

# CITY OF LOS ANGELES

Q4 2017 Service Review

# TRENDS & INSIGHTS

**Registered representative of and securities offered through Voya Financial Advisors, Inc. (member SIPC).**  
CN0130-39865-0220

PLAN | INVEST | PROTECT





# 5 Financial Benefit Trends to Watch in 2018

Providing financial benefits in 2018 will be beneficial for both employees and employers

EMPLOYEES MAY EXPERIENCE A BETTER FINANCIAL WELL BEING

WORKERS MAY BE MORE PRODUCTIVE, ENGAGED AND EMPOWERED



Financial education benefits



Student loan repayment benefits



Holistic financial benefits



Short-term financial issues assistance

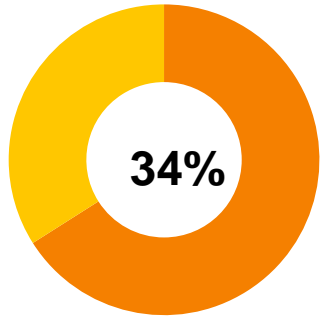


Financial education to future generations

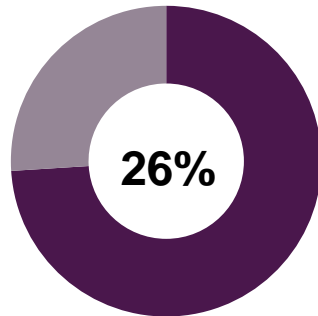


# Tax cut impact on retirement plan contributions

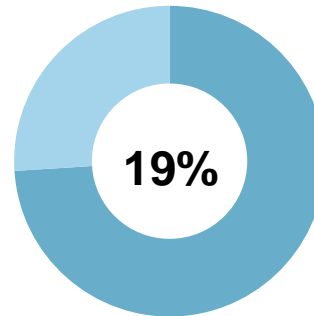
66% of employers surveyed\* have either made changes to their benefits packages or are considering making changes.



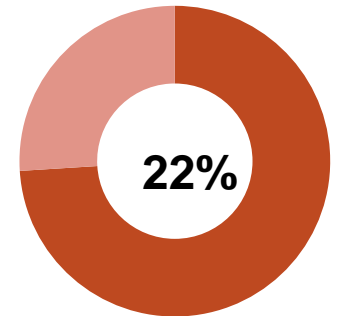
Expand personal finance planning



Increase contributions



Increase or accelerate pension plan contributions



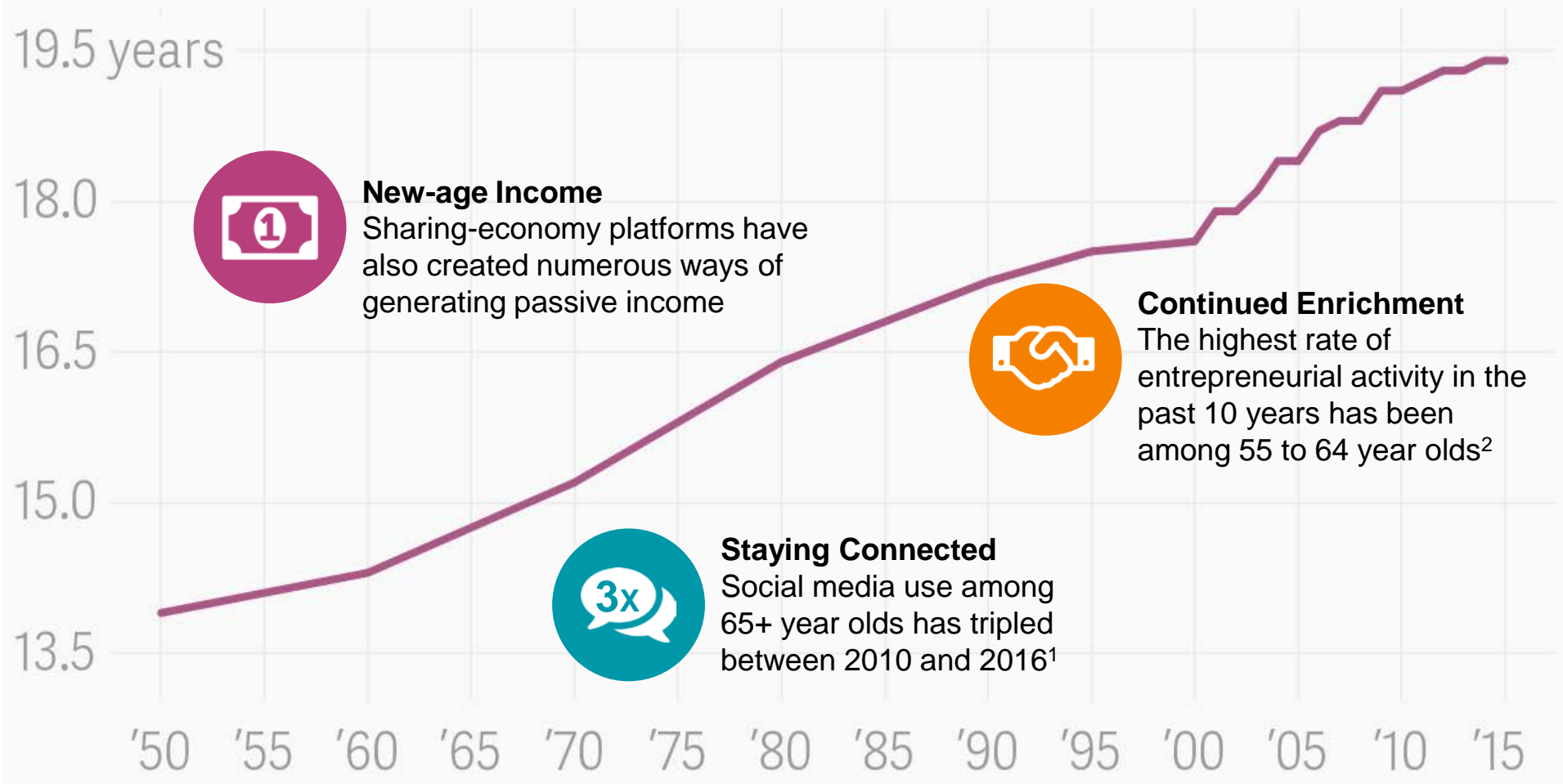
Address pay gap issues

\*A new study from global consulting and advisory firm Willis Towers Watson found that about half of 333 large and mid-sized companies



# Longevity & technology: Transforming the way people retire

## Life Expectancy after age 65 in the United States



<sup>1</sup>PEW Research Center: [www.pewinternet.org/2016/11/11/social-media-update-2016/](http://www.pewinternet.org/2016/11/11/social-media-update-2016/)

<sup>2</sup>Infographic by Easy Life Cover: [www.businessinsider.com/entrepreneurs-over-50-2014-11](http://www.businessinsider.com/entrepreneurs-over-50-2014-11)

# Client Health Review

# Plan Highlights

As of December 31, 2017

## CITY OF LOS ANGELES DEFERRED COMPENSATION PLAN

Conversion assets (millions) 9/29/2017	\$5,976
Plan assets (millions)	\$6,225
Number of participants with a balance	44,935
Average participant account balance	\$138,520
Average outstanding loan balance per borrower	\$14,747
Catch-up contribution participation	9.3%
Participation rate – Non Roth	58.7%
Participation rate – Roth	14.0%
Average deferral rate –Non Roth	10.0% \$301.32
Average deferral rate – Roth	6.1% \$165.71

# Cash Flow Summary

October 1, 2017 to December 31, 2017

## CITY OF LOS ANGELES DEFERRED COMPENSATION PLAN

### Cash In

Employee Before-tax Contributions	43,861,105.94
Employee After-tax Roth Contributions	5,536,331.45
Rollover Contributions	9,314,833.76
Loan Repayments	20,203,023.30
Other	4,619,943.92

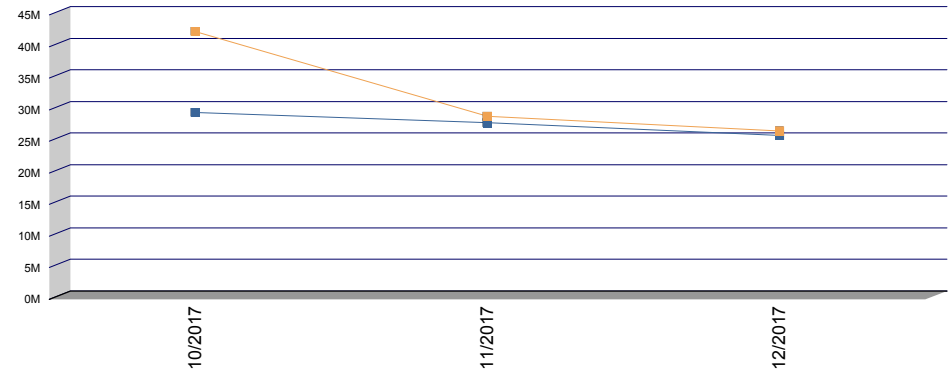
**Total Cash In \$83,535,238.37**

### Cash Out

Withdrawals	24,762,424.52
Installment Payments	13,630,843.97
Terminations	33,887,740.07
Loans Issued	20,095,633.65
Fees	1,018,887.06
Other	4,619,943.92

