



CITY OF *Los Angeles*
DEFERRED COMPENSATION PLAN

STRATEGIC PLAN REVIEW

CITY OF LOS ANGELES DEFERRED COMPENSATION PLAN

NOVEMBER 19, 2013

MISSION/VISION

MISSION STATEMENT:

The mission of the City of Los Angeles Deferred Compensation Plan is to provide active and retired City employees with a supplemental retirement and savings program that offers opportunities for enhancing retirement and financial security.



VISION STATEMENT:

Our vision is that the City's Plan will establish itself as a premier governmental supplemental retirement savings program dedicated to diligent, forward-thinking Plan administration guided solely by what is in the best interests of Plan participants.

VALUES/GOALS

VALUES

- *Integrity*
- *Transparency*
- *Customer Service Excellence*
- *Collaboration*
- *Innovation*

GOALS

- *Effective Communication/Education/Customer Service*
- *Quality Investment Choices*
- *Excellent Plan Administration*
- *Diligence in Plan Governance, Procurement & Contracting*
- *Effective Resource Management*
- *Develop Intellectual Resources*



What We've Accomplished



GOALS

- *Effective Communication/ Education/ Customer Service*
- *Provide Quality Investment Choices*
- *Provide Excellent Plan Administration*
- *Execute Diligence in Plan Governance, Procurement & Contracting*
- *Effective Resource Management*
- *Develop Intellectual Resources*

RECENT ACCOMPLISHMENTS

- • *Calculator/ Web Tool/ New Website*
- • *Simplified Investment Menu*
- • *Added Roth Savings Option, Retiree Loans*
- • *Created Bylaws, Strategic Plan, Investment Policy, New Procurement Processes*
- • *Added Staffing and Tax Counsel*
- ⁴ • *Created Training Program*

**WORKSHOP
EXERCISE**

CHANGING LANDSCAPE

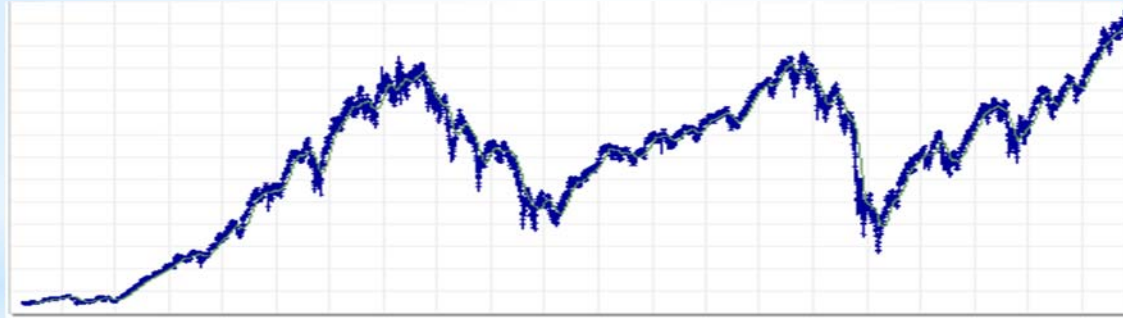
1993 2003 2013 2023

Participation	21,054	33,528	40,326	?
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Participation Rate	28%	57%	70%	?
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Assets	\$516,401,147	\$1,737,260,679	\$4,023,884,077	?
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Paper/ Electronic Ratio	95/5	60/40	40/60	?
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Markets

Pension Tiers

LACERS	1	1	2	?
DWP Retirement	1	1	1	?
Pensions	3	5	6	?

KEYS TO PARTICIPANT SUCCESS



Key

- Join the Plan
- Contribute at level needed for retirement income security
- Maximize Value of Pre-Tax & After-Tax Saving
- Manage Investment Risk
- Withdraw as Retirement Supplement

How Plan Can Help

- Auto Enrollment
- Auto Escalation
- Promote “Saving Diversification” Strategy
- Provide More Effective Guidance on Managing Risk
- Promote Use of Retirement Income Stream

PRIMARY OBJECTIVE

Simplicity

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Communication

Simple.

