

Deferred Compensation Plan

BOARD REPORT 16-12

Date: February 9, 2016

To: Board of Deferred Compensation Administration

From: Staff

Subject: Staff Report – Projects & Activity Report

*Board of Deferred
Compensation Administration*
John R. Mumma, Chairperson
Michael Amerian, Vice-Chairperson
Cliff Cannon, First Provisional Chair
Raymond Ciranna, Second Provisional Chair,
Wendy G. Macy, Third Provisional Chair
Linda P. Le
Thomas Moutes
Robert Schoonover
Don Thomas

Recommendation:

That the Board of Deferred Compensation Administration receive and file staff's update on Plan projects and activities during January 2016.

Discussion

This report provides updates and informational items relative to the following:

A. CURRENT/UPCOMING PROJECTS & BOARD MEETING CALENDAR

Projects – Personnel Department staff are responsible for four primary functions relative to executing the City's Deferred Compensation Plan: communications, operations, administration, and governance. Below are certain key projects that staff have been working on:

Communications

- *4Q Newsletter & Statements:* The 4th quarter 2015 newsletter and statements were mailed and posted to online accounts at the end of January.
- *Annual Review of Print Materials:* Staff and Empower conducted a year-end review of communications projects, along with prioritizing 2016 annual compliance updates that will be needed for the Plan's materials.

Operations

- *Fire & Police Pensions DROP Exit Meetings:* Staff assisted with reviewing and approving a high volume of DROP exit paperwork. Staff or Empower representatives were present for approximately six sessions held in January at the Fire & Police Pensions office.
- *Distribution of 1099-R:* Empower has mailed out copies of 1099-R forms, if applicable. Staff has been assisting participants in obtaining copies or otherwise answering questions related to these documents.
- *Participant Services:* Staff continues to assist participants with questions and issues related to loan defaults, minimum required distributions, special catch-up enrollment, and contribution scheduling issues related to participants wishing to maximize their contributions in 2016.

Administration

- *Third-Party Administrator Request for Proposals:* Staff posted the Deferred Compensation Plan TPA RFP on February 5, 2016. The Pre-Proposal Conference is upcoming on February 17, 2016. Staff has also shared this opportunity with the financial industry trade publications Pensions & Investments (P&I) and Financial Investment News. Additionally, the RFP is listed at Onvia (www.onvia.com), which is a subscription notification service many vendors utilize to become informed of government opportunities.
- *Staffing:* Staff prepared and conducted a selection process through the month of January in order to fill the vacant Benefits Specialist position. Additionally, staff will be working to coordinate a selection process to fill the recently vacated Management Analyst position.

A summary of all completed and upcoming projects for Division staff is provided as Attachment A.

Meeting Calendar – Staff maintains a calendar of upcoming Board meetings and proposed topics. This calendar includes the annual meeting plan and will be refined and updated as the Board meets and objectives/assignments are refined for the coming year. The current calendar is provided as Attachment B.

B. STAFFING AND COMMITTEE ASSIGNMENTS

Staffing Summary – Following is a summary of staff positions supporting the Deferred Compensation Plan:

Position Authority	Incumbent Class	Function	Est. Percent Reimbursed by DCP	Staff Member
Personnel				
Chief Personnel Analyst	Chief Personnel Analyst	Division Chief	20%	Steven Montagna
Senior Personnel Analyst II	Senior Personnel Analyst II	Plan Manager	60%	Alexandra Castillo
Senior Personnel Analyst I	Senior Management Analyst I	Administration	100%	Esther Chang
Management Analyst II	Management Analyst II	Operations	90%	<i>Vacant</i>
Management Analyst II	Management Analyst II	Communications	90%	Matthew Vong
Benefits Specialist	<i>Vacant</i>	Participant Services	90%	<i>Vacant</i>
City Attorney				
Assistant City Attorney	Assistant City Attorney	Board Counsel	25%	Curt Kidder
Legal Assistant	Legal Assistant	Participant Legal Services	40%	Vicky Williams