**Total Cash Out (\$98,015,473.19)**

**Net Cash Flow (\$14,480,234.82)**



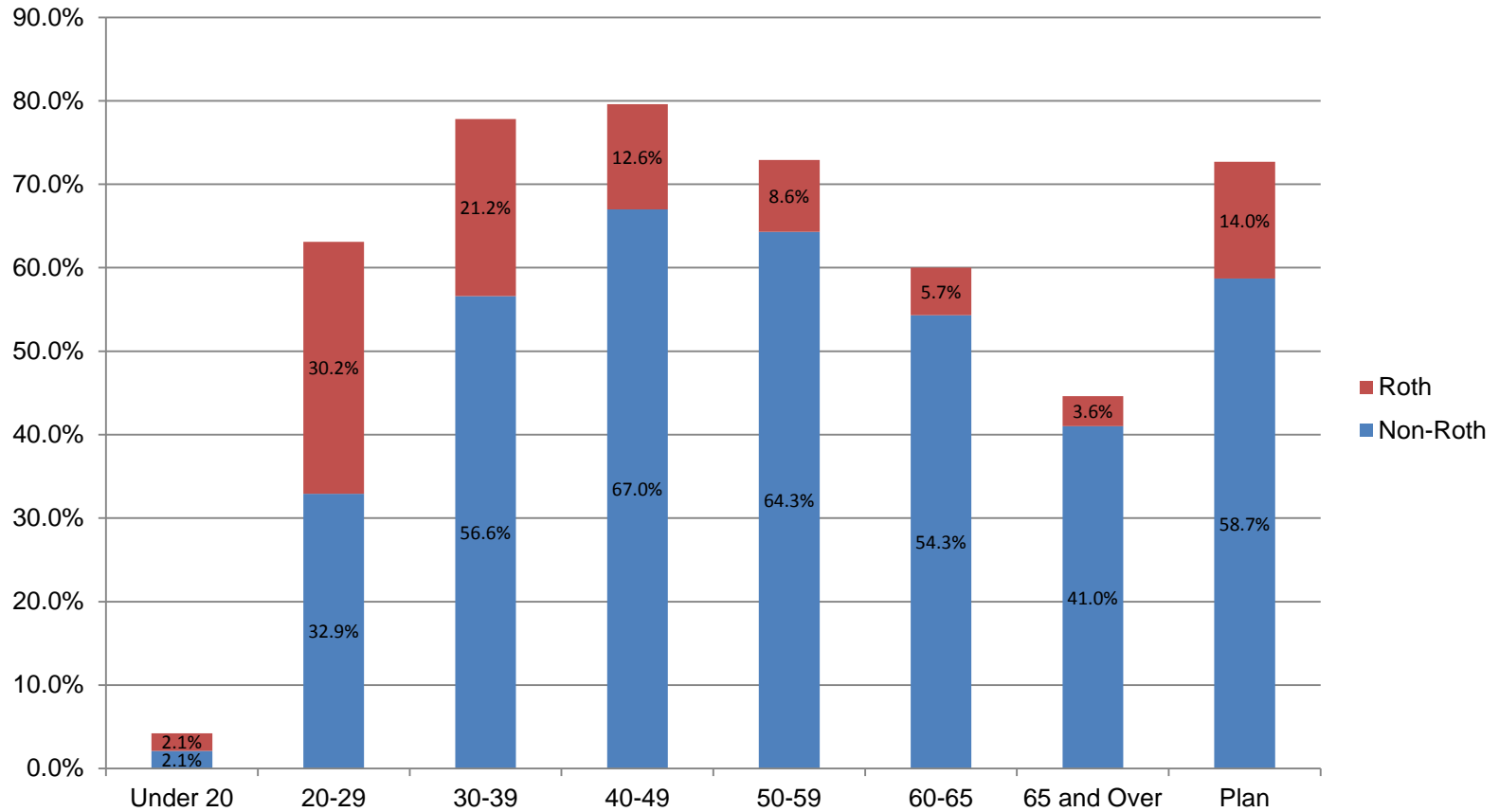
	Cash In	Cash Out	Net Cash
Oct 2017	\$29,604,625.10	\$42,417,871.81	-\$12,813,246.71
Nov 2017	\$27,962,153.16	\$28,949,721.47	-\$987,568.31
Dec 2017	\$25,968,460.11	\$26,647,879.91	-\$679,419.80
<b>Total</b>	<b>\$83,535,238.37</b>	<b>\$98,015,473.19</b>	<b>-\$14,480,234.82</b>



