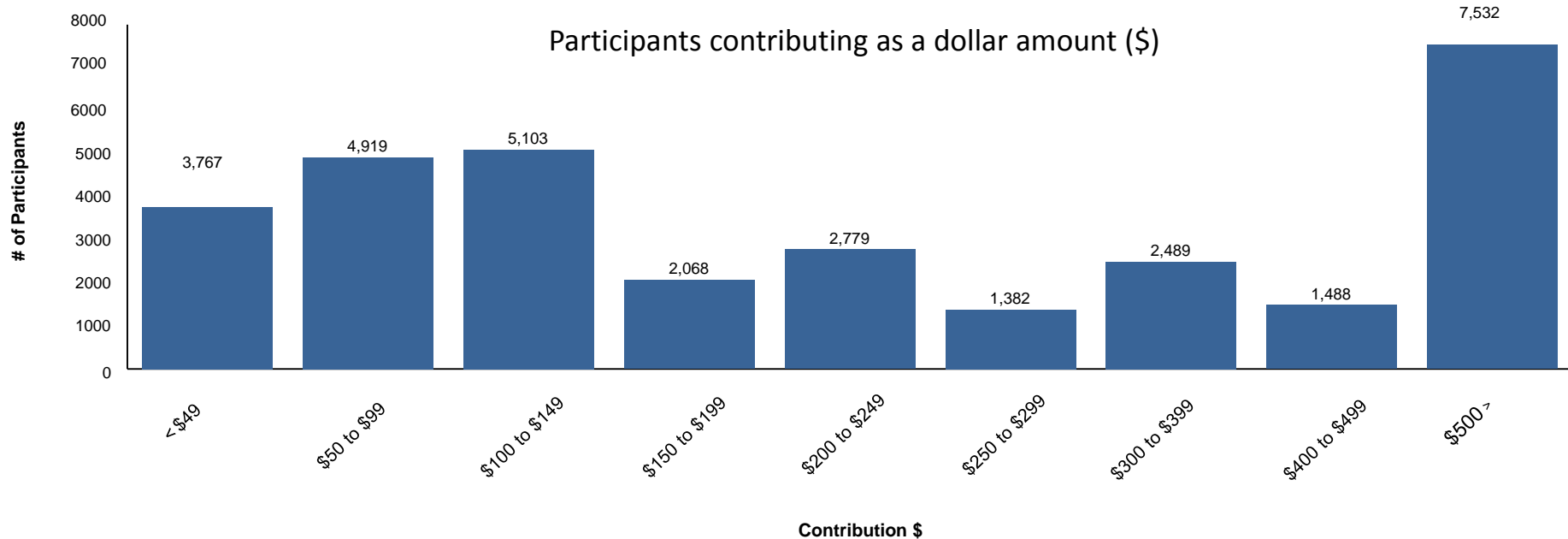


Participation Contributions Analysis

Total Contribution Amount Summary

As of June 30, 2018

CITY OF LOS ANGELES



Contribution \$
Total Number of Participants Currently Contributing: 31,527

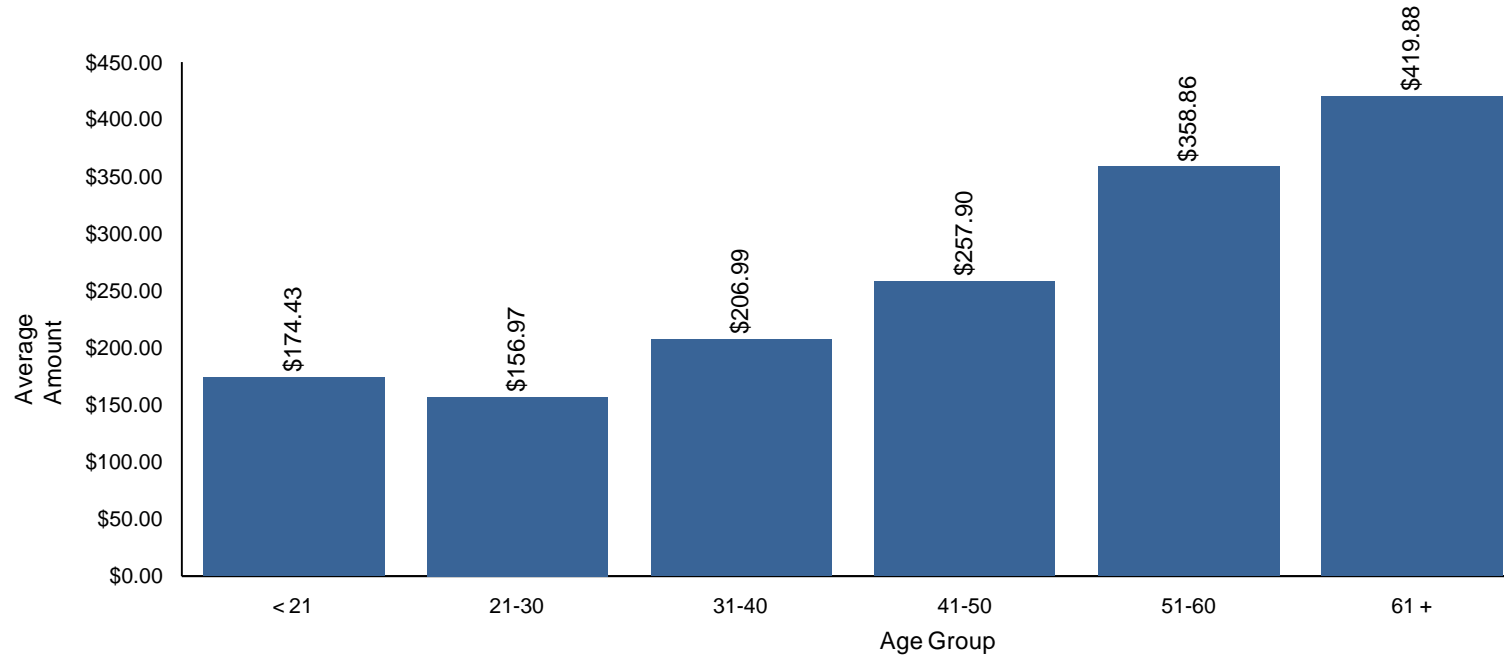
Participant Counts

Total Deferral \$	Total Participants
< \$49	3,767
\$50 to \$99	4,919
\$100 to \$149	5,103
\$150 to \$199	2,068
\$200 to \$249	2,779
\$250 to \$299	1,382
\$300 to \$399	2,489
\$400 to \$499	1,488
\$500 >	7,532

Average Contribution Amount

As of June 30, 2018

CITY OF LOS ANGELES

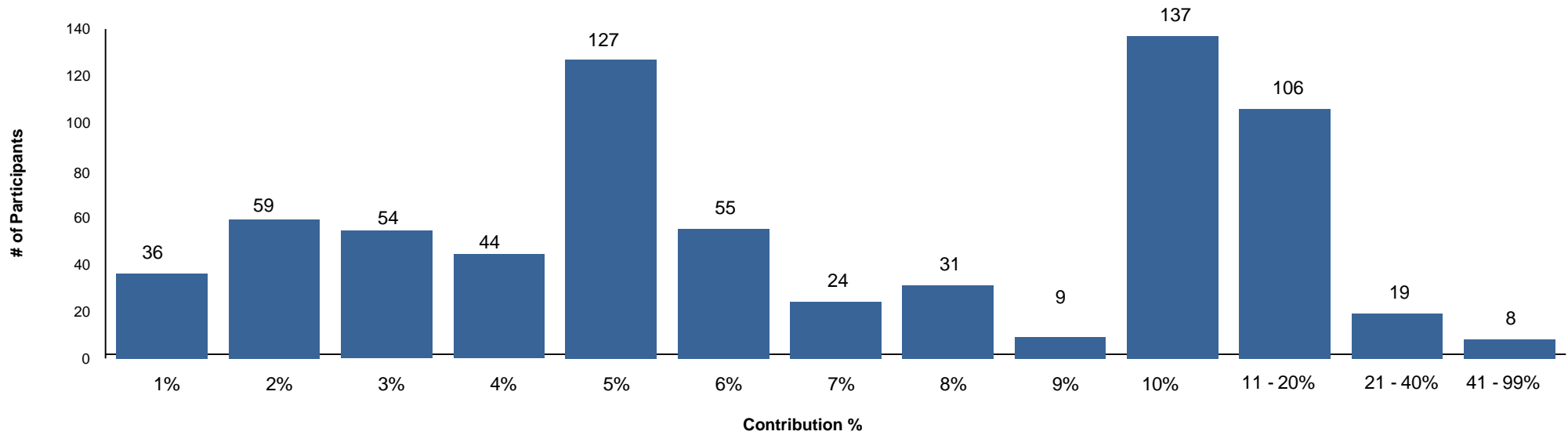


Age Group	Average Contribution \$
< 21	\$174.43
21-30	\$156.97
31-40	\$206.99
41-50	\$257.90
51-60	\$358.86
61 +	\$419.88
Overall	\$275.72

Total Contribution Percentage Summary

As of June 30, 2018
CITY OF LOS ANGELES

Participants contributing as a percentage amount (%)