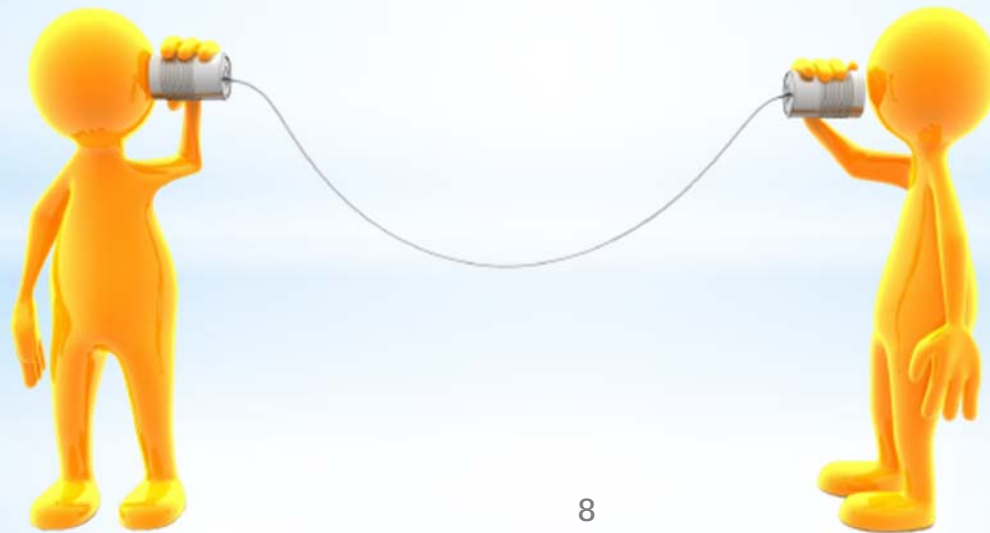


= RETIREMENT INCOME SECURITY



STRATEGIC INITIATIVES: INCREASING ENAGEMENT

- Using [technology](#) and [creativity](#) to increase engagement
- Focusing messaging around [Retirement Income Security](#) - using [Retirement Income Replacement Target](#) (Calculator) and [Account Management](#) (“How Am I Doing” checklist)
- Financial Wellness?



STRATEGIC INITIATIVES: INVESTMENTS

- Reviewing investment policy relative to procurements and available resources
- Reviewing Plan investment menu relative to changing investment landscape



STRATEGIC INITIATIVES: GOVERNANCE

- Creating more opportunities for Board engagement with strategic planning, best practices, and fiduciary oversight
- Conducting exhaustive Plan Document review and update



STRATEGIC INITIATIVES: ADMINISTRATION

- Addressing beneficiary issues
- Addressing income security for retirees



STRATEGIC INITIATIVES: GOVERNANCE/PROCUREMENT/CONTRACTING

- Reviewing procurements against vision/mission/goals



STRATEGIC INITIATIVES: RESOURCES

- Reviewing and updating Plan budget, assumptions and expenditures



STRATEGIC INITIATIVES: INTELLECTUAL RESOURCES

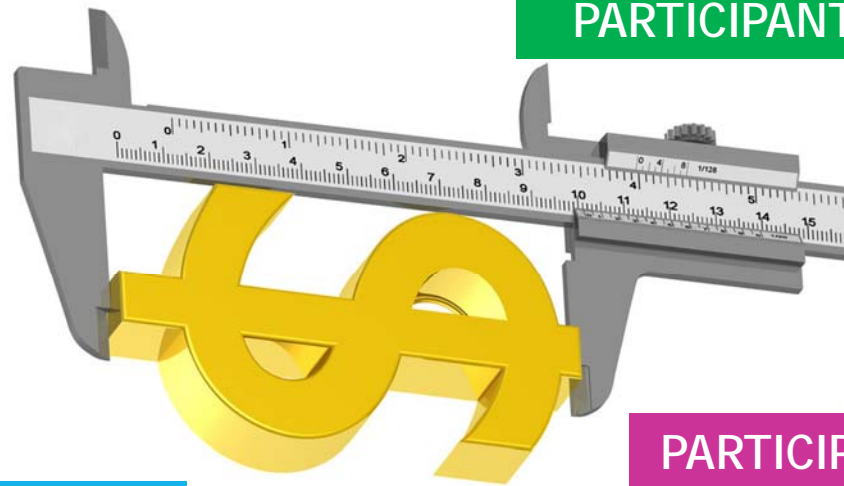
- Executing training and education program
- Developing succession and knowledge transfer planning
- Continuing to develop peer relationships through NAGDCA, CA-DCPN, etc.