# Participation Rates

As of December 31, 2017

## CITY OF LOS ANGELES DEFERRED COMPENSATION PLAN

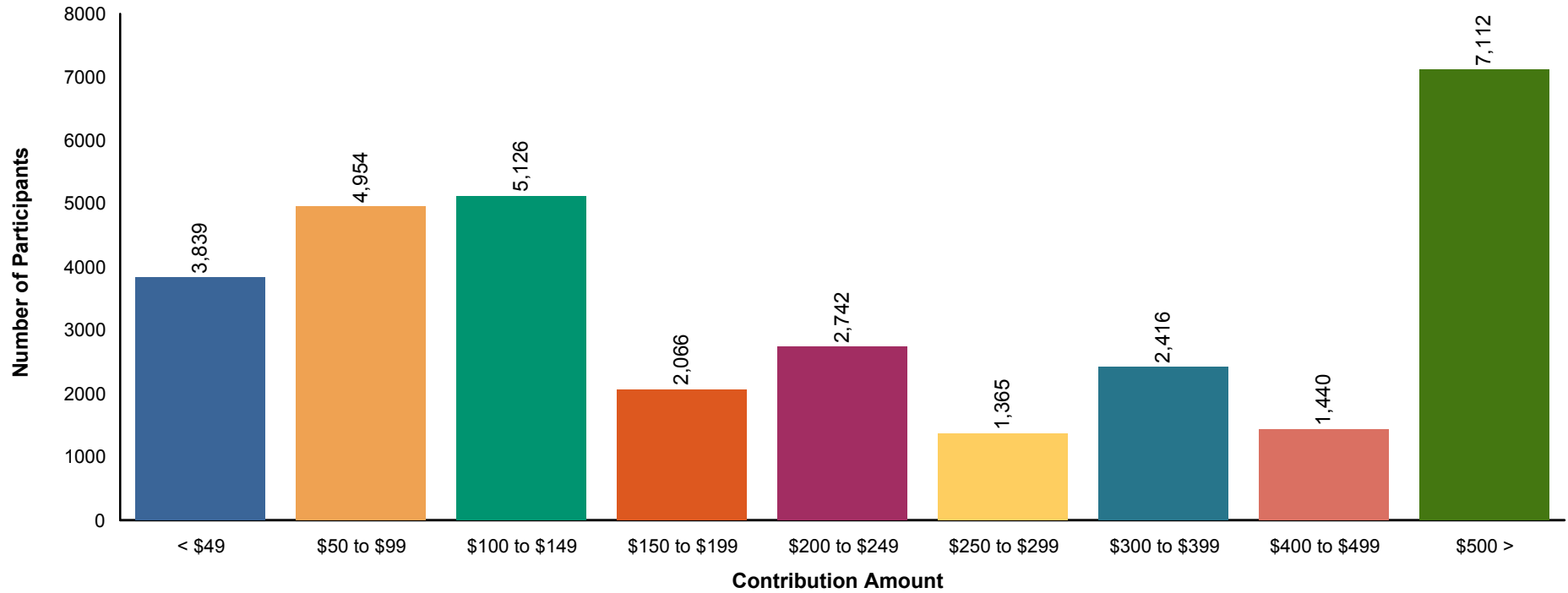


# Participant Contributions Analysis

# Total Contribution Amount Summary

As of December 31, 2017

CITY OF LOS ANGELES DEFERRED COMPENSATION PLAN

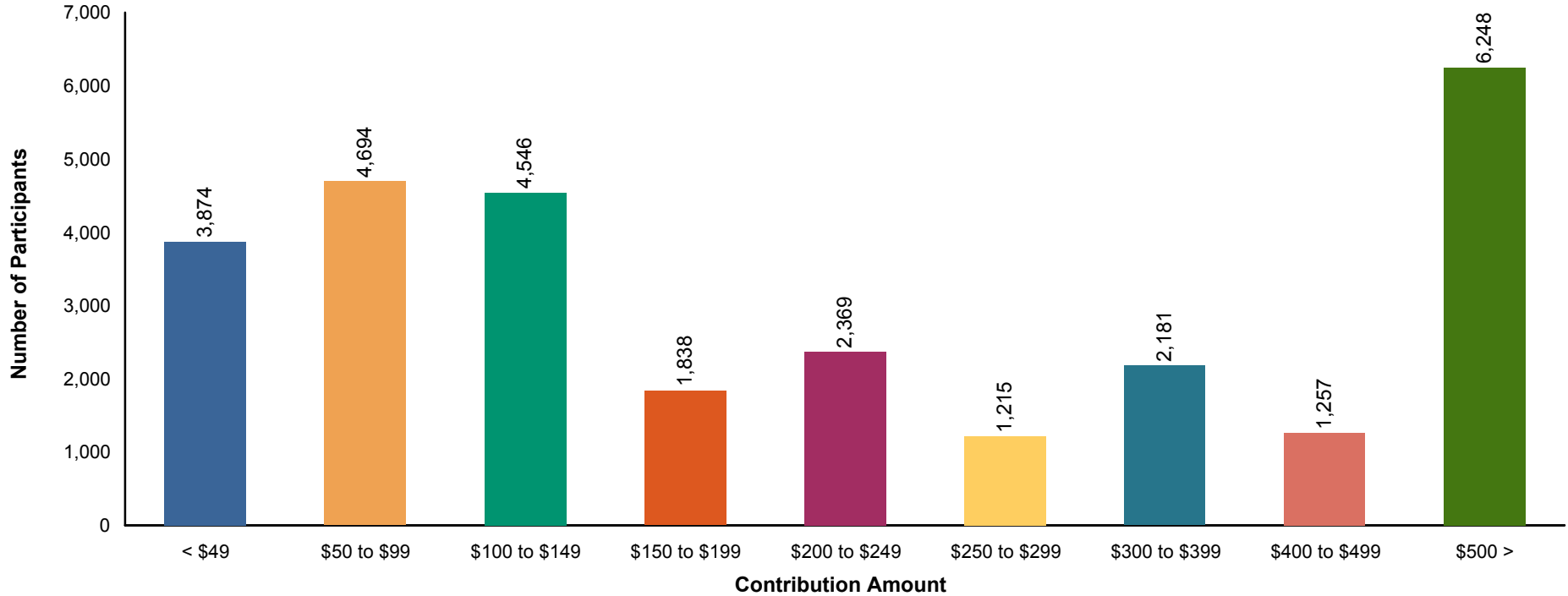


Total Number of Participants: 31,060

# Before-Tax Contribution Amount Summary

As of December 31, 2017

## CITY OF LOS ANGELES DEFERRED COMPENSATION PLAN

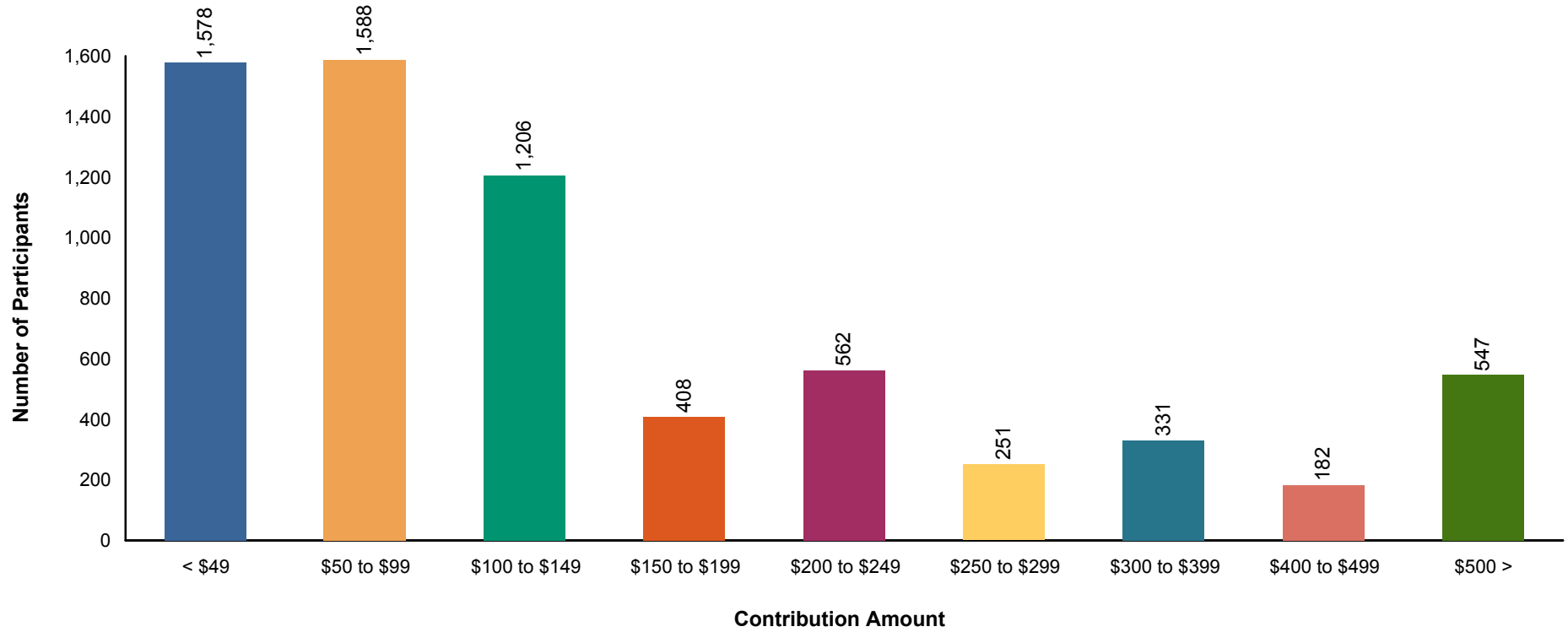


Total Number of Participants: 28,222

# Roth Contribution Amount Summary

As of December 31, 2017

## CITY OF LOS ANGELES DEFERRED COMPENSATION PLAN

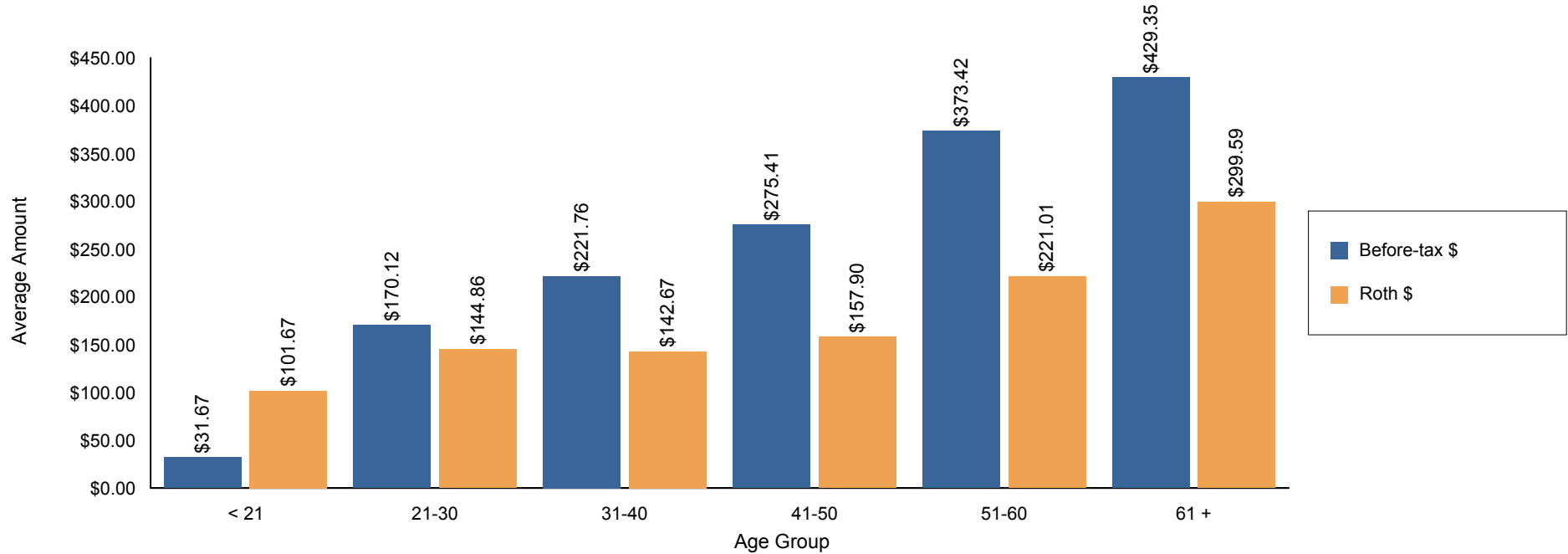


Total Number of Participants: 6,653

# Average Contribution Amount

As of December 31, 2017

## CITY OF LOS ANGELES DEFERRED COMPENSATION PLAN

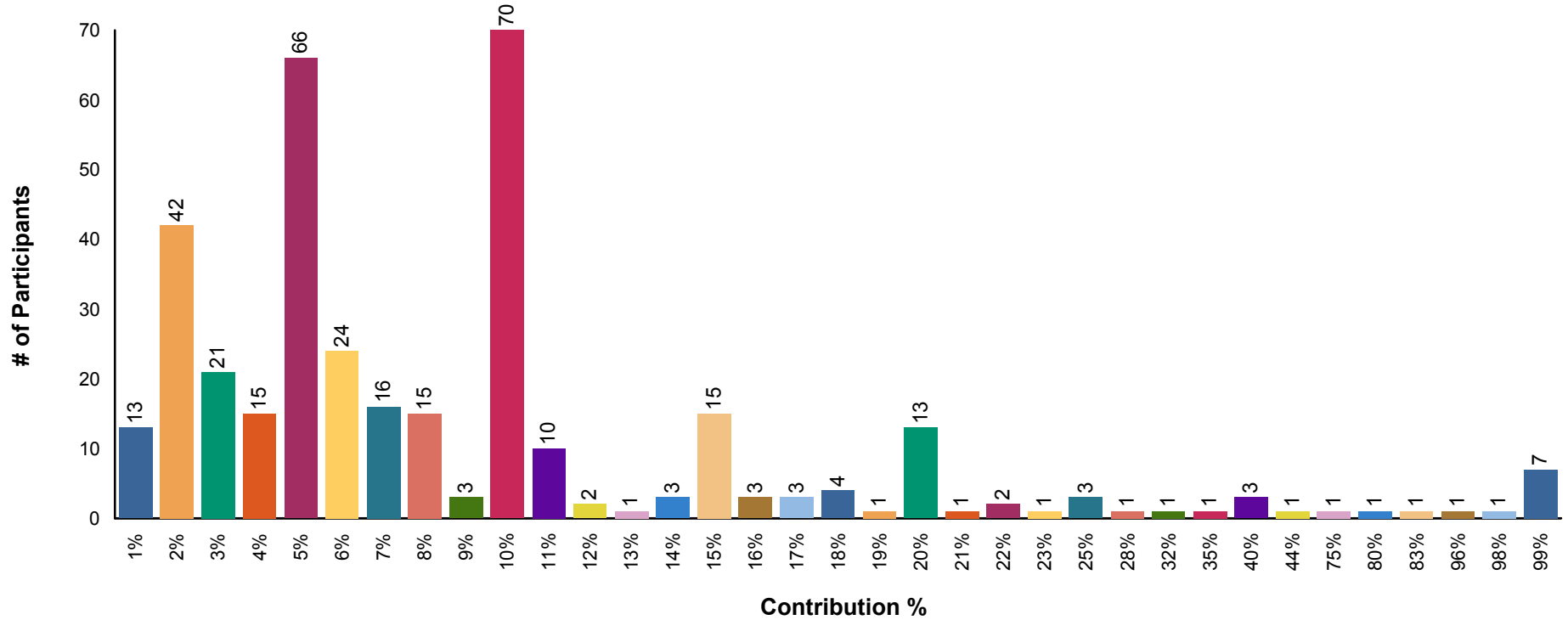


Age Group	Before-tax Average \$	Roth Average \$
< 21	\$31.67	\$101.67
21-30	\$170.12	\$144.86
31-40	\$221.76	\$142.67
41-50	\$275.41	\$157.90
51-60	\$373.42	\$221.01
61 +	\$429.35	\$299.59
<b>Overall</b>	<b>\$300.01</b>	<b>\$165.27</b>