Total Number of Participants Currently Contributing: 709

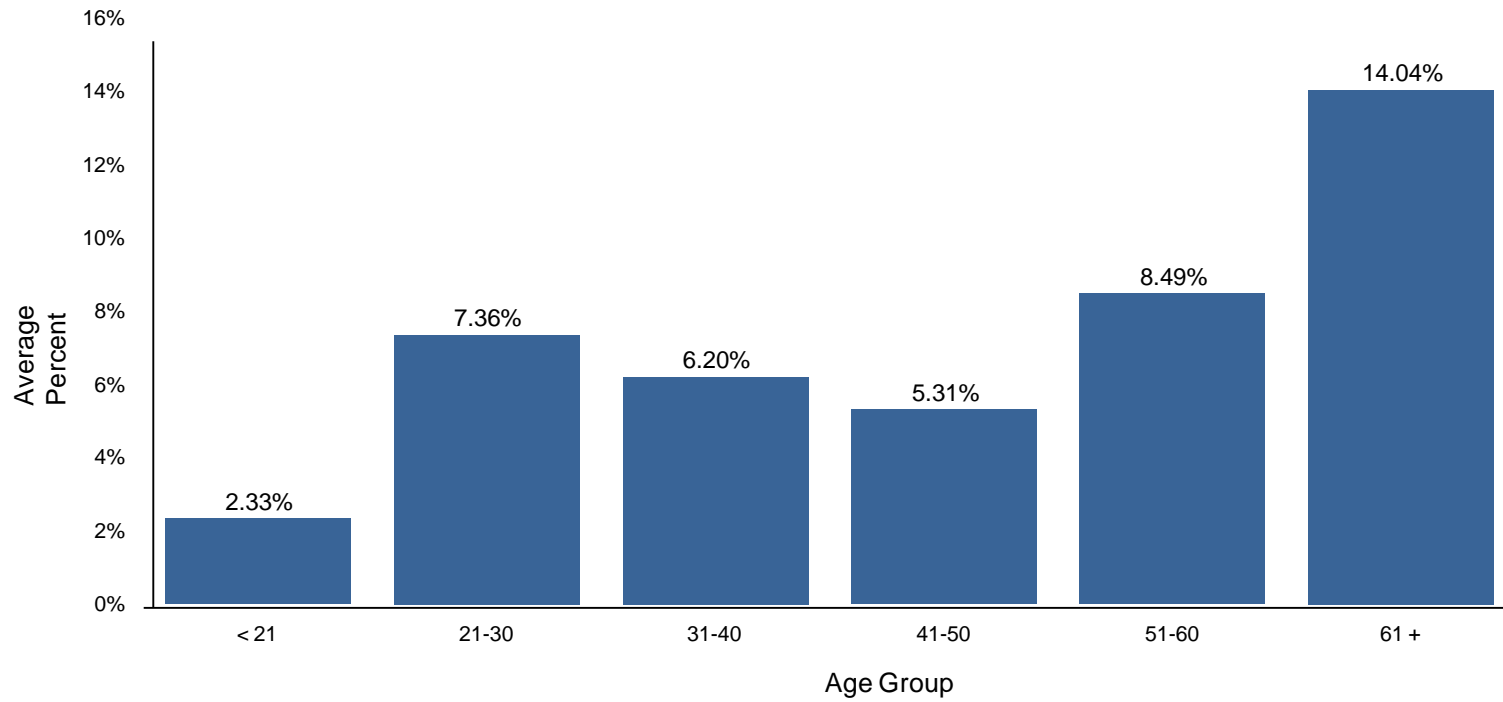
Participant Counts

Total Deferral %	Total Participants
1%	36
2%	59
3%	54
4%	44
5%	127
6%	55
7%	24
8%	31
9%	9
10%	137
11 - 20%	106
21 - 40%	19
41 - 99%	8

Average Contribution Percentage

As of June 30, 2018

CITY OF LOS ANGELES



Age Group	Total Contribution %
< 21	\$2.33
21-30	\$7.36
31-40	\$6.20
41-50	\$5.31
51-60	\$8.49
61 +	\$14.04
Overall	\$6.81



CITY OF *Los Angeles*
DEFERRED COMPENSATION PLAN

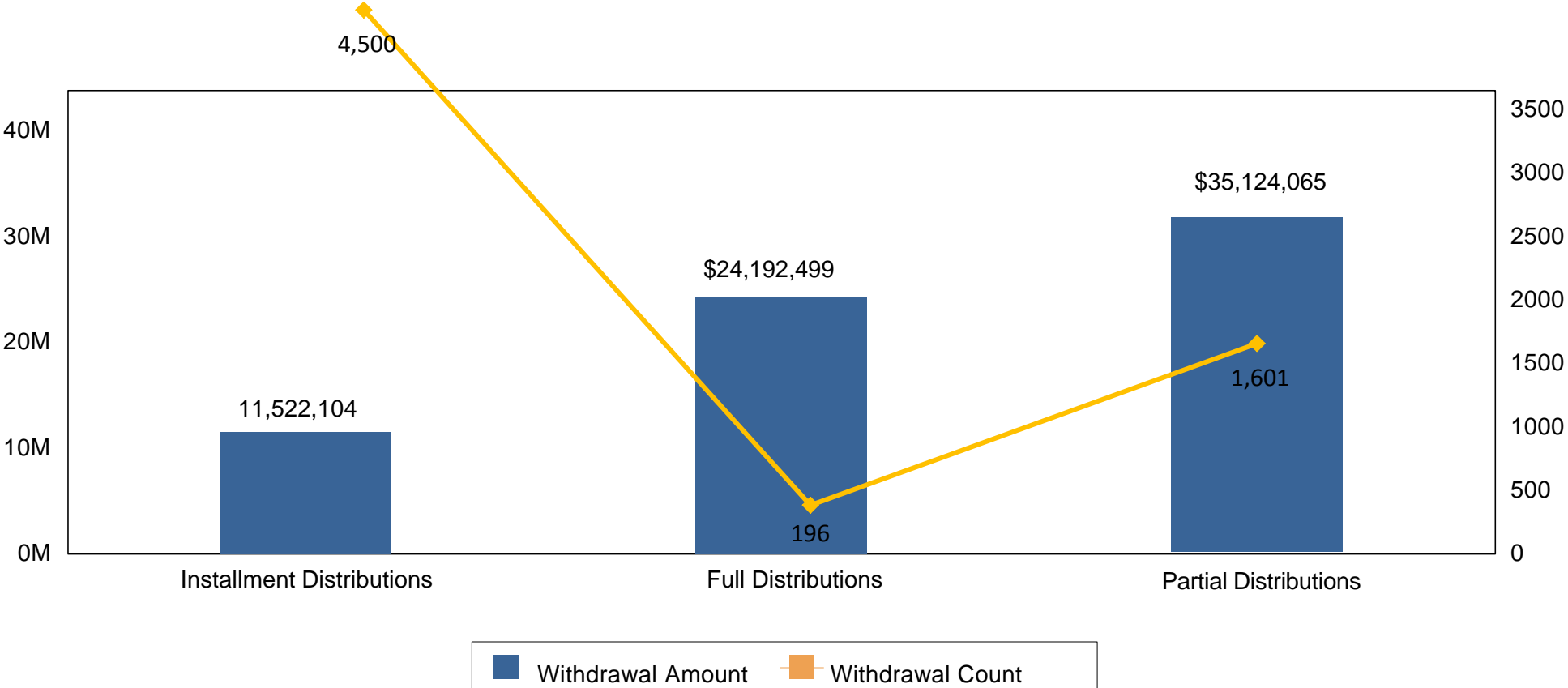


Participation Distributions Analysis

Distributions

April 01, 2018 and June 30, 2018

CITY OF LOS ANGELES



Distribution Type	Number of Distributions	Total Distributions
Installment Distributions	4580	\$11,522,104
Full Distributions	196	\$24,192,499
Partial Distributions	1601	\$35,124,065

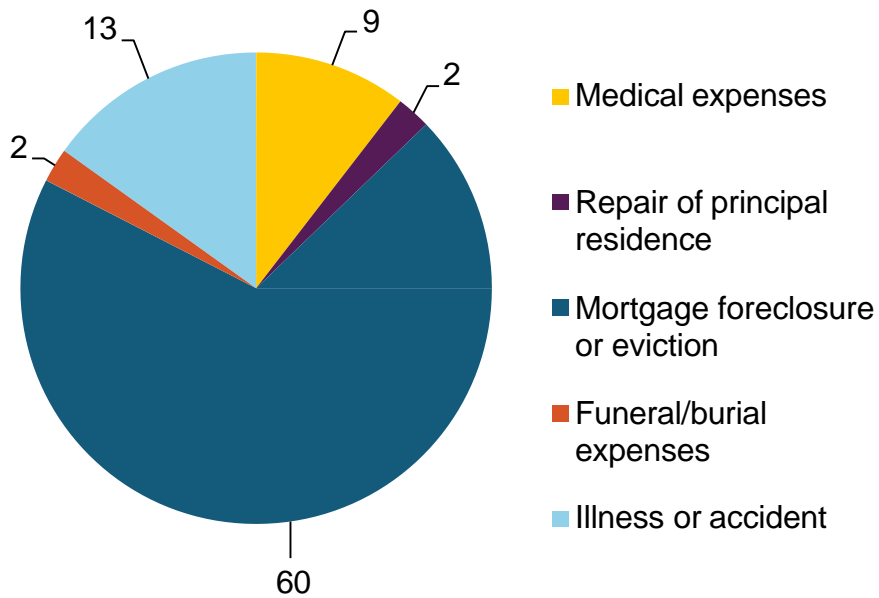
Unforeseeable Emergency Withdrawal Summary

As of June 30, 2018

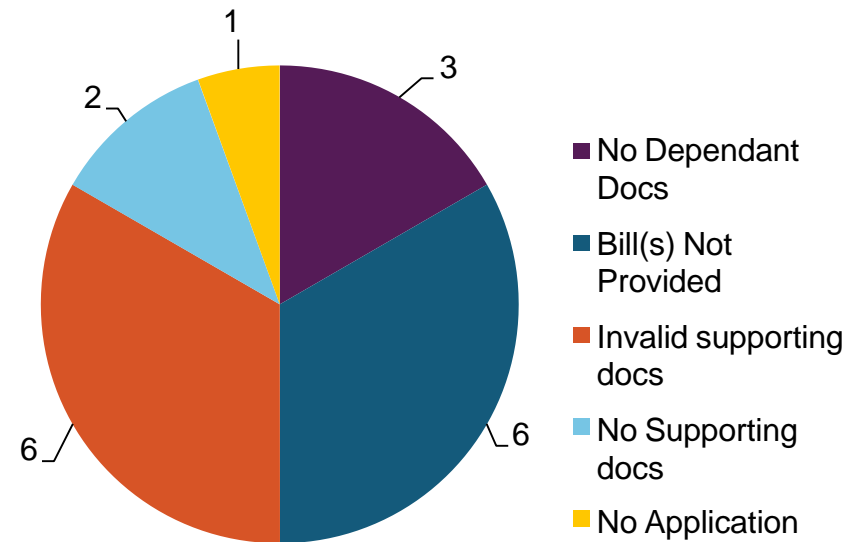
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Total Received	104
Approved	86
Denied	18