Committee Membership – Following is the new committee roster as designated by the Board Chairperson, effective July 20, 2015:

Plan Governance & Administrative Issues Committee
John R. Mumma, Chair
Cliff Cannon
Linda P. Le
Michael Amerian

Investments Committee
Raymond Ciranna, Chair
Thomas Moutes
Michael Amerian
Don Thomas

Submitted by: _____
Esther Chang

Reviewed by: _____
Alexandra Castillo

Approved by: _____
Steven Montagna

DEFERED COMPENSATION						
	Legend:					
	G = Governance					
	C = Communications					
	O = Operations					
	A = Administration					
COMPLETED PROJECTS: JANUARY 2016						
#	STATUS		PROJECT	DUE DATE	COMPLETED?	NOTES
JANUARY 2016						
1	Completed	G	Minutes - Dec 2015 Meeting	01/30/16	Y	
2	Completed	G	Board Report - Election of Officers	01/30/16	Y	
3	Completed	G	Board Report - TPA RFP Update	01/30/16	Y	
4	Completed	G	Board Report - Staffing percentages and CAP Rates	01/30/16	Y	
5	Completed	G	Board Report - Galliard Contract Update	01/30/16	Y	
6	Completed	G	Board Report - Auto Enrollment Update	01/30/16	Y	
7	Completed	G	Board Report - 2015 Attendance Review	01/30/16	Y	
8	Completed	G	Board Report - Staff Projects & Activities	01/30/16	Y	
9	Completed	C	Newsletter 4Q 2015 - Coordinate Design & Layout/Final Approvals	01/30/16	Y	
10	Completed	C	Review of 4Q Performance Sheet (IOAG)	01/30/16	Y	
11	Completed	C	DCP Communications Review with Segal	01/30/16	Y	
12	Completed	C	Annual Review of Flyers - Priority Review with Empower	01/30/16	Y	
13	Completed	O	Plan Payroll & Transaction Processing	01/30/16	Y	
14	Completed	O	Participant & Payroll Issues Resolution	01/30/16	Y	
PENDING PROJECTS						
FEBRUARY 2016						
1	PENDING	G	Minutes - Jan 2016 Meeting	02/28/16		Pending
2	PENDING	G	Board Report - Staff Projects & Activities	02/28/16		For Jan
3	PENDING	G	Board Report - Strategic Priorities 2016	02/28/16		Pending

4	PENDING	G	Board Report - 2016 Plan Budget & Quarterly Reimbursement Corrections	02/28/16		Pending
5	PENDING	G	Board Report - Travel Policy Recommendation	02/28/16		Pending
6	PENDING	G	Board Report - Contracts Update	02/28/16		Pending
7	PENDING	G	Auto-Enrollment Letter to Controller's Office	02/28/16		Pending
8	PENDING	G	DCP TPA RFP - Development and Review of Questionnaire	02/28/16		Pending
9	PENDING	A	Staffing: Benefits Specialist - Preparation & Selection Process	02/28/16		Pending
10	PENDING	A	DCP TPA RFP - Finalize & Post RFP	02/28/16		Posted 2/5/2016
11	PENDING	A	DCP TPA RFP - Pre-Proposal Conference & Questions	02/28/16		Pre-Proposal Conference Scheduled 2/17/2016
12	PENDING	A	PSP TPA RFP - Development & Posting	02/28/16		Pending
13	PENDING	A	Stable Value - Finalize Galliard Contract	02/28/16		Pending
14	PENDING	A	Consulting Services - Finalize Segal Contract	02/28/16		Complete; awaiting Mayor/CAO approval to execute
15	PENDING	A	Consulting Services - Finalize Mercer Contract	02/28/16		Complete; awaiting Mayor/CAO approval to execute
16	PENDING	A	Plan Enrollment Reporting for Department Metrics (HR Stat)	02/28/16		Pending
17	PENDING	C	Fee Disclosure Flyer	02/28/16		Pending
18	PENDING	C	Accrued Leave - Flier and Form Revisions	02/28/16		Pending
19	PENDING	C	Catch Up - Form revisions	02/28/16		Pending
20	PENDING	C	Distribution Options Guide - Tax and Loan revisions	02/28/16		Pending
21	PENDING	C	Review of IOAG ending Jan 30, 2016	02/28/16		Pending
22	PENDING	C	Plan Website Update	02/28/16		Pending
23	PENDING	O	Plan Payroll & Transaction Processing	02/28/16		Ongoing
24	PENDING	O	Participant & Payroll Issues Resolution	02/28/16		Ongoing
25	PENDING	O	2015 Contributions Review	02/28/16		Pending
26	PENDING	O	2015 Catch-Up Code Removal and Review	02/28/16		Pending