# Total Contribution Percentage Summary

As of December 31, 2017

## CITY OF LOS ANGELES DEFERRED COMPENSATION PLAN

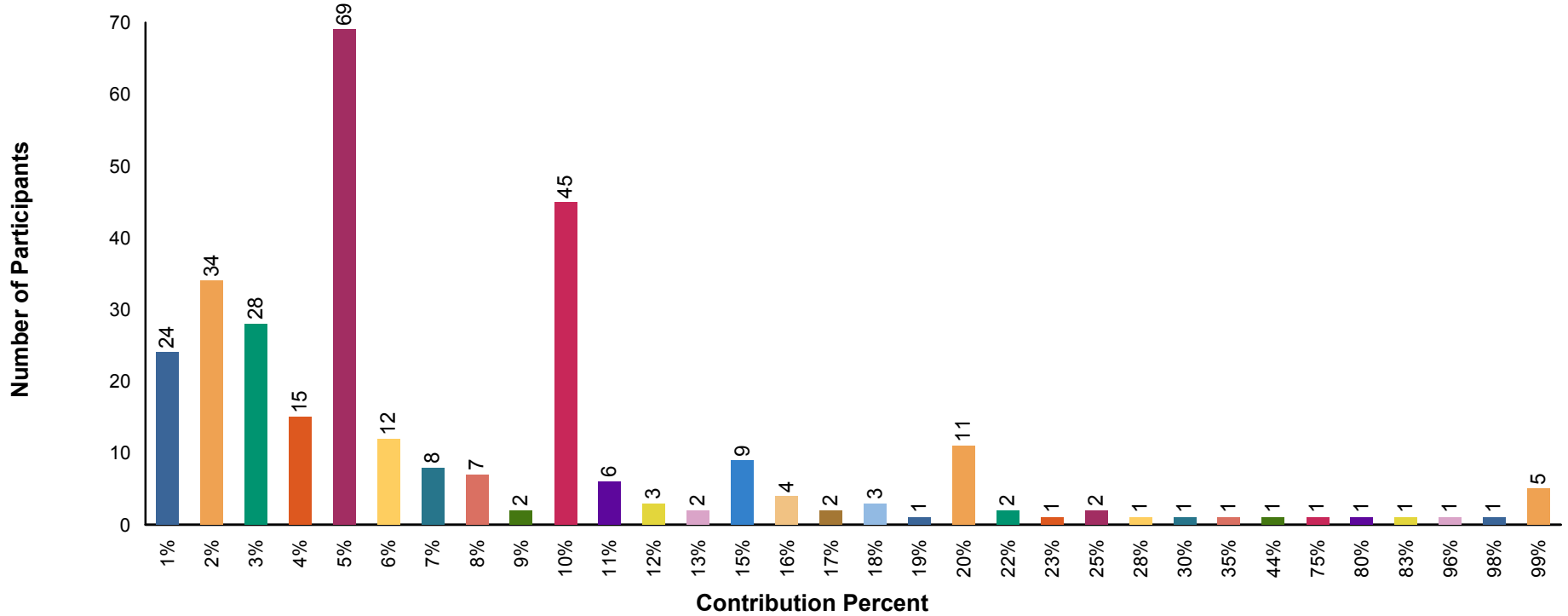


Total Number of Participants: 366

# Before-Tax Contribution Percentage Summary

As of December 31, 2017

## CITY OF LOS ANGELES DEFERRED COMPENSATION PLAN



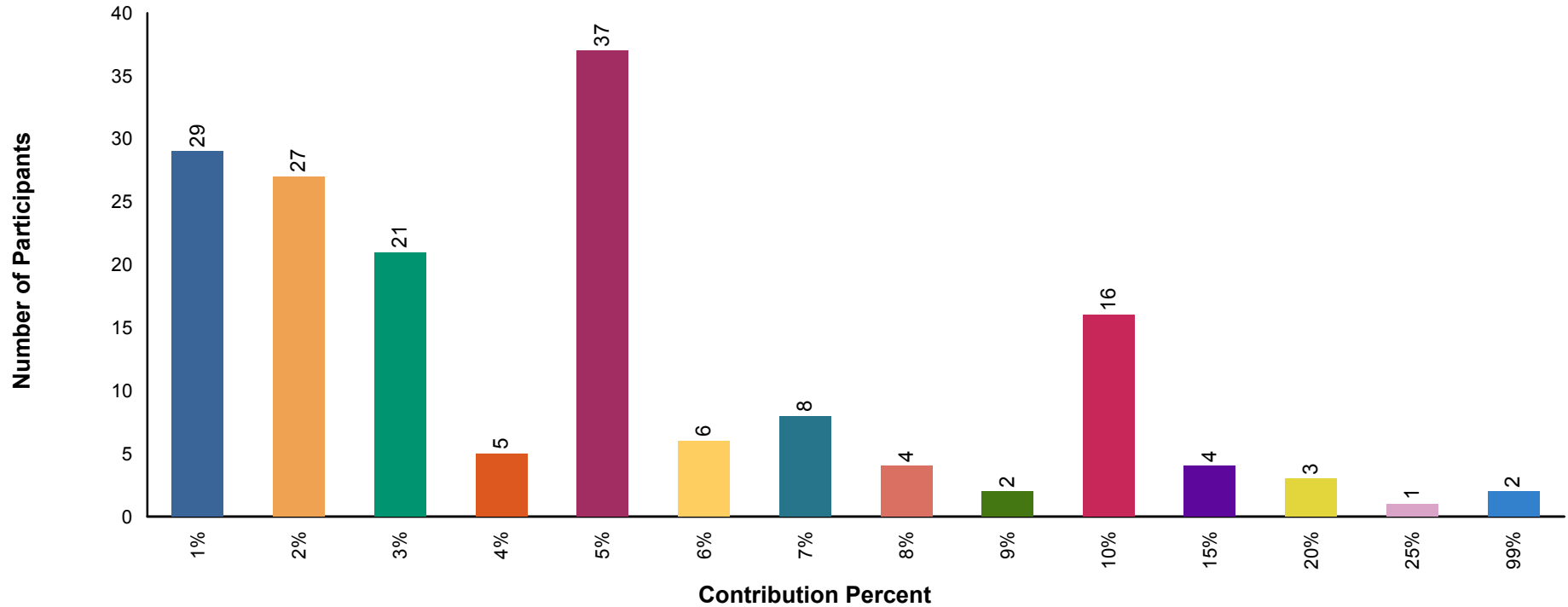
Total Number of Participants: 304



# Roth Contribution Percentage Summary

As of December 31, 2017

## CITY OF LOS ANGELES DEFERRED COMPENSATION PLAN

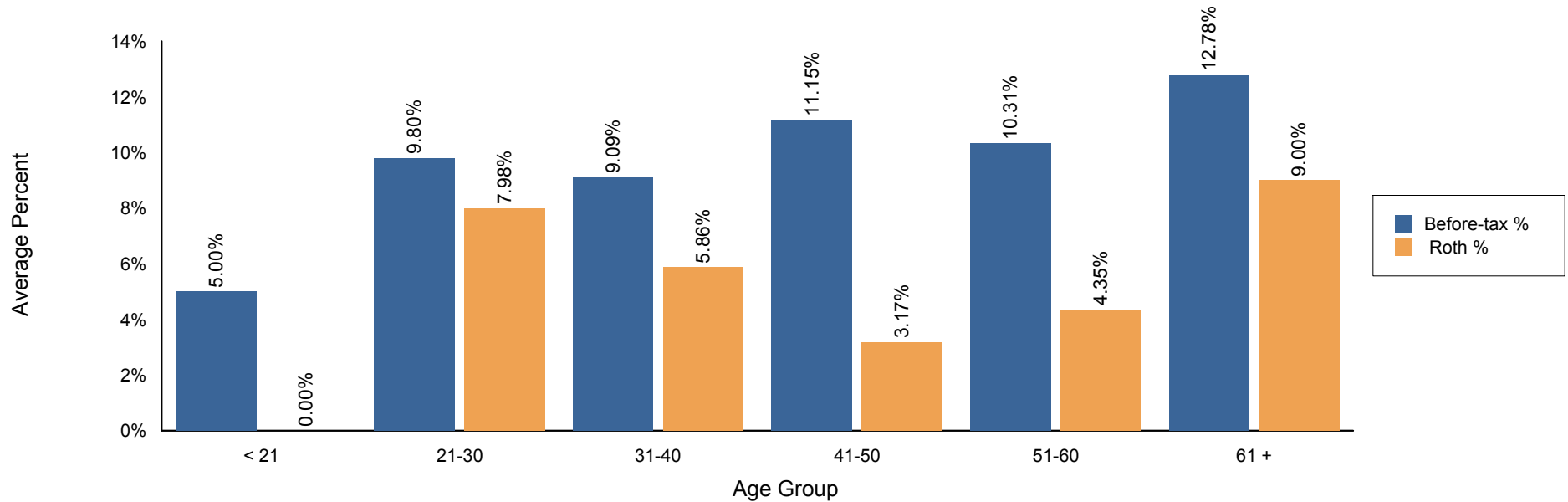


Total Number of Participants: 165

# Average Contribution Percentage

As of December 31, 2017

## CITY OF LOS ANGELES DEFERRED COMPENSATION PLAN



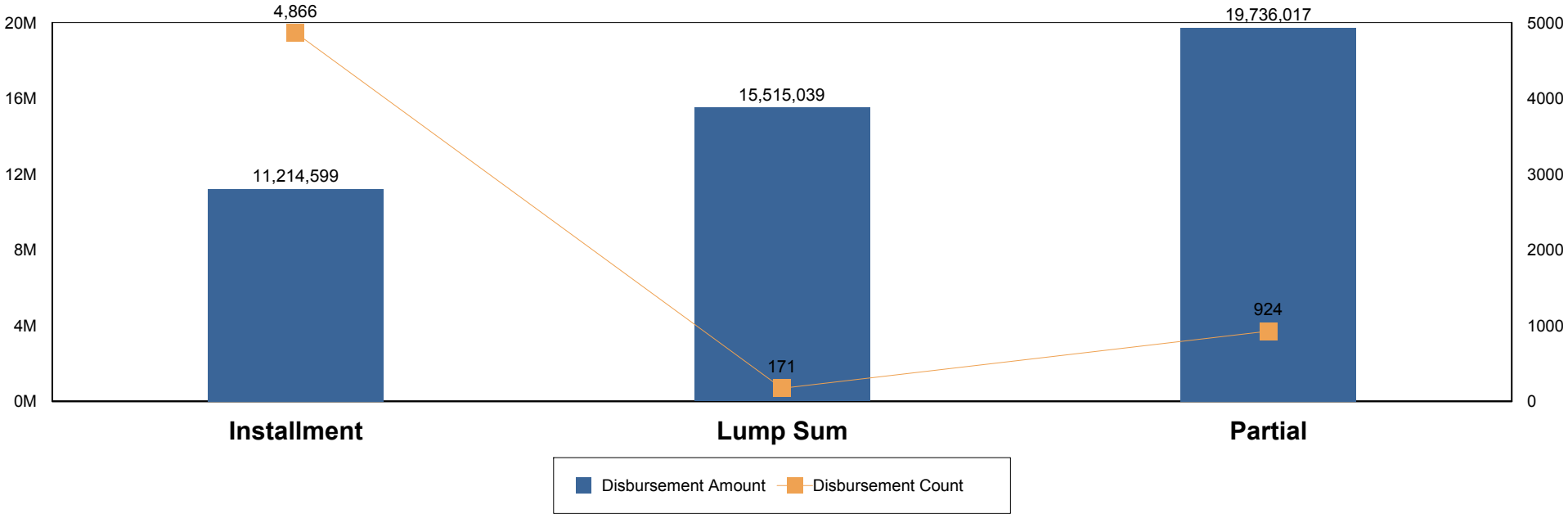
Age Group	Before-tax Average %	Roth Average %
< 21	5.00%	0.00%
21-30	9.80%	7.98%
31-40	9.09%	5.86%
41-50	11.15%	3.17%
51-60	10.31%	4.35%
61 +	12.78%	9.00%
<b>Overall</b>	<b>10.09%</b>	<b>6.04%</b>