**Withdrawal Reasons
(completed applications)**



Rejection Reasons



Rollover Activity

April 1, 2018 to June 30, 2018

CITY OF LOS ANGELES

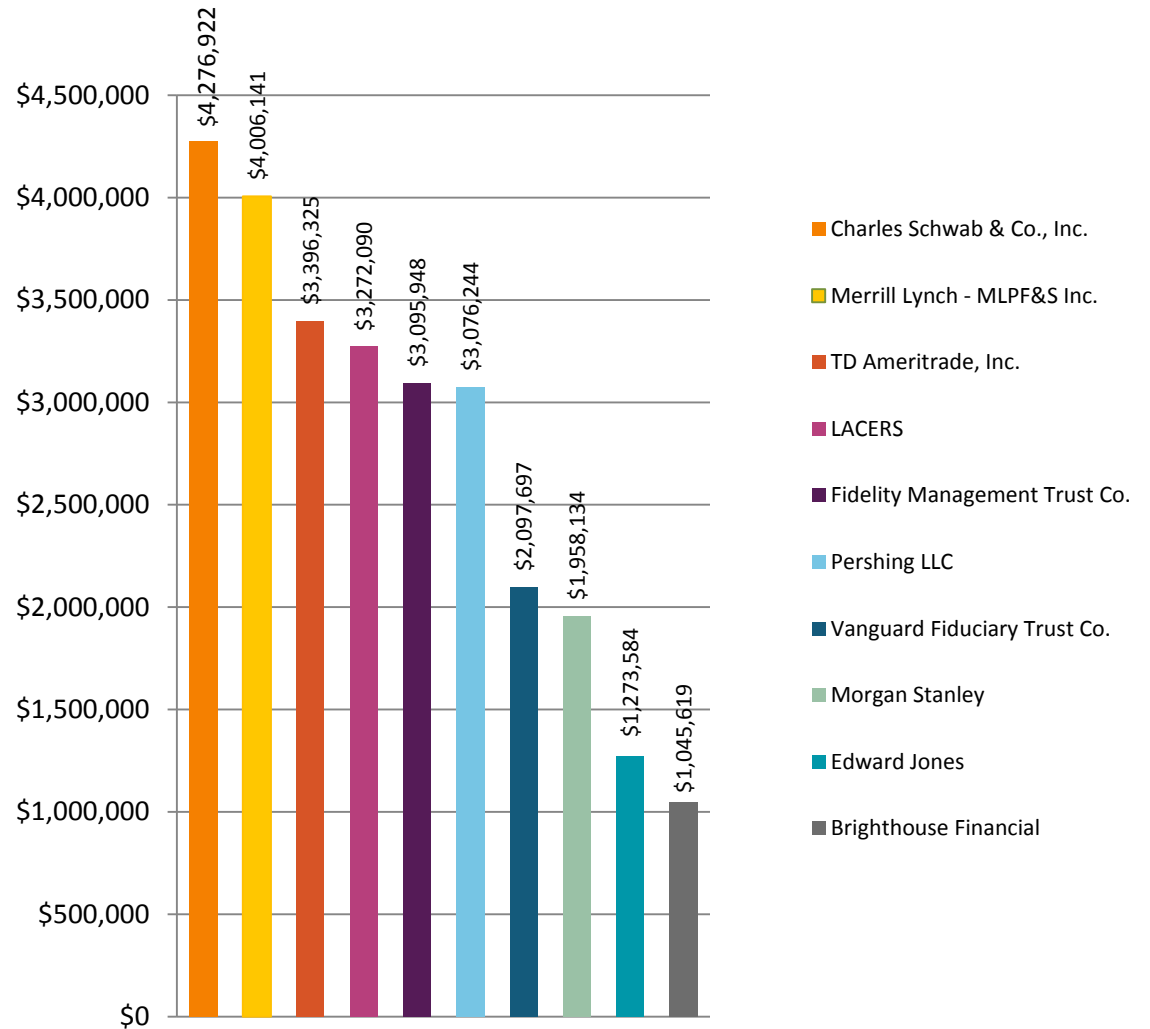
Full Rollover versus Partial Rollover by Quarter

	Full Rollover	Partial Rollover	Total
Q4 2017	\$15,348,849	\$24,329,969	\$39,678,818 (206)
Q1 2018	\$29,834,922	\$30,822,627	\$60,657,549 (315)
Q2 2018	\$23,564,180	\$21,608,702	\$45,172,882 (363)

Rollovers to LACERS, Board of Fire & Police Commissioners and WPERP by Dollar Amount by Quarter

	LAFPP	LACERS	WPERP	Total
Q4 2017	\$547,751	\$528,278	\$106,381	\$1,182,410 (103)
Q1 2018	\$1,577,151	\$784,974	\$159,595	\$2,521,720 (176)
Q2 2018	\$ 710,841	\$3,278,453	\$170,723	\$4,160,017 (227)

Q2 Top 10 Rollover Providers by Dollar Amount





CITY OF *Los Angeles*
DEFERRED COMPENSATION PLAN



Asset Analysis



Balances by Investment

As of June 30, 2018

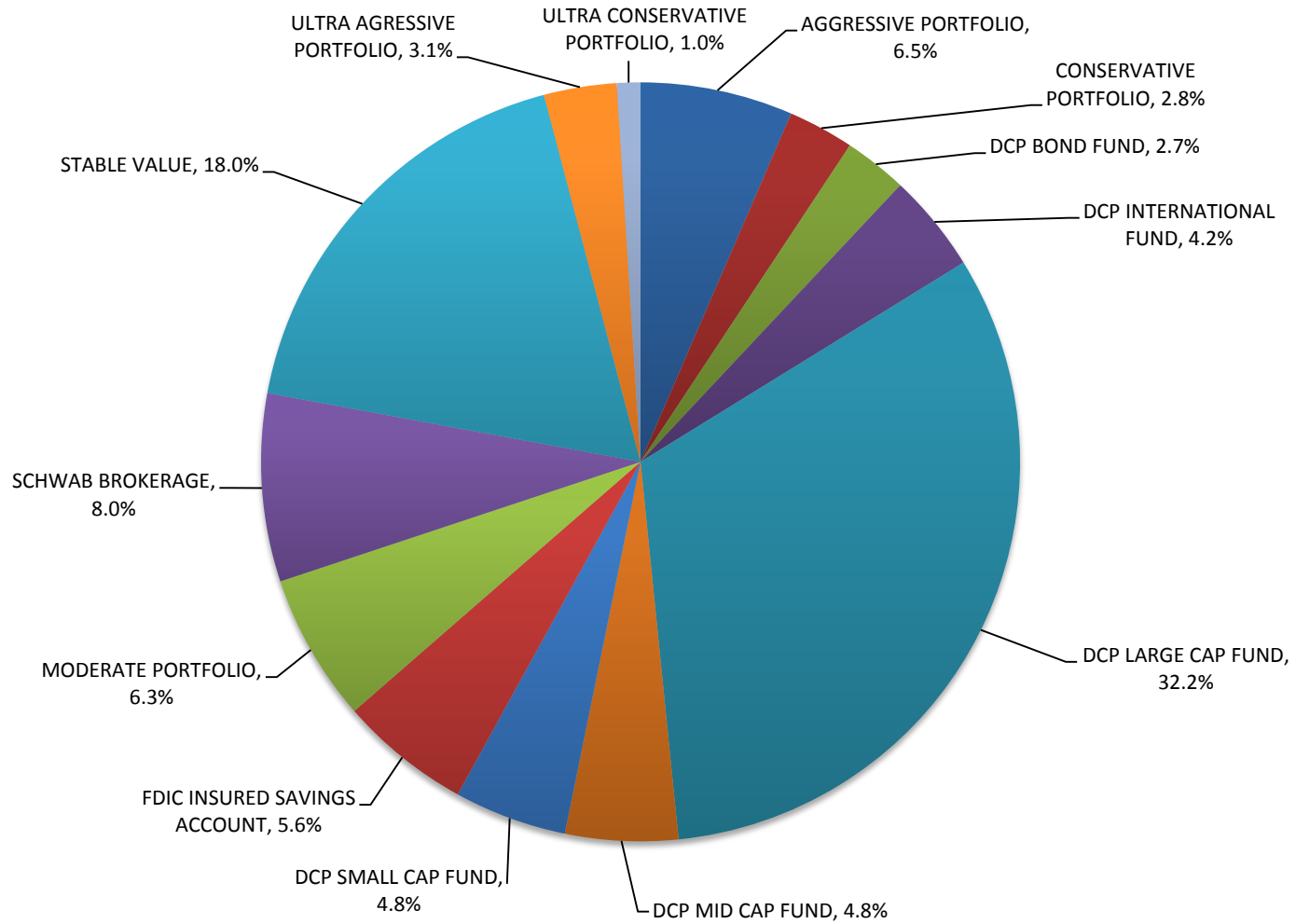
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Investment	Investment Balance	Number of Participants	Average Participant	Percentage of Plan Assets
SCHWAB BROKERAGE	\$495,979,302	3,266	\$151,861	8.0%
FDIC INSURED SAVINGS ACCOUNT	\$342,912,390	13,553	\$25,302	5.6%
STABLE VALUE	\$1,107,300,253	13,786	\$80,321	18.0%
ULTRA CONSERVATIVE PORTFOLIO	\$61,972,590	1,969	\$31,474	1.0%
CONSERVATIVE PORTFOLIO	\$171,507,923	4,440	\$38,628	2.8%
MODERATE PORTFOLIO	\$389,971,589	10,849	\$35,945	6.3%
AGGRESSIVE PORTFOLIO	\$402,155,252	13,240	\$30,374	6.5%
ULTRA AGGRESSIVE PORTFOLIO	\$192,851,870	8,369	\$23,044	3.1%
DCP BOND FUND	\$169,280,647	7,507	\$22,550	2.7%
DCP LARGE CAP FUND	\$1,983,260,011	21,446	\$92,477	32.2%
DCP MID CAP FUND	\$294,402,057	8,366	\$35,190	4.8%
DCP SMALL CAP FUND	\$297,692,741	10,049	\$29,624	4.8%
DCP INTERNATIONAL FUND	\$258,001,511	10,511	\$24,546	4.2%
Total Investment Balance:	\$6,167,288,137			
Total Loan Fund:	\$175,576,919.79			