MARCH 2016						
27	PENDING	G	Board Report - Minutes	03/31/16		For February
28	PENDING	G	Board Report - Staff Report	03/31/16		For February
29	PENDING	G	Board Report - RFP Update	03/31/16		
30	PENDING	G	Board Report - Plan Staffing	03/31/16		Pending
31	PENDING	G	Board Report - FDIC Provider Recommendation	03/31/16		Pending
32	PENDING	G	Board Report - Beneficiary Campaign Summary	03/31/16		Pending
33	PENDING	G	Board Report - DOT Targeted Enrollment Campaign Results	03/31/16		Pending
34	PENDING	G	Board Report - Communications Update	03/31/16		Pending
35	PENDING	C	Newsletter 1Q 2016 - Development of Articles	03/31/16		Pending
36	PENDING	O	Catch Up Unused Bucket - To fix reset amounts	03/31/16		Pending. SOS Ticket #767404
37	PENDING	O	Plan Payroll & Transaction Processing	03/31/16		Ongoing
38	PENDING	O	Participant & Payroll Issues Resolution	03/31/16		Ongoing
39	PENDING	O	Loan Default Reversal - Hold Harmless	03/31/16		Pending
APRIL 2016						
40	PENDING	G	Board Report - TPA RFP Update	04/30/16		Pending
41	PENDING	G	Board Report - DCP Annual Report - 2015	04/30/16		
42	PENDING	G	Board Report - Travel Policy	04/30/16		
43	PENDING	G	Board Report - Plan Governance Documents Review Schedule	04/30/16		Pending
44	PENDING	G	Board Report - Investment Issues Review Schedule	04/30/16		Pending
45	PENDING	O	Plan Payroll & Transaction Processing	04/30/16		Ongoing
46	PENDING	O	Participant & Payroll Issues Resolution	04/30/16		Ongoing
UPCOMING						
47	PENDING	G	Board Report - Distributions & Contributions - Retirees who return to work	TBD		Pending
48	PENDING	G	Board Report - 2014 PSP Annual Report	TBD		Pending

49	PENDING	G	Report back recapping presentation on Financial Wellness from Strategic Planning Meeting	TBD		Pending
50	PENDING	G	Letter to City Council re 10% Early Distribution Penalty	TBD		Pending
51	PENDING	G	PSP Program Review - Proposal for Terminated Accounts	TBD		Pending
52	PENDING	G	Loan Policy Document	TBD		Pending
53	PENDING	G	Board Report - Historical Contribution History	TBD		Pending
54	PENDING	G	Board Report - SAS Form	TBD		Pending
55	PENDING	G	Review of CA Governmental Plan - Demographic Files	TBD		Pending
56	PENDING	G	Board Report - Contractor Evaluation Policy	TBD		Pending
57	PENDING	G	Board Report - Retirement/Pension System Retired Loan Payments	TBD		Pending
58	PENDING	G	Investments Committee Meeting: Investment Policy Review - Termination	TBD		Pending
59	PENDING	G	Board Report - Proxy Share Voting	TBD		Pending
60	PENDING	G	Research adding other Plan type in order to increase savings opportunities (from 8/21/12 BDCA meeting)	TBD		Pending
61	PENDING	G	Deemed IRA	TBD		Pending
62	PENDING	G	Auto-Glide Investment Allocations	TBD		Pending
63	PENDING	G	Board Report - Transition Manager Procurement	TBD		Pending
64	PENDING	G	Revisit Plan Audit	TBD		Pending
65	PENDING	C	Calculator Revisions	TBD		Pending
66	PENDING	C	Research - Video Content Development & Social Media Capabilities	TBD		Pending
67	PENDING	C	Website Tutorial/Education Videos	TBD		Pending
68	PENDING	C	Revise Pension Savings Plan Highlights	TBD		Pending
69	PENDING	C	Letter Notification to Participants RE: Catch-Up Eligibility ("Attained Age Letters")	TBD		Pending
70	PENDING	C	EZ Enrollment Form	TBD		Pending
71	PENDING	C	2-Page IOAG format	TBD		Pending
72	PENDING	C	Enrollment Guide Revision	TBD		Pending
73	PENDING		Active-Retiree Loan Transfer Guide/Packet	TBD		Pending