# Participant Distributions Analysis

# Disbursements

As of December 31, 2017

## CITY OF LOS ANGELES DEFERRED COMPENSATION PLAN



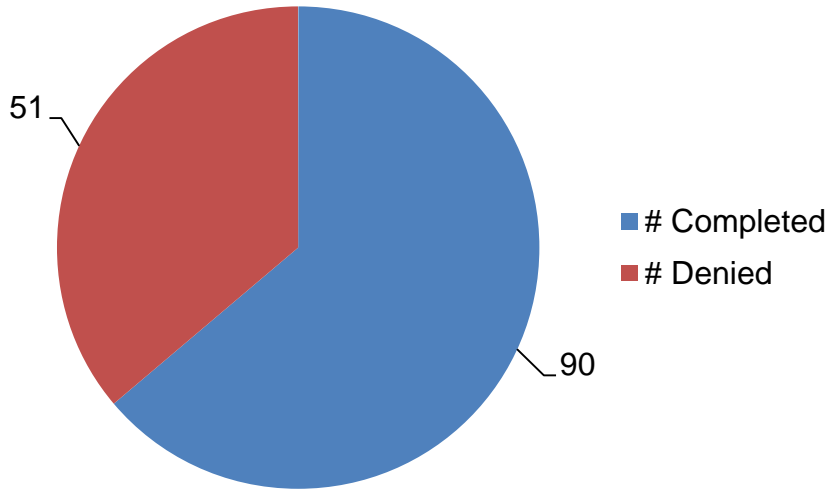
Disbursement Type	Number of Disbursements	Total Disbursements
Installment	4,866	\$11,214,599
Lump Sum	171	\$15,515,039
Partial	924	\$19,736,017

# Unforeseeable Emergency Withdrawal Summary

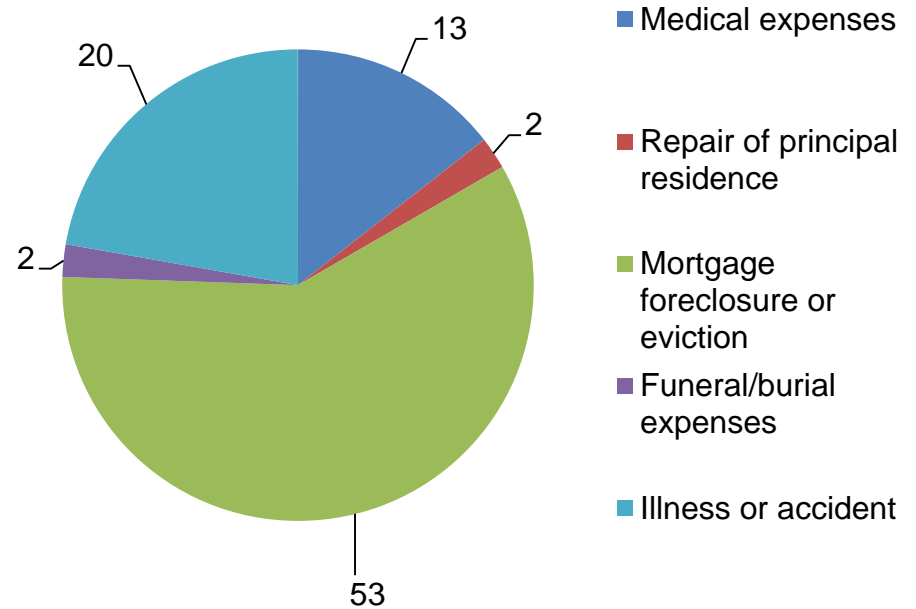
As of December 31, 2017

CITY OF LOS ANGELES DEFERRED COMPENSATION PLAN

## Total Received



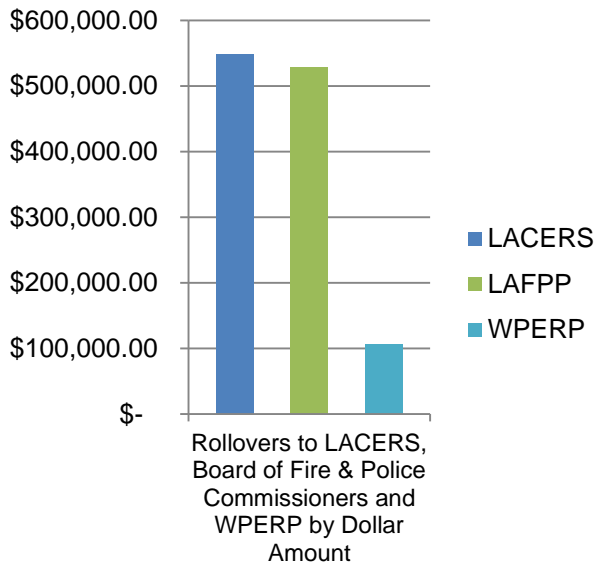
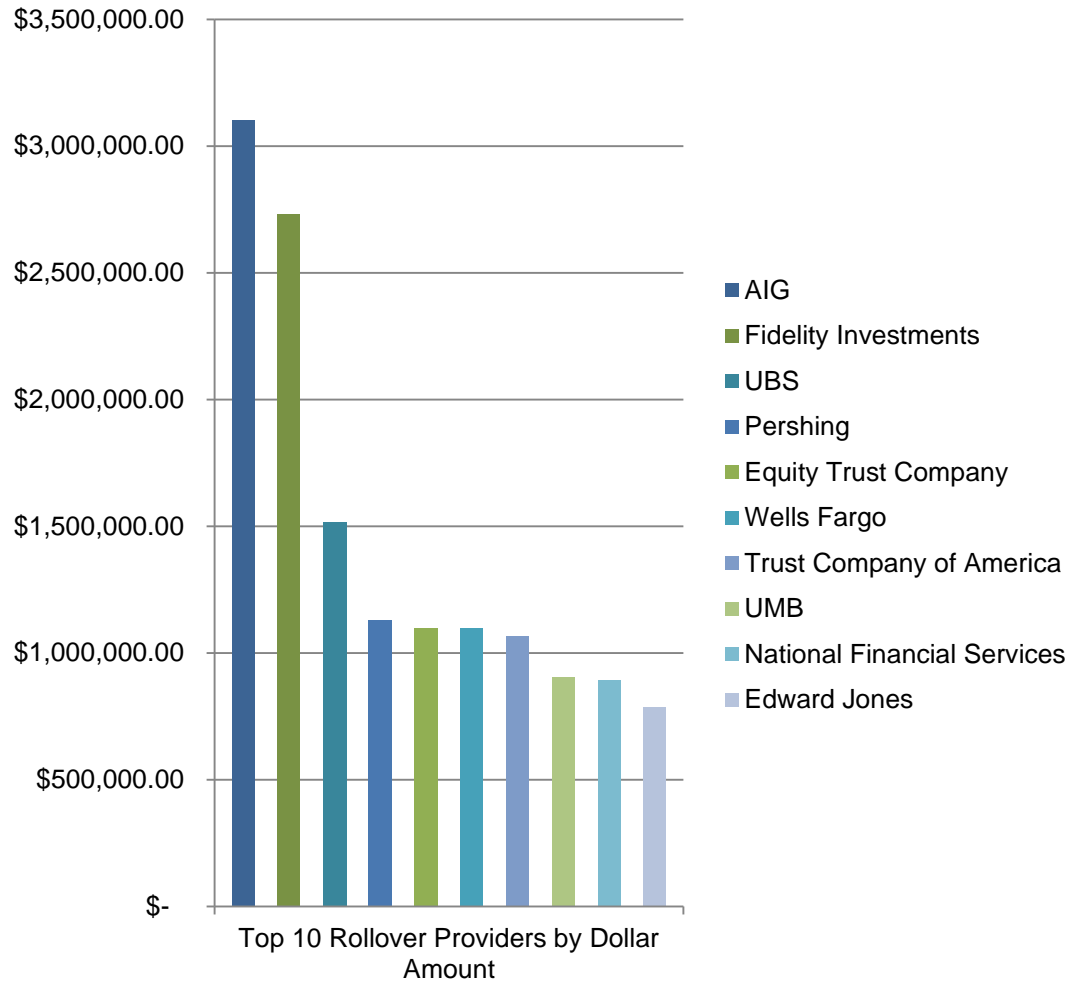
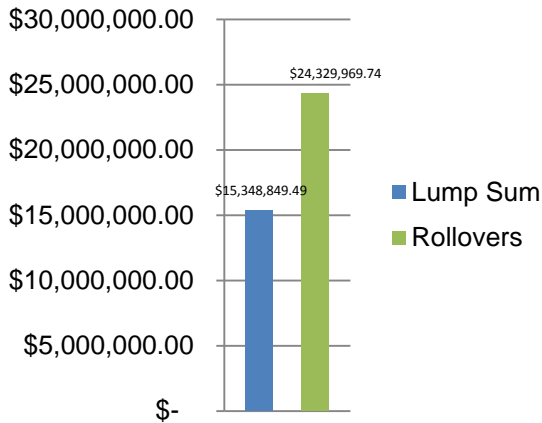
## Withdrawal Reasons (completed applications)