Balances by Investment

As of June 30, 2018

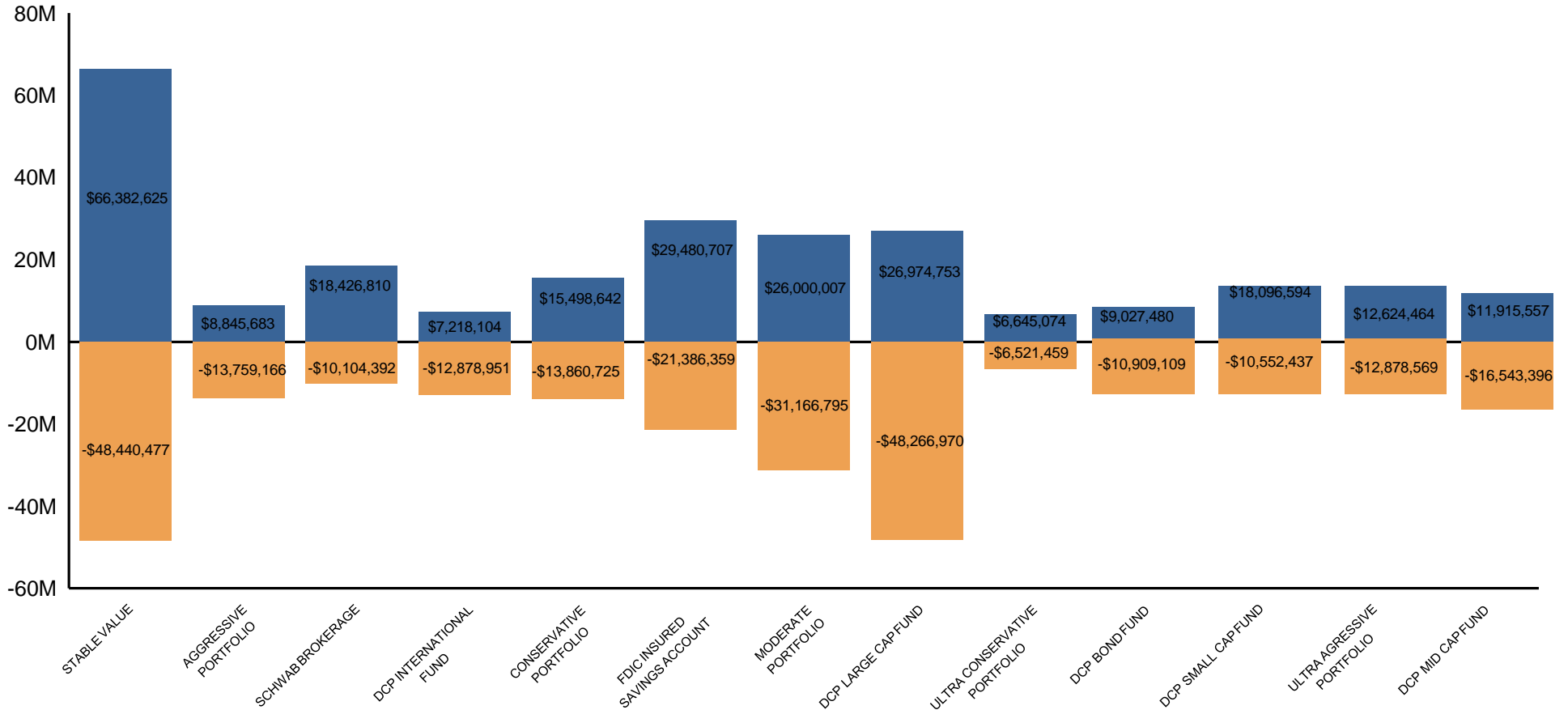
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Transfer Activity by Investment

April 1, 2018 to June 30, 2018

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Transfer Activity by Investment

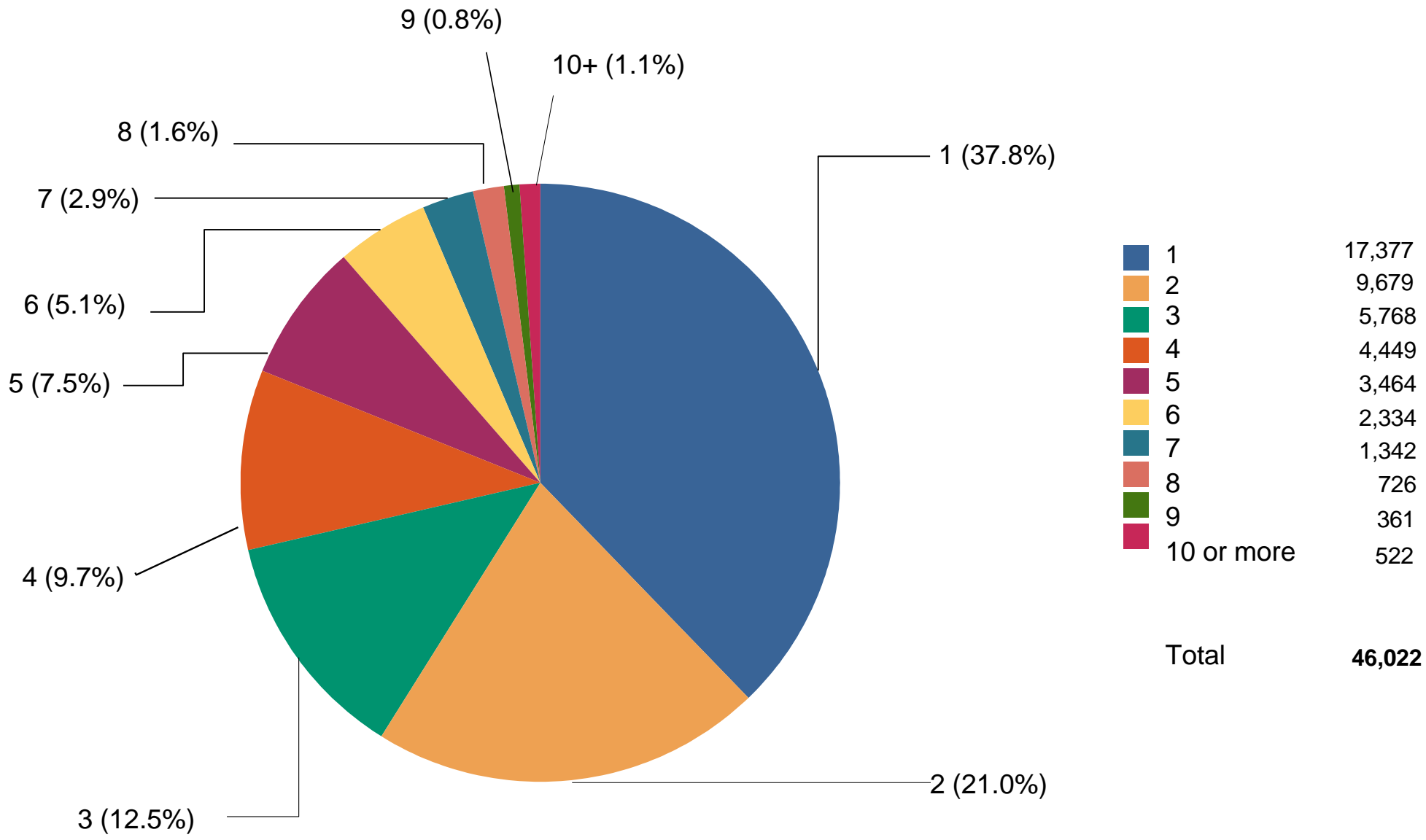
April 1, 2018 to June 30, 2018

CITY OF LOS ANGELES

Investment Name	Transfers In	Transfers Out	Net
SCHWAB BROKERAGE	\$18,426,810	\$-10,104,392	\$8,322,418
FDIC INSURED SAVINGS ACCOUNT	\$29,480,707	\$-21,386,359	\$8,094,348
STABLE VALUE	\$66,382,625	\$-48,440,477	\$17,942,148
ULTRA CONSERVATIVE PORTFOLIO	\$6,645,074	\$-6,521,459	\$123,615
CONSERVATIVE PORTFOLIO	\$15,498,642	\$-13,860,725	\$1,637,917
MODERATE PORTFOLIO	\$26,000,007	\$-31,166,795	-\$5,166,788
AGGRESSIVE PORTFOLIO	\$8,845,683	\$-13,759,166	-\$4,913,483
ULTRA AGGRESSIVE PORTFOLIO	\$12,624,464	\$-12,878,569	-\$254,105
DCP BOND FUND	\$9,027,480	\$-10,909,109	-\$1,881,630
DCP LARGE CAP FUND	\$26,974,753	\$-48,266,970	-\$21,292,217
DCP MID CAP FUND	\$11,915,557	\$-16,543,396	-\$4,627,839
DCP SMALL CAP FUND	\$18,096,594	\$-10,552,437	\$7,544,157
DCP INTERNATIONAL FUND	\$7,218,104	\$-12,878,951	-\$5,660,847