74	PENDING	C	New Brand Style Guide	TBD		Pending
75	PENDING	C	Create Catch-Up Flyer Incorporating Roth & Revise Catch up Form/Flyer re Accrued Leave	TBD		Pending
76		C	DROP Options Guide update- revisions	TBD		Pending
77	PENDING	C	Enrollment Form Revision Phase 2 (Auto escalation & PSP Rollover addition)	TBD		Pending
78	PENDING	C	DROP participant fee comparison graphic flier	TBD		Pending
79	PENDING	C	Draft Citywide Memo re Marketing by Non-Contracted Financial & Benefit Services Providers	TBD		Pending
80	PENDING	C	Roth 457 Intro Guide Revise/Redesign	TBD		Pending
81	PENDING	C	DCP Glossary	TBD		Pending
82	PENDING	C	Communications Plan: List of alternative DC publications and outlets (LACERS, Pensions, Union pubs, etc.)	TBD		Pending
83	PENDING	A	Budget procedural revisions	TBD		Pending
84	PENDING	O	Catch-Up Unused Amount Calculation - Memo to Controller	TBD		CU Unused Amount Reporting - Ticket submitted to Controller.
85		O	Catch Up Contribution changes allowed online	TBD		Pending
86	PENDING	O	PSP Account Consolidation	TBD		Pending
87	PENDING	O	Domestic Partners Research and Review with City Attorney and California Peers	TBD		Pending
88	PENDING	O	Online Enrollment Functionality	TBD		Pending
89	PENDING	O	Pre-Audit Testing - Phase II	TBD		Pending
90	PENDING	O	PST Retroactive Adjustments - Meeting w/ LACERS & Controller	TBD		Pending
91	PENDING	O	DCP Workprocesses Review & Documentation	Ongoing		Pending

BDCA UPCOMING AGENDA TOPICS

	Administrative Issues	Presentations/Training
March	Plan Participation Review/Update	Quarterly Investment & Economic Review (4Q 2015)
	FDIC Provider Recommendation	Fund Manager Presentation (Voya/Ridgeworth/Hartford)
	Communications Strategies	
	DCP Proposed Metrics	
	Committee Issues & Schedule	
April	TPA RFP - Response Update	
	DCP Annual Report - 2015	
	Travel Policy	
	Investment Committee Issues & Schedule	
May	TPA RFP Update	Quarterly Investment & Economic Review (1Q 2016)
	2016-17 Conference Training Preferences	Fund Manager Presentation (Galliard)
June	TPA RFP - Board Selection	TPA/Plan Statistics Review (1Q 2016)
	National Retirement Security Campaign 2016	
July	TPA RFP - Board Selection	
August		Quarterly Investment & Economic Review (2Q 2016)
		Fund Manager Presentation (Vanguard)
September	FY 2017-18 DCP Travel Program Budget	TPA/Plan Statistics Review (2Q 2016)
October	2016 NAGDCA Conference Update	
November		Quarterly Investment & Economic Review (3Q 2016)
		Fund Manager Presentation (FDIC Banks)
December	NRSW Campaign Follow Up	TPA/Plan Statistics Review (3Q 2016)