# Rollover Activity

As of December 31, 2017

## CITY OF LOS ANGELES DEFERRED COMPENSATION PLAN



# Asset Analysis

# Balances by Investment

As of December 31, 2017

## CITY OF LOS ANGELES DEFERRED COMPENSATION PLAN

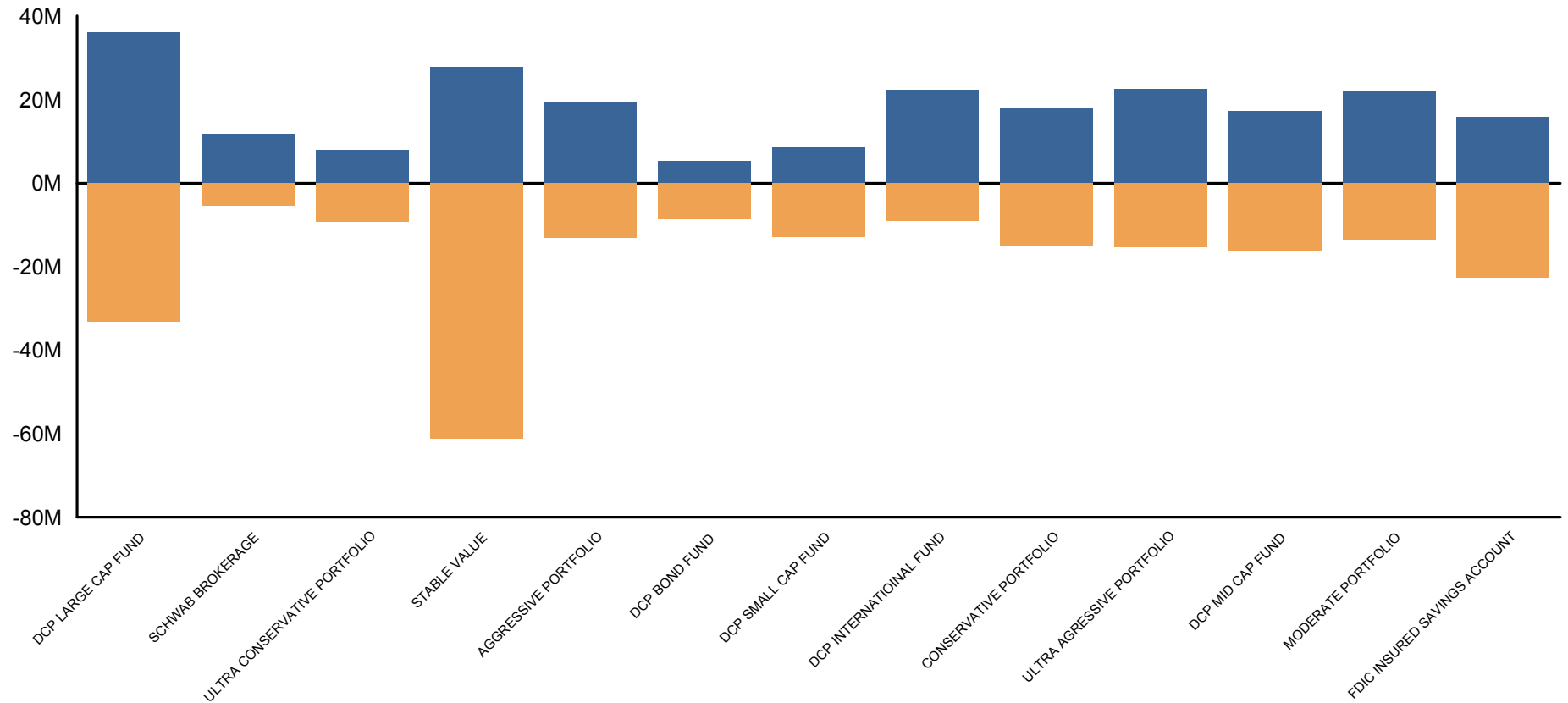
Investment	Investment Balance	Number of Participants	Average Participant	Percentage of Plan Assets
SCHWAB BROKERAGE	\$463,444,907.97	3,120	\$148,540.03	7.69%
FDIC INSURED SAVINGS ACCOUNT	\$326,669,081.87	13,770	\$23,723.24	5.42%
STABLE VALUE	\$1,070,068,809.83	13,753	\$77,806.21	17.75%
ULTRA CONSERVATIVE PORTFOLIO	\$56,719,762.36	1,825	\$31,079.32	0.94%
CONSERVATIVE PORTFOLIO	\$164,550,890.90	4,239	\$38,818.33	2.73%
MODERATE PORTFOLIO	\$387,769,640.29	10,381	\$37,353.78	6.43%
AGGRESSIVE PORTFOLIO	\$394,289,190.89	12,719	\$31,000.02	6.54%
ULTRA AGGRESSIVE PORTFOLIO	\$176,582,970.88	7,680	\$22,992.57	2.93%
DCP BOND FUND	\$173,354,874.96	7,589	\$22,842.91	2.88%
DCP LARGE CAP FUND	\$1,981,172,019.92	21,283	\$93,087.07	32.87%
DCP MID CAP FUND	\$285,284,461.08	8,164	\$34,944.20	4.73%
DCP SMALL CAP FUND	\$276,473,671.55	9,982	\$27,697.22	4.59%
DCP INTERNATIONAL FUND	\$270,666,807.33	10,285	\$26,316.66	4.49%
<b>Total Investment Balance:</b>	<b>\$6,027,047,089.83</b>			
<b>Total Loan Fund:</b>	<b>\$197,743,032.27</b>			



# Transfer Activity by Investment

October 1, 2017 to December 31, 2017

## CITY OF LOS ANGELES DEFERRED COMPENSATION PLAN



# Transfer Activity by Investment

October 1, 2017 to December 31, 2017

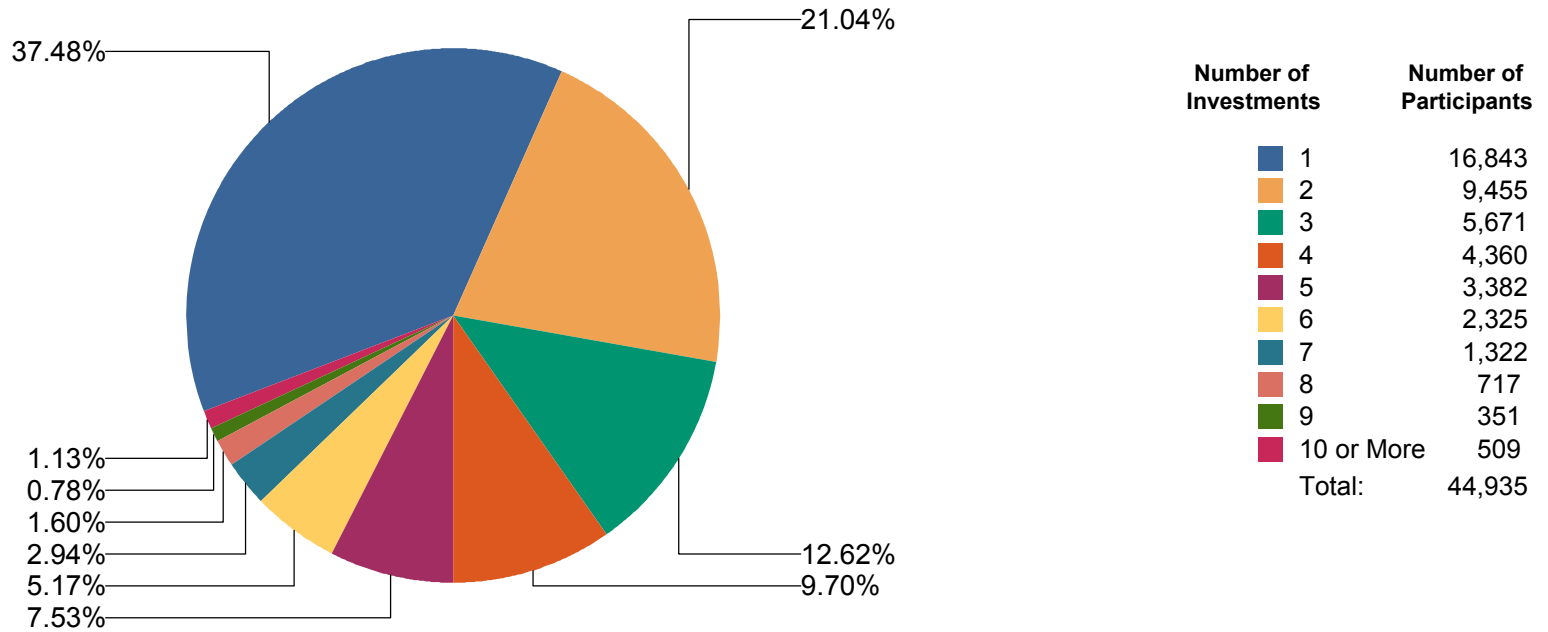
## CITY OF LOS ANGELES DEFERRED COMPENSATION PLAN

Investment Name	Transfers In	Transfers Out	Net
SCHWAB BROKERAGE	\$11,765,791.04	-\$5,426,462.00	\$6,339,329.04
FDIC INSURED SAVINGS ACCOUNT	\$15,901,566.26	-\$22,624,662.54	-\$6,723,096.28
STABLE VALUE	\$27,953,112.14	-\$61,074,676.52	-\$33,121,564.38
ULTRA CONSERVATIVE PORTFOLIO	\$8,027,569.59	-\$9,299,472.07	-\$1,271,902.48
CONSERVATIVE PORTFOLIO	\$18,024,989.60	-\$15,160,878.60	\$2,864,111.00
MODERATE PORTFOLIO	\$22,067,993.58	-\$13,647,935.66	\$8,420,057.92
AGGRESSIVE PORTFOLIO	\$19,548,869.86	-\$13,116,512.79	\$6,432,357.07
ULTRA AGGRESSIVE PORTFOLIO	\$22,411,536.98	-\$15,392,770.26	\$7,018,766.72
DCP BOND FUND	\$5,231,922.15	-\$8,426,464.68	-\$3,194,542.53
DCP LARGE CAP FUND	\$36,210,461.75	-\$33,239,269.62	\$2,971,192.13
DCP MID CAP FUND	\$17,261,374.11	-\$16,200,807.88	\$1,060,566.23
DCP SMALL CAP FUND	\$8,622,601.85	-\$12,794,144.15	-\$4,171,542.30
DCP INTERNATIONAL FUND	\$22,331,729.85	-\$8,983,002.84	\$13,348,727.01