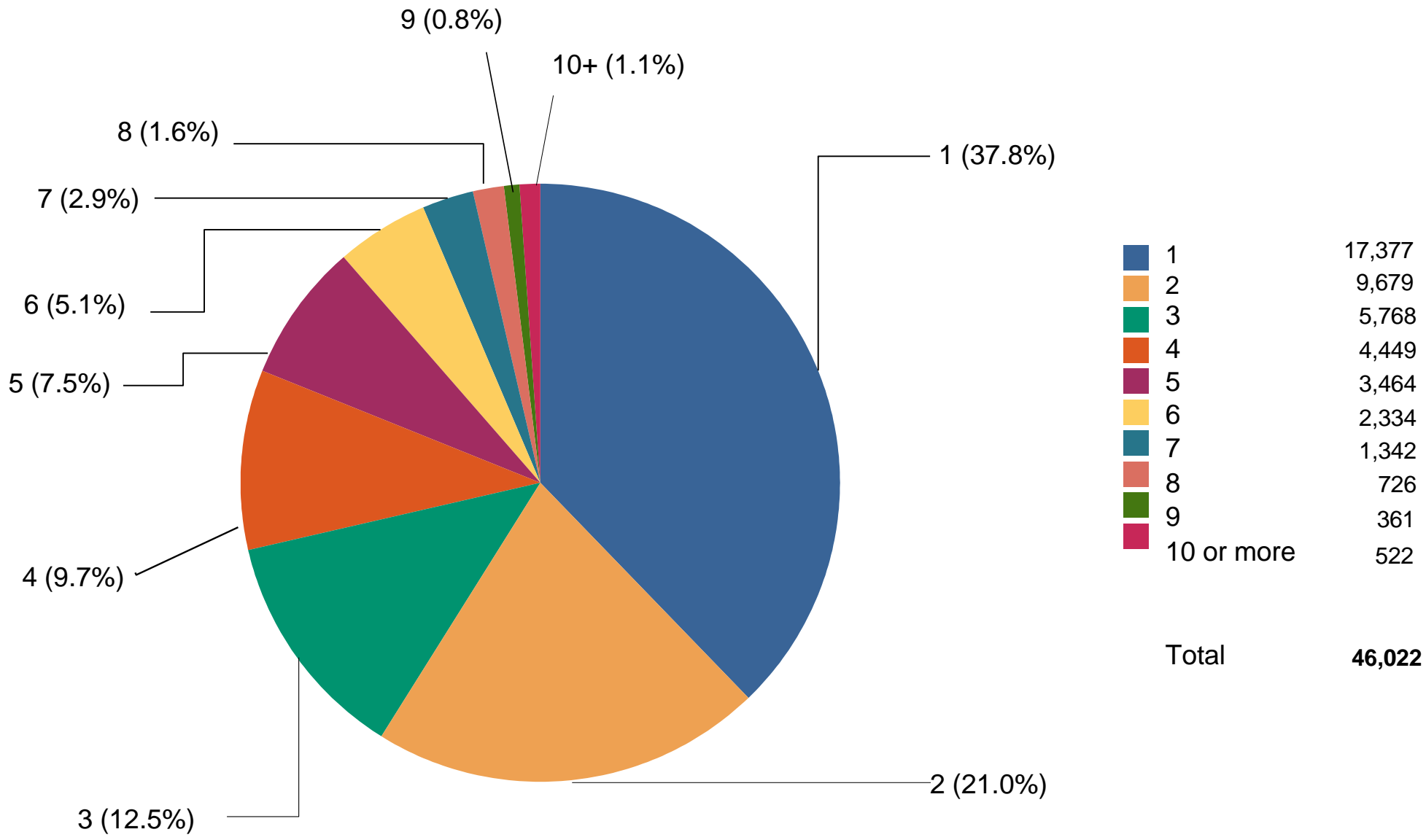
Participants with Balances by Number of Investments

As of June 30, 2018
CITY OF LOS ANGELES



Participants with Balances by Number of Investments

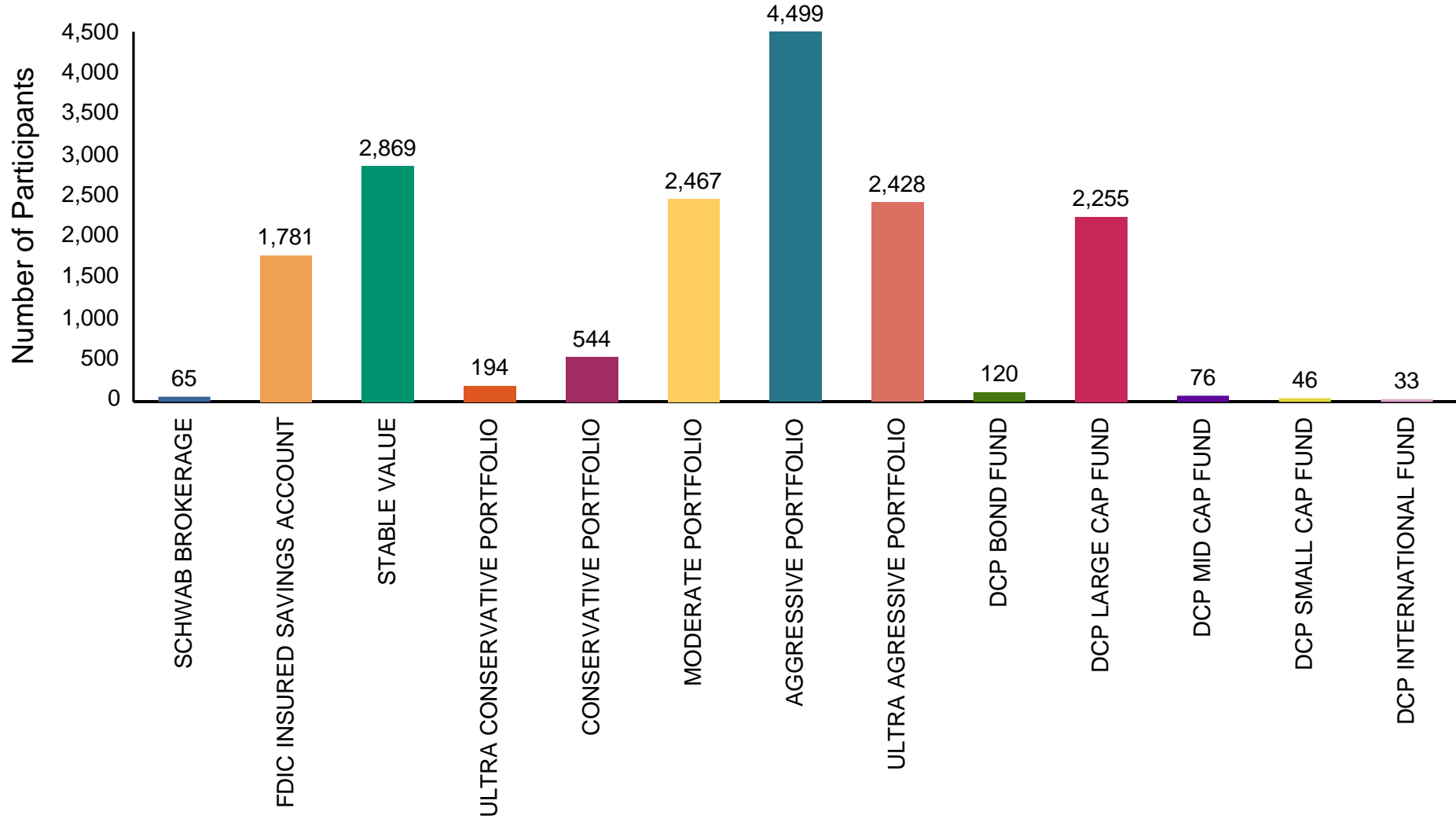
As of June 30, 2018
CITY OF LOS ANGELES



Participants with a Balance in a Single Investment

As of June 30, 2018

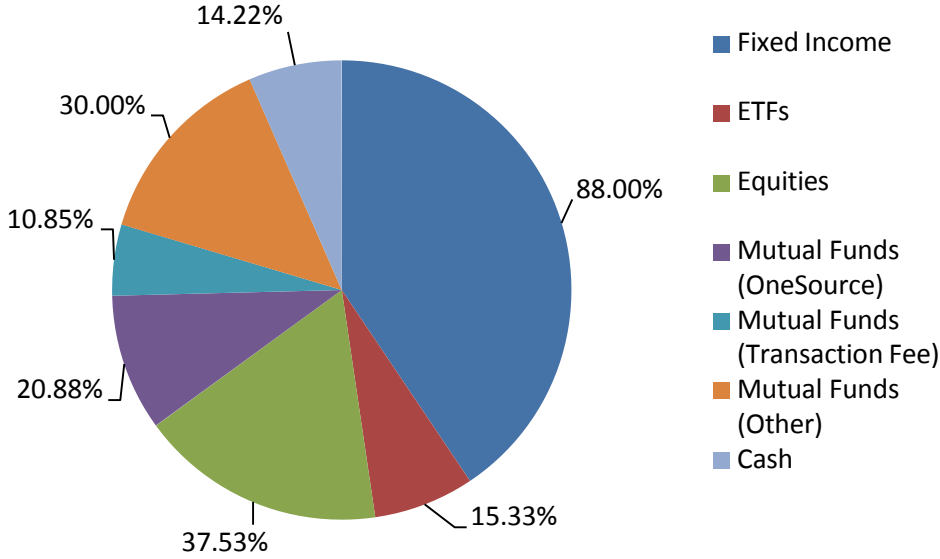
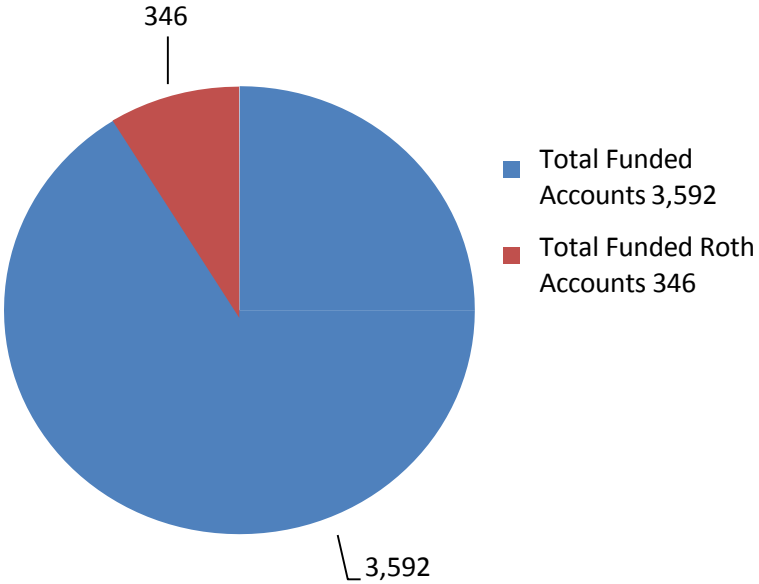
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Self-Directed Brokerage Option Summary (SDBO)