PLAN METRICS - HOW SHOULD WE MEASURE SUCCESS?

PARTICIPANT ENGAGEMENT

PARTICIPANT AWARENESS



PARTICIPANT SATISFACTION

PARTICIPANT OUTCOMES

PLAN METRICS - HOW SHOULD WE MEASURE SUCCESS?

PARTICIPANT ENGAGEMENT

1. Total local office contacts
2. Retirement calculator - discrete users at results
3. Account management tool - discrete users at results
4. Total Website hits
5. Total Keytalk hits
6. Username/password updates



PLAN METRICS - HOW SHOULD WE MEASURE SUCCESS?

PARTICIPANT AWARENESS

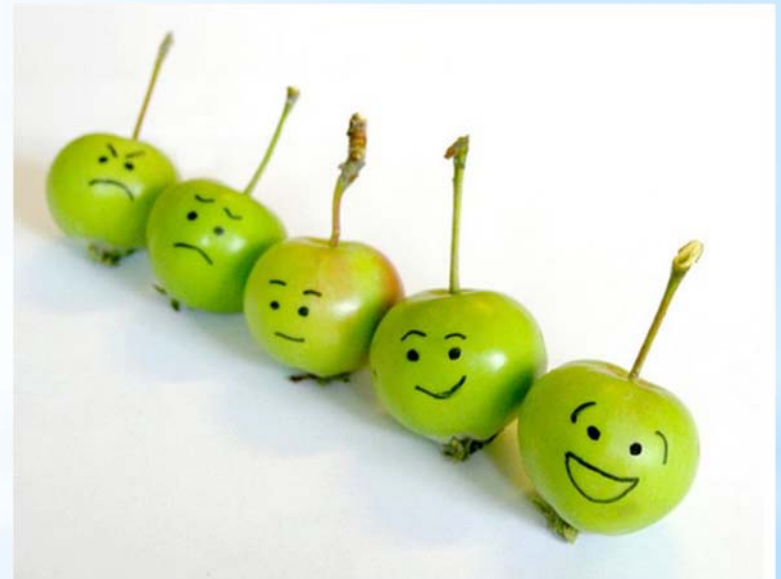
1. Retirement income replacement percentage they're likely to receive in retirement
2. Awareness of and preference for pre-tax/after-tax/both accounts
3. Comfort level with current contribution amount
4. Comfort level with current investment allocation
5. Awareness of and preference for account decumulation in retirement
6. Awareness of beneficiary designation



PLAN METRICS - HOW SHOULD WE MEASURE SUCCESS?

PARTICIPANT SATISFACTION

1. Available information and ease of use - Website
2. Available information and ease of use - Keytalk
3. Responsiveness and knowledge - local representatives
4. Statement information
5. Plan Administrator satisfaction
6. City staff satisfaction
7. Board governance satisfaction



PLAN METRICS - HOW SHOULD WE MEASURE SUCCESS?

PARTICIPANT OUTCOMES

1. Participation rate - overall
2. Average account balance
3. Average contribution amount
4. Periodic payment elections as percent of retired participants
5. Number of Pre-Tax/After-Tax/dual accounts
6. Asset allocation holdings / Cash equivalent holdings - by age
7. Beneficiary designation updates
8. Roll-in vs. roll-out dollars



PLAN METRICS - HOW SHOULD WE MEASURE SUCCESS?