# Participants with Balances by Number of Investments

As of December 31, 2017

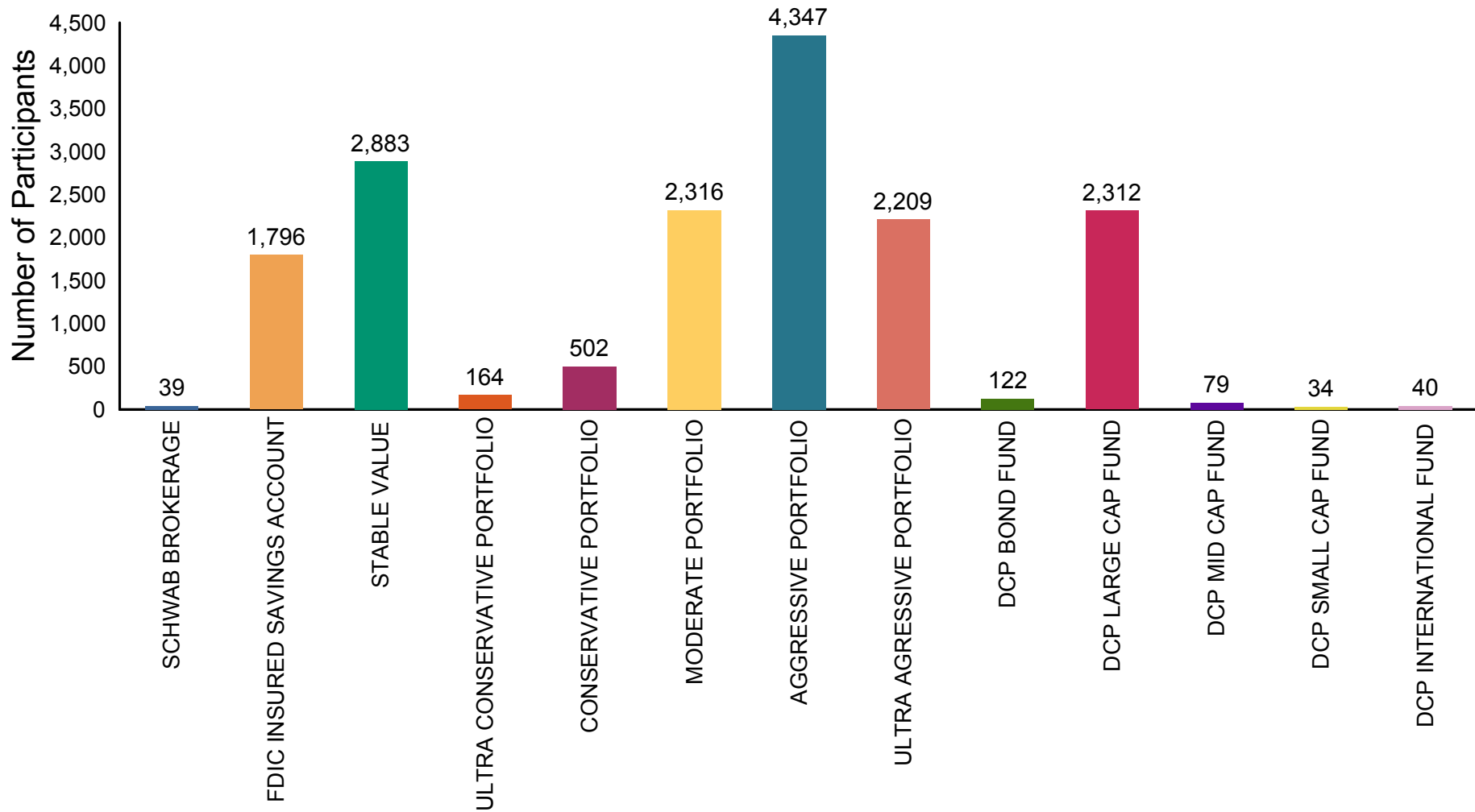
CITY OF LOS ANGELES DEFERRED COMPENSATION PLAN



# Participants with a Balance in a Single Investment

As of December 31, 2017

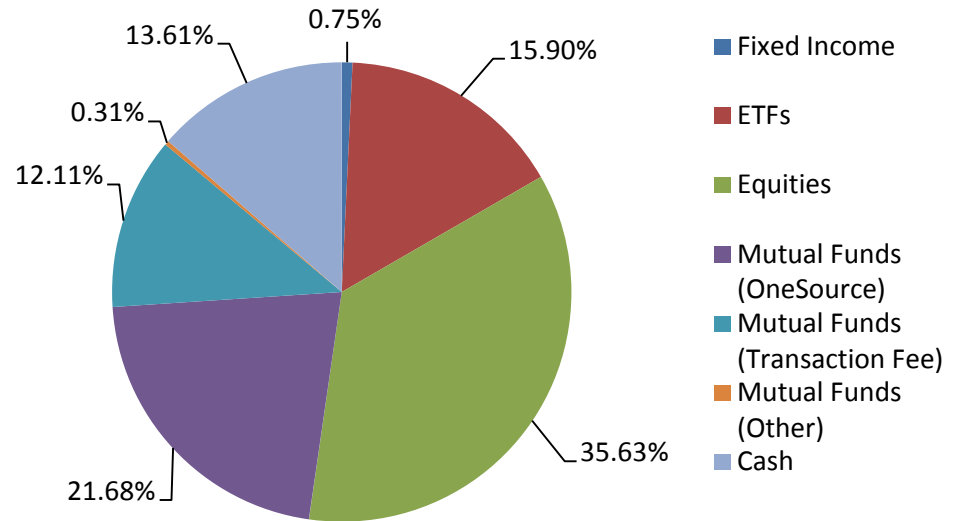
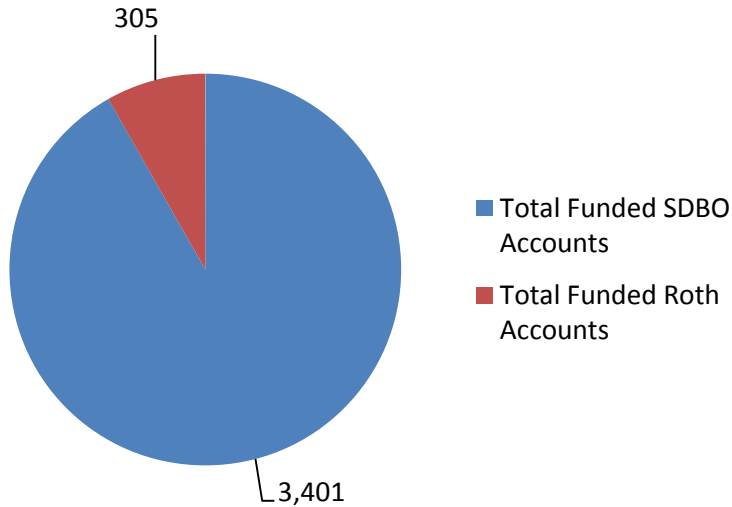
## CITY OF LOS ANGELES DEFERRED COMPENSATION PLAN