April 1, 2018 to June 30, 2018

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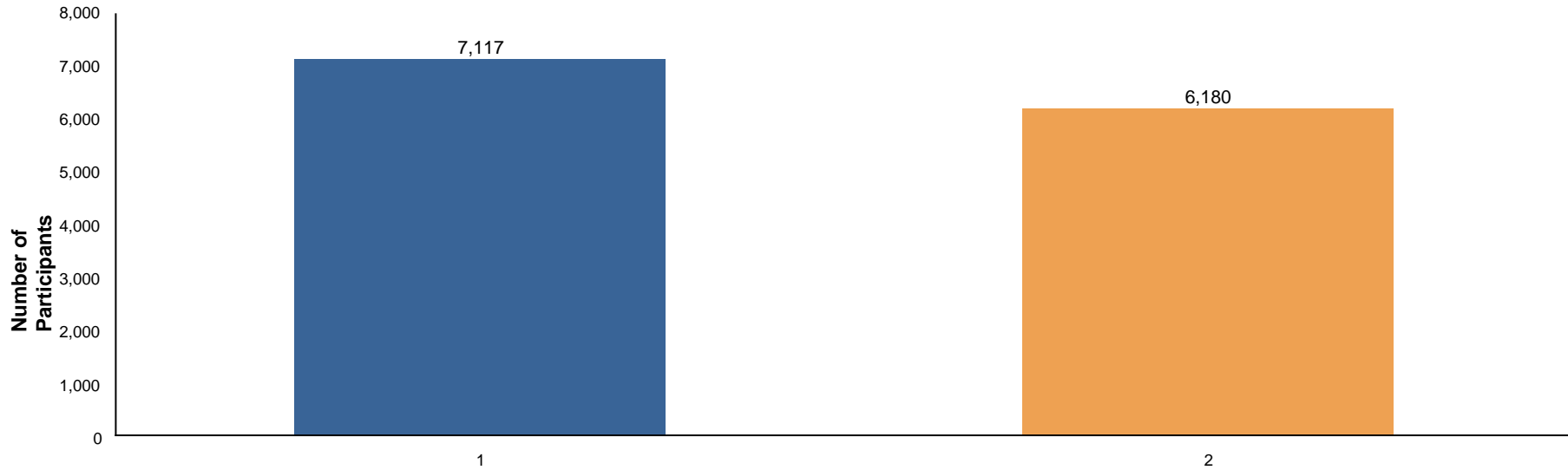


Total Funded SDBO Accounts: 3,592
 SDBO accounts opened this quarter: 101
 Total Advisor Managed Funded SDBO Accounts: 689

Loan Summary

As of June 30, 2018

CITY OF LOS ANGELES



Total Participants with Loans:	13,297
Total Number of Outstanding Loans:	19,477
Number of General Loans:	17,594
Number of Residential Loans:	1,886
Total Outstanding Loan Balance:	\$197,308,202
General Loan Balance:	\$162,736,394
Residential Loan Balance:	\$34,571,808
Number of Re-amortized Loans during the period:	266
New Loans Initiated During the period:	1,627
New Loans Initiated by Active Participants:	1,561
New Loans Initiated by Retirees:	66



CITY OF *Los Angeles*
DEFERRED COMPENSATION PLAN



Participant Services



City of LA Digital Engagement Report

Q2 2018 4/1/2018-6/30/2018

Retirement Calculator Engagement

22% of participants took action after using *the retirement calculator*

- 131 participants changed deferral rate on average from 5.5% to 5.0%
- 1,772 participants changed deferral amount on average from \$280 to \$326
- 992 participants changed fund allocation
- 32 participants rolled money into plan

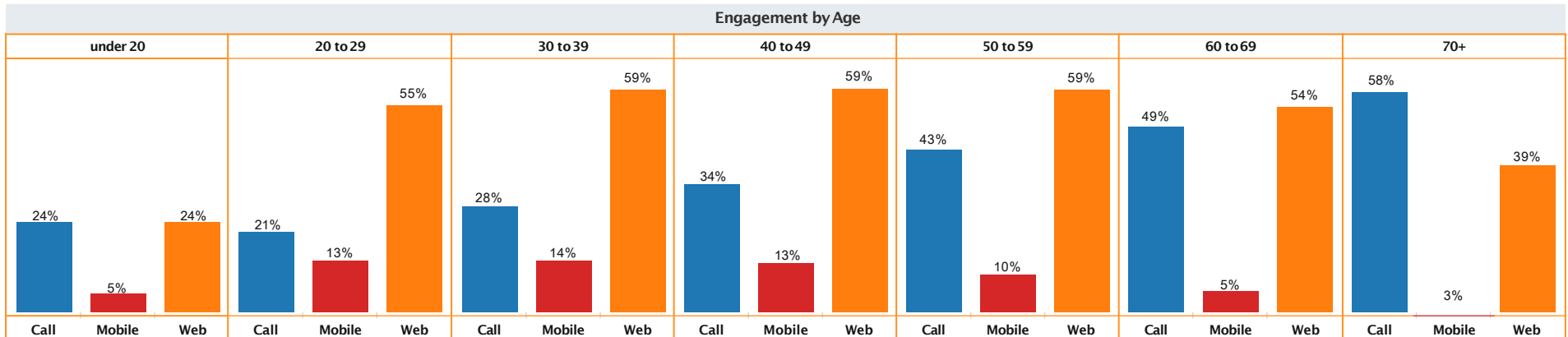
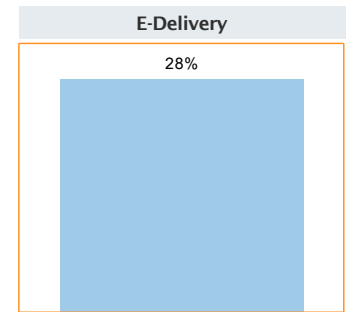
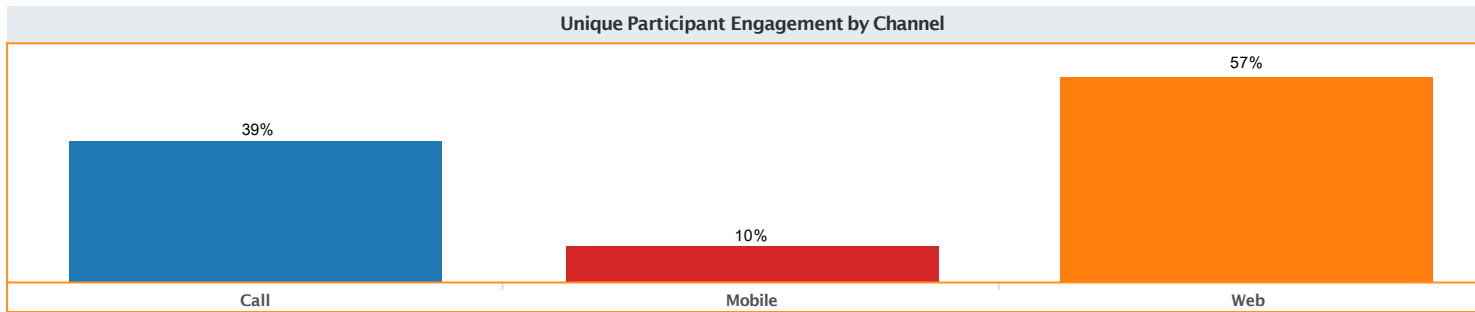
Activity	# of Participants
Logged in with access to <i>retirement calculator</i>	18,570
Viewed the <i>retirement calculator</i>	11,702 (63%)
Engaged and interacted with <i>the retirement calculator</i>	11,511 (98%)
Took Action after using <i>the retirement calculator</i>	2,476 (22%)



Engagement

68% of plan participants have engaged (used web, mobile, or called*) over the last 12 months

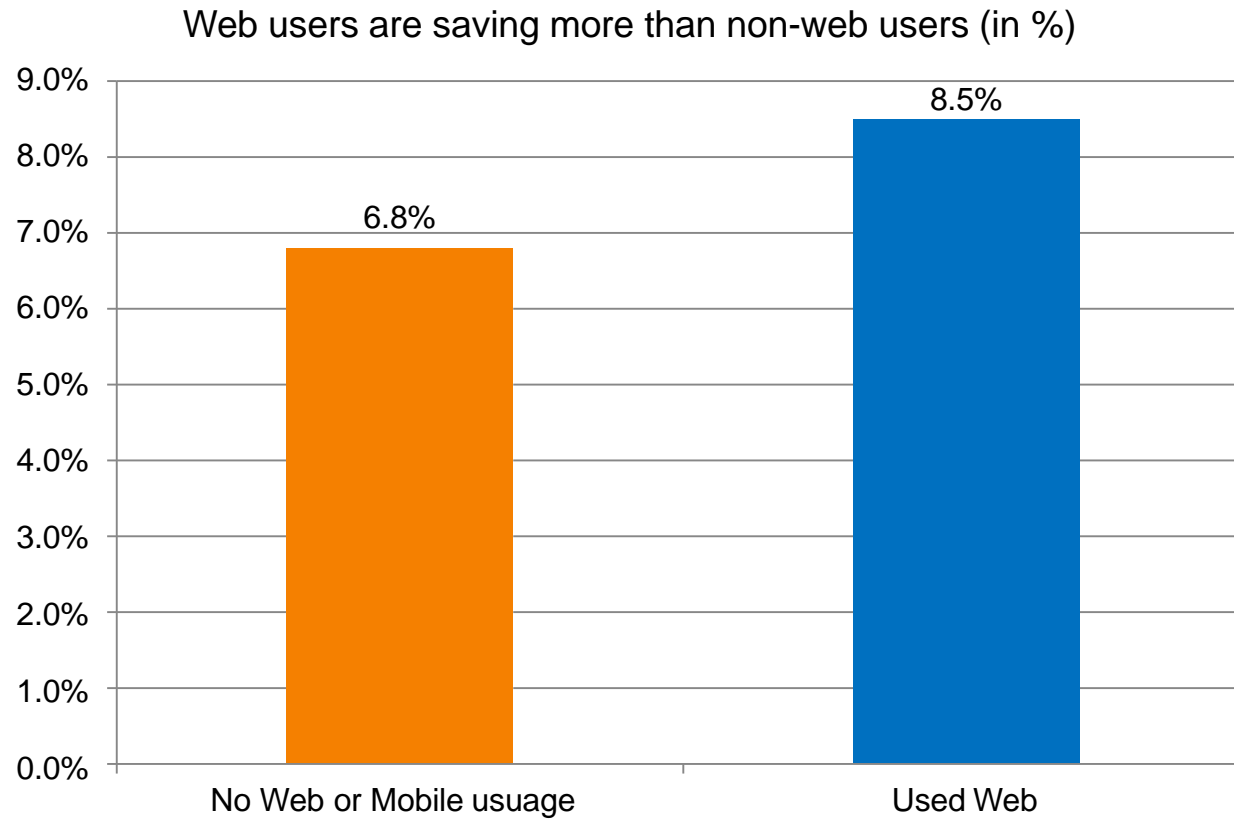
57% of plan participants have digitally engaged over the last 12 months