# Schwab Self-Directed Brokerage Option (SDBO) Summary

As of December 31, 2017

CITY OF LOS ANGELES DEFERRED COMPENSATION PLAN



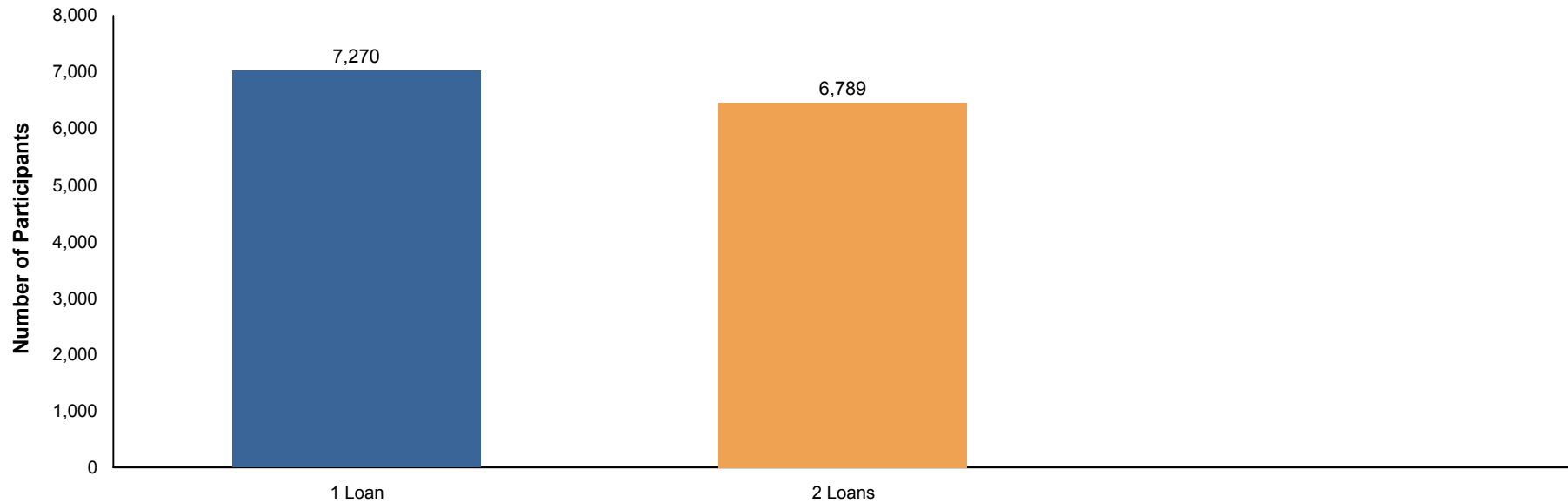
SDBO accounts opened this quarter: 85

Total Advisor Managed Funded SDBO Accounts: 612

# Loan Summary

As of December 31, 2017

## CITY OF LOS ANGELES DEFERRED COMPENSATION PLAN



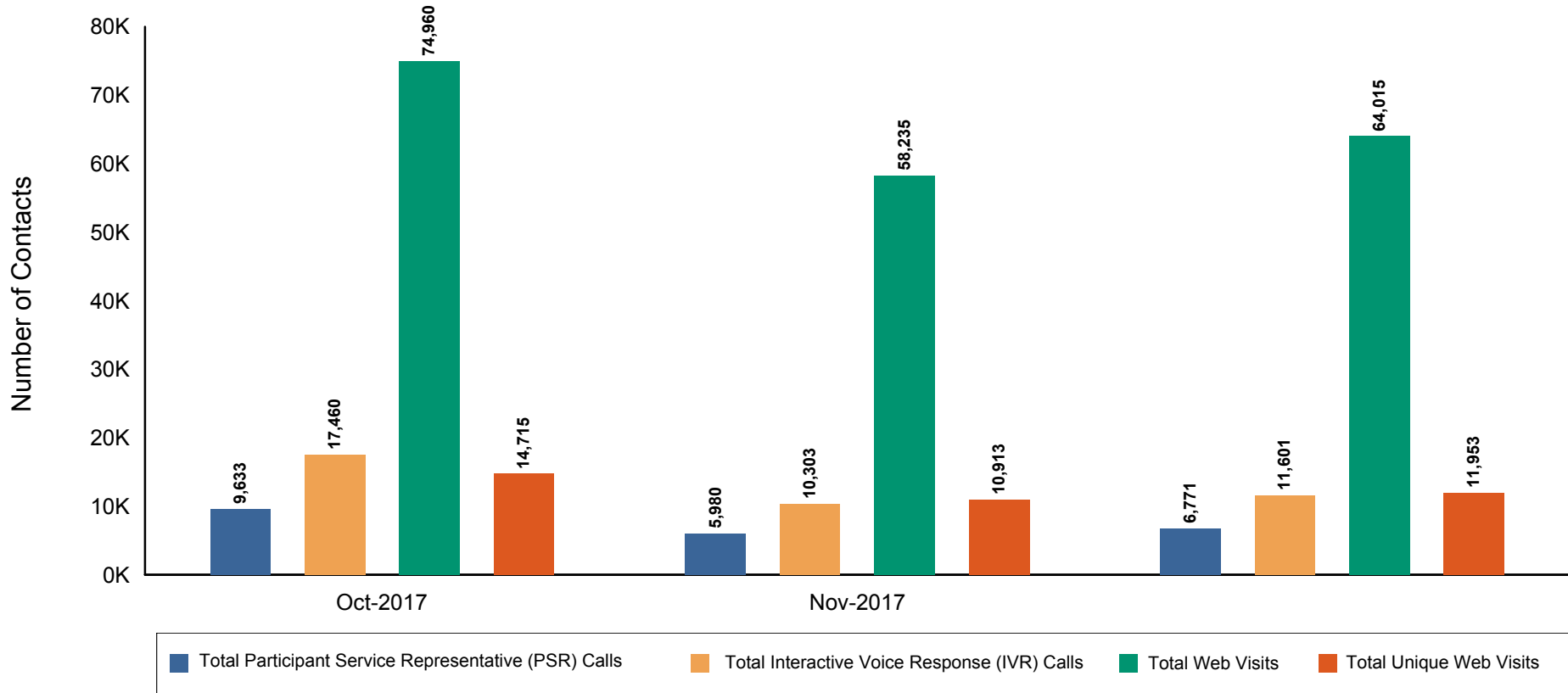
Total Participants with Loans:	14,059
Total Active Participants with Loans:	12,855
Total Retired Participants with Loans:	1,204
Total Number of Outstanding Loans:	20,848
Number of General Loans:	18,949
Number of Residential Loans:	1,899
Total Outstanding Loan Balance:	\$197,743,032.27
General Loan Balance:	\$163,772,729.10
Residential Loan Balance:	\$33,970,303.17
Number of Re-amortized Loans during the period:	109
Number of Loan Defaults during the period:	0
New Loans Initiated During the period:	1,482
New Loans Initiated by Active Participants:	1,426
New Loans Initiated by Inactive Participants:	56

# Participant Services

# Participant Contact Summary

October 1, 2017 to December 31, 2017

## CITY OF LOS ANGELES DEFERRED COMPENSATION PLAN

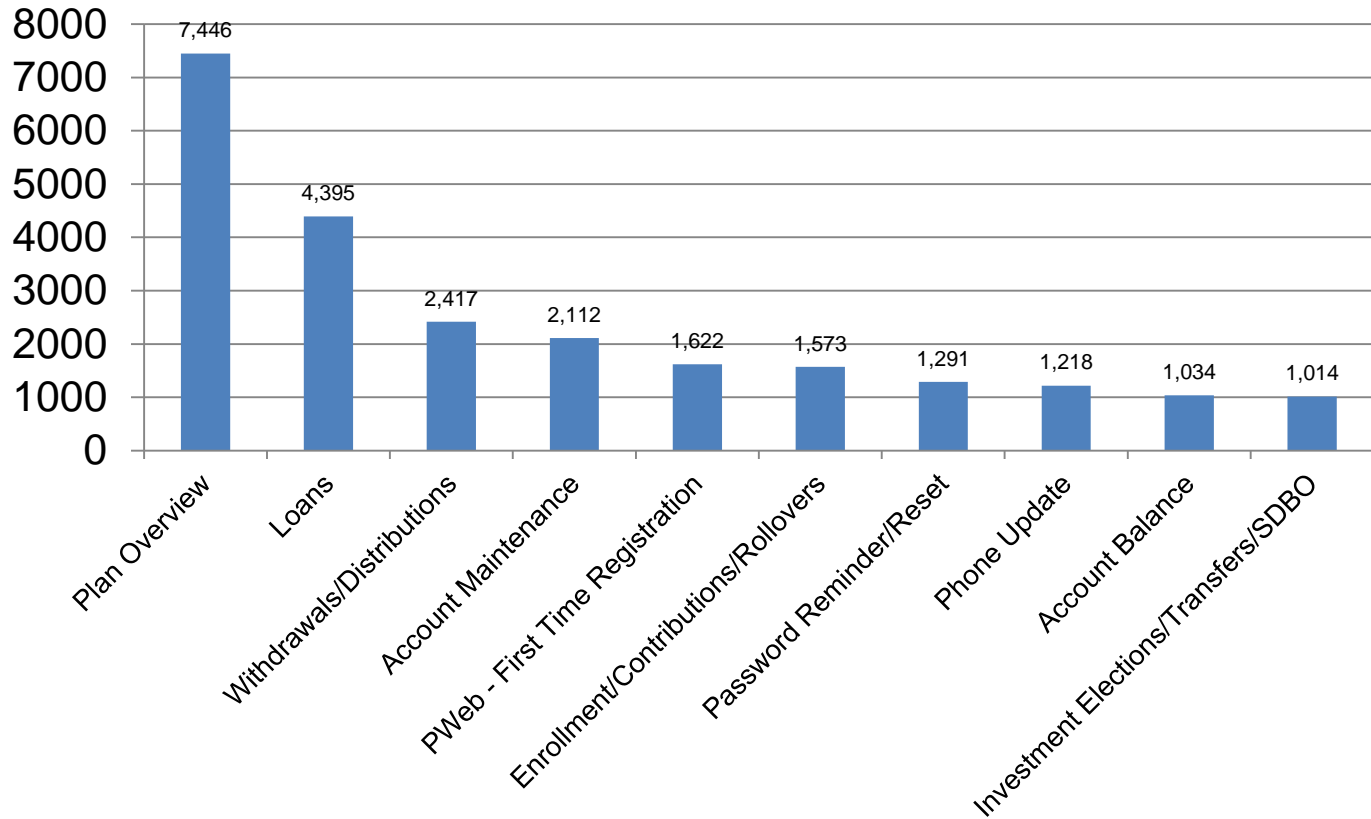




# PSR Activity: Top Ten Call Reasons

As of December 31, 2017

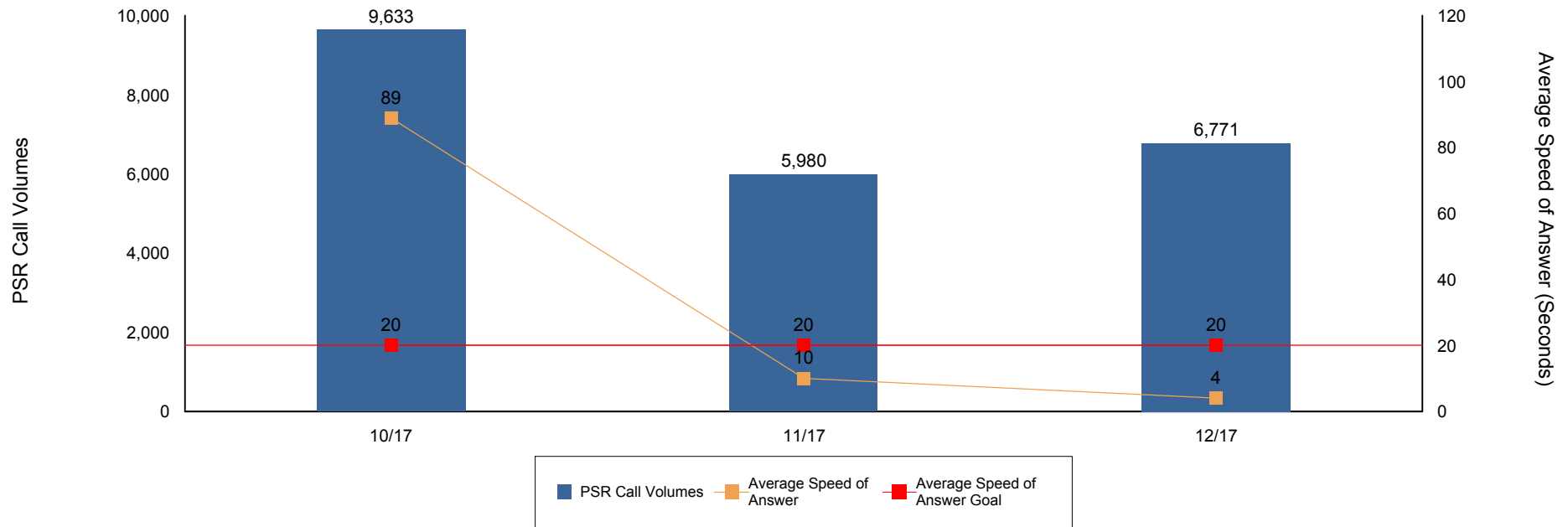
CITY OF LOS ANGELES DEFERRED COMPENSATION PLAN



# Participant Service Representative (PSR) Activity

December 31, 2017 to October 01, 2017

## CITY OF LOS ANGELES DEFERRED COMPENSATION PLAN



Reporting Period	PSR Call Volume	Average Speed of Answer (Seconds)	Average Call Length (Minutes)
Oct-2017	9,633	89	7.12
Nov-2017	5,980	10	6.52
Dec-2017	6,771	4	6.38

# Paperless Transactions (PSR/IVR/WEB/MOB Combined)

October 1, 2017 to December 31, 2017

## CITY OF LOS ANGELES DEFERRED COMPENSATION PLAN

<b>Paperless Transaction Description</b>	<b>Transaction Volume</b>
Address Change	196
Banking Information	1,550
Beneficiary Election	1,375
Contribution Rate Change	6,155
Contribution Rate Escalator	129
Form Requests	571
Fund to Fund Transfer	2,552
In-service Withdrawal	802
Investment Election Change	2,191
Investment Reallocation	1,145
Rebalance Election	69
Loan Repayment ACH Election	232
New Loans Issued	1,402
Online Loan Payoff via ACH	1,035
Termination Distribution	172
<b>Enrollments for the Period:</b>	<b>1,287</b>

# Local Service Center

# Communications Calendar