Published by: Digital Solutions -Data includes retirement plan sponsored business as of 06/30/2018. RPS and IRA customers are not included. *Call data is reflective of those participants who enter their ssn into phone system. Callers who did not enter their ssn or whom no longer have a balance as of 06/30/2018 are not included in this 12 month look back engagement analysis

City of LA Digital Engagement Report

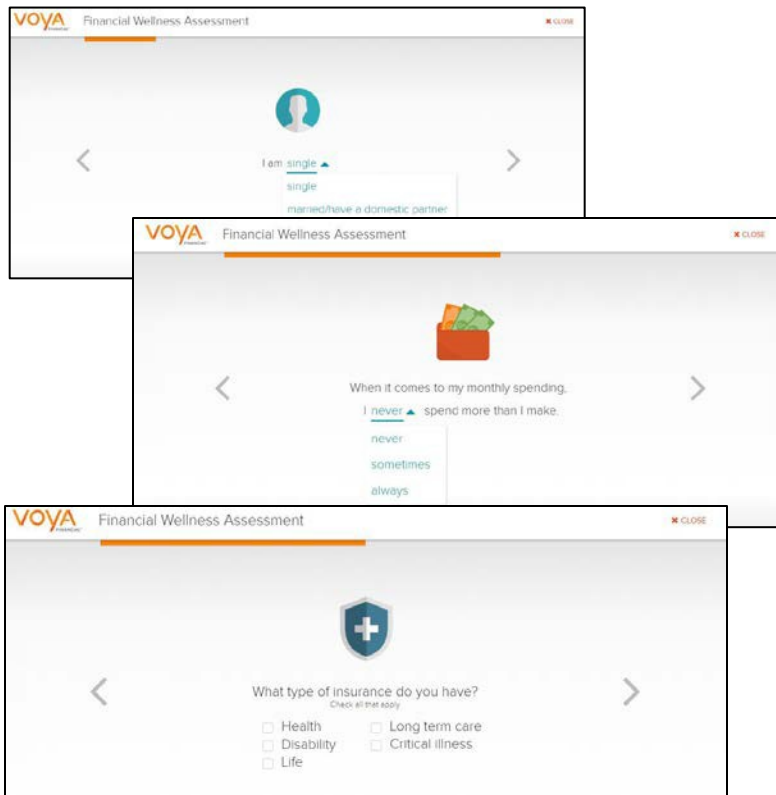
Q2 2018 4/1/2018-6/30/2018



PLAN | INVEST | PROTECT



Wellness Assessment & Report



Financial Wellness Communications Calendar



Email/flyer



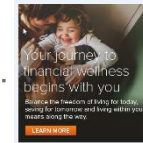
Video



Supporting content



Social posts



Pweb banner



Other savings goals

Think of everything you'd ever want to do if you could. Prioritize and plan to make to bring those goals to life.

AMERICA SAVES WEEK
Feb. 26 - March 3



Debt Management

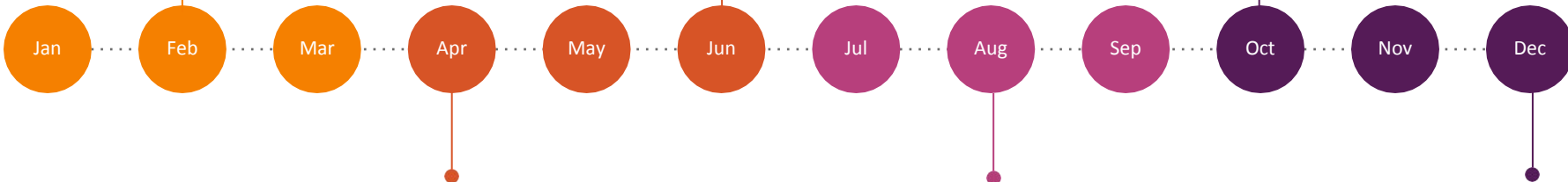
How would life change for you if you were debt-free? Knowing where to start is important to reducing and eliminating debt.



Retirement

Maintaining your lifestyle is important when it comes to your ideal retirement. Save consistently and make a plan for your future.

NATIONAL RETIREMENT
SECURITY WEEK
Oct. 21-27



Emergency Savings

Making sure you have enough money set aside to cover expenses and protect yourself when life hands you a few surprises.



Protection

We all want to protect ourselves and our families. Help strengthen the financial security of those you love by understanding your insurance needs and creating a plan to make informed decisions.



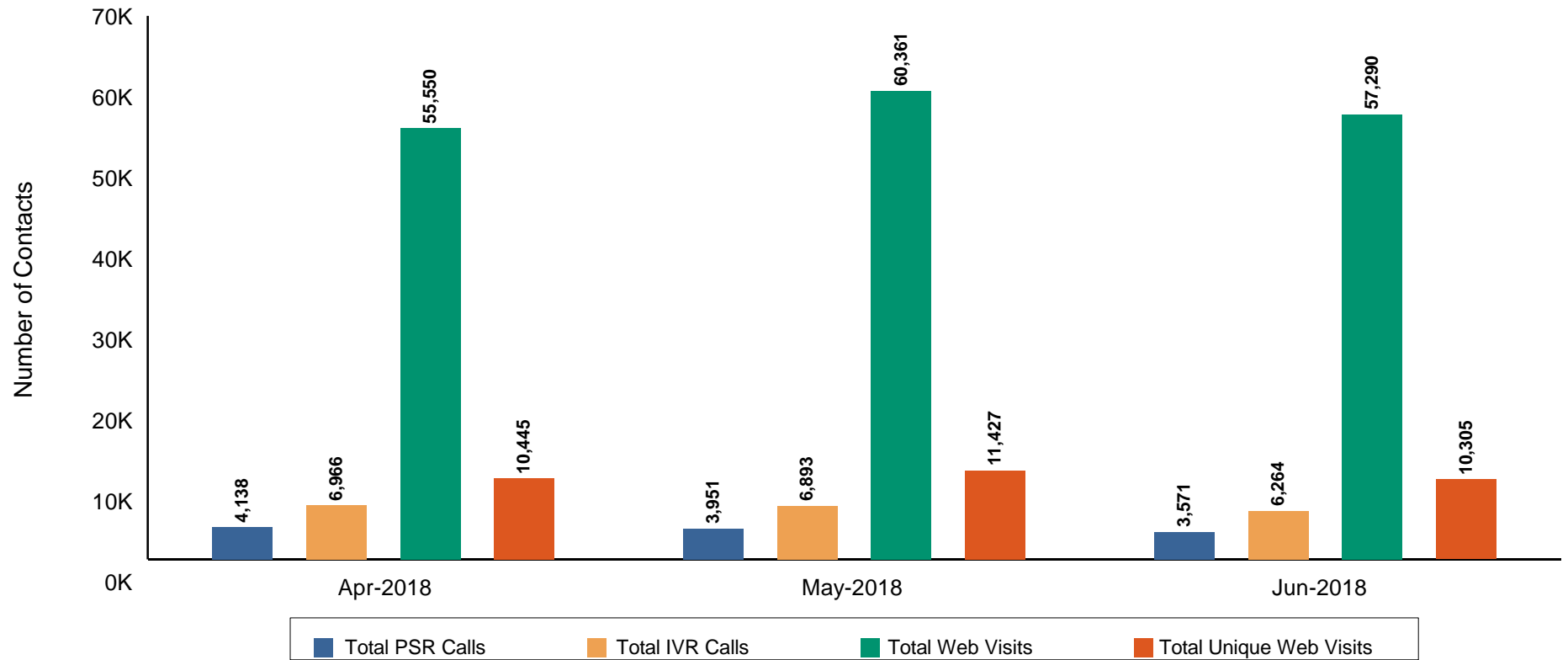
Spending and Saving

You work hard for your money. Your income is precious and what you do with it counts. Live within your means today and save for tomorrow.

Participant Contact Summary

April 1, 2018 to June 30, 2018

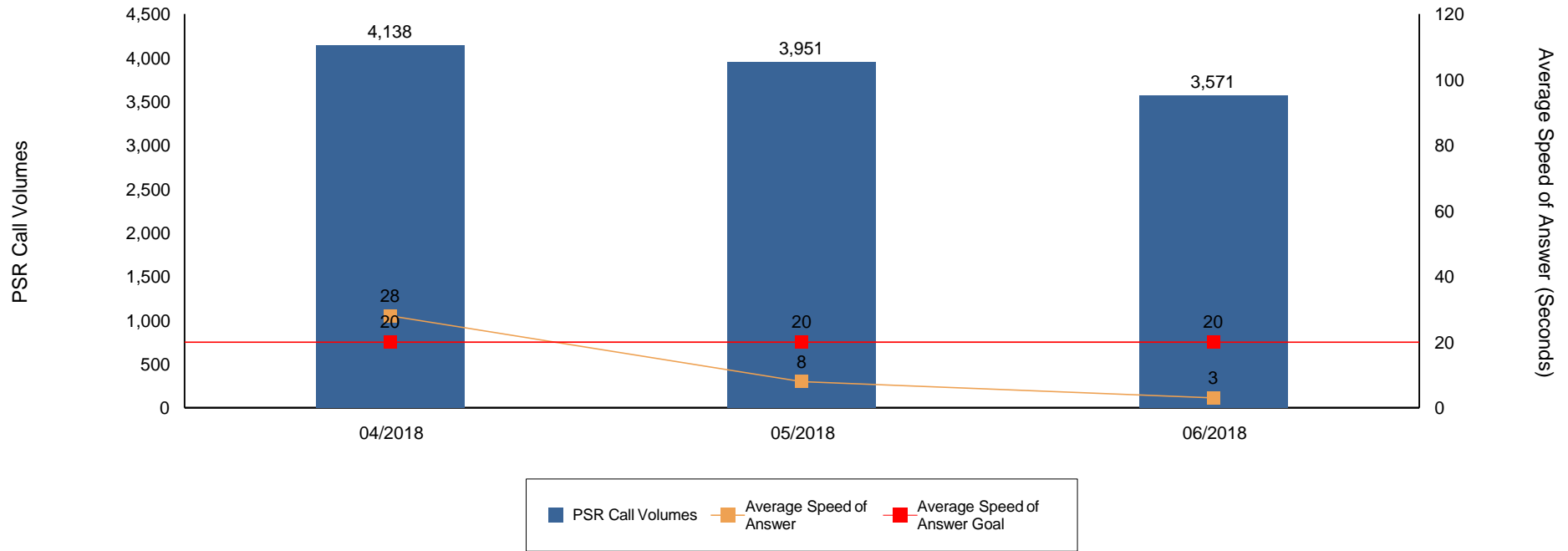
CITY OF LOS ANGELES



Participant Service Representative (PSR) Activity

April 1, 2018 to June 30, 2018

CITY OF LOS ANGELES

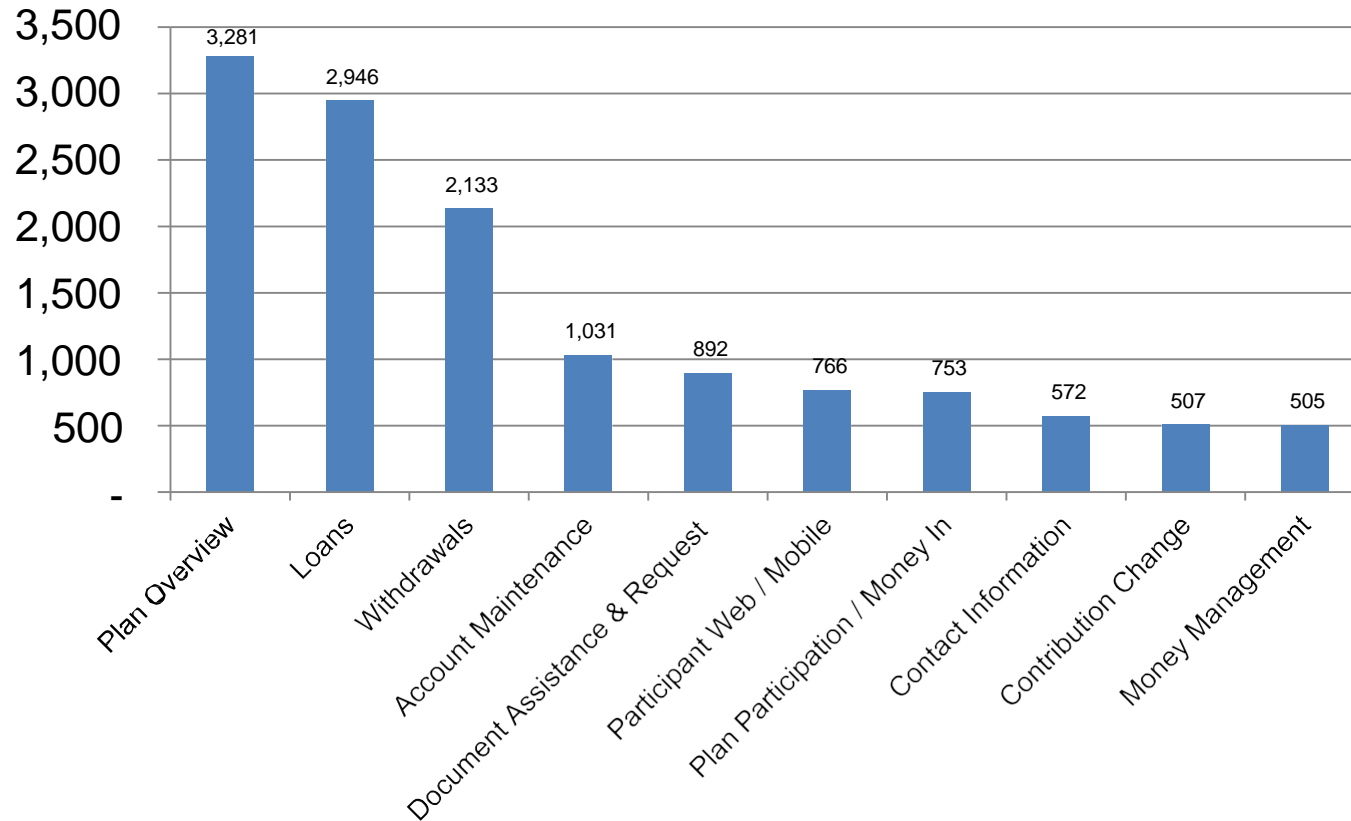


Reporting Period	PSR Call Volume	Average Speed of Answer (Seconds)	Average Call Length (Minutes)
Apr-2018	4,138	28	6.45
May-2018	3,951	8	6.07
Jun-2018	3,571	3	6.20

PSR Activity: Top Ten Call Reasons

April 1, 2018 to June 30, 2018

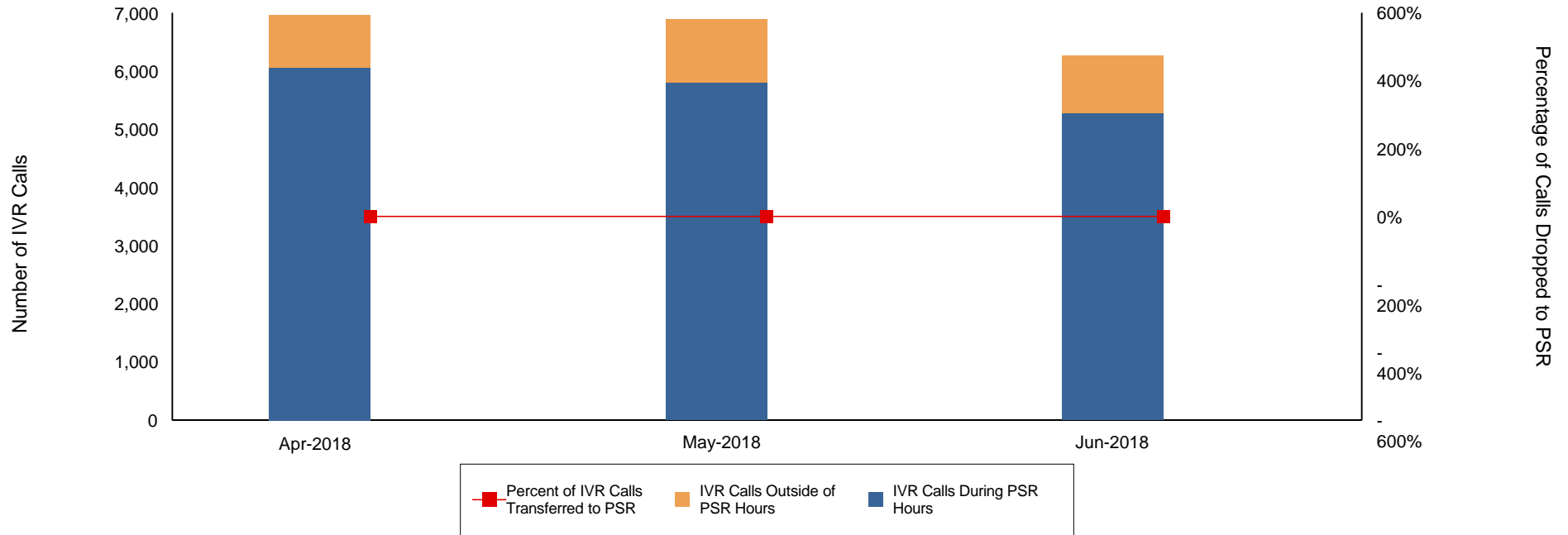
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IVR Activity

April 1, 2018 to June 30, 2018

CITY OF LOS ANGELES



Date	Total IVR Calls	IVR Calls During PSR Hours	IVR Calls Outside of PSR Hours	IVR Calls Transferred to PSR	Percent of IVR Calls Transferred to PSR
Apr-2018	6,966	6,070	896	4,204	0.00
May-2018	6,893	5,812	1,081	3,972	0.00
Jun-2018	6,264	5,274	990	3,575	0.00

Paperless Transactions by Channel (IVR/PSR/WEB/MOB Combined)

April 1, 2018 to June 30, 2018

CITY OF LOS ANGELES

Paperless Transaction Description	Transaction Volume
Address Change	241
Banking Information	919
Beneficiary Election	825
Contribution Rate Change	4,544
Contribution Rate Escalator	60
Document/Package Request	348
Fund to Fund Transfer	2,510
In-service Withdrawal	986
Investment Election Change	1,775
Investment Reallocation	1,009
Rebalance Election	51
Loan Repayment ACH Election	65
New Loans Issued	1,518
Online Loan Payoff via ACH	1,908
Termination Distribution	161

Enrollments for the Period: 438



CITY OF *Los Angeles*
DEFERRED COMPENSATION PLAN



Local Service Center



Local Retirement Counselors

April 1, 2018 to June 30, 2018

CITY OF LOS ANGELES



La Tanya Harris



Vincent Alvarez



Steve Harman



Carol Say



Leslie Yoshioka

Highlights from 2Q 2018

Animal Services

- Conducted Table Service at 3 of the six locations in the 2nd quarter. Met with a total of 64 participants and obtained 12 enrollments.

Farmer's Market

- Conducted Table Service each Thursday in May and June and met with a total of 149 participants.

Marvin Braude Building

- Established Table Service on the 2nd Wednesday of each month to expand our visibility in the Valley area. This will provide Valley employees with the same one-on-one service that is provided at City Hall.

Activity by Quarter

	1Q 2018	2Q 2018
Total Site Visits	86	115
Attendees	2,480	3,132
Enrollments	207	341
Call Totals	3,736	3,606
Counter Service	1,297	1,108
Total Participant Interaction	7,806	8,302

Site Visits by Quarter

Location	1Q 2018	2Q 2018
Animal Services	3	3
Bureau of Street Services	1	N/A
City Hall	3	N/A
DOT	6	4
DWP	19	20
Farmer's Market	N/A	9
Fig Plaza	N/A	2
Fire Maintenance	N/A	1
General Services 7th Street Tire Shop	N/A	1
Hyperion Plant	N/A	2
LACERS	13	11
LAFD	1	1
LAFPP	4	6
LAPD	5	17
LAPPL	4	5
LAWA LAX	12	14
LAWA Van Nuys	1	N/A
Library	4	3
Personnel	1	N/A
Port of Los Angeles Harbor	4	3
Public Works	5	8
Rec & Park	N/A	3
Wellness Fair (City Hall)	N/A	1
Total On-site Visits	86	115

Local Retirement Counselors

April 1, 2018 to June 30, 2018

CITY OF LOS ANGELES



Meetings
115

Attendees
3,132

Enrollments
341





CITY OF *Los Angeles*
DEFERRED COMPENSATION PLAN



Thank You

