

Deferred Compensation Plan

BOARD REPORT 16-07

Date: January 8, 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
Thomas Moutes, Second Provisional Chair
Raymond Ciranna, Third Provisional Chair
Linda P. Le
Wendy G. Macy
Robert Schoonover
Don Thomas

Recommendation:

That the Board of Deferred Compensation Administration receive and file staff's update on Plan projects and activities during December 2015.

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

- *Market Volatility Message:* Staff and Empower posted a website bulletin related to recent market volatility. The bulletin advises participants to consider their own risk tolerance and long-term retirement goals, and provides Plan contact information for any questions. The bulletin was posted as of January 8, 2016, Friday. The messaging will remain on the participant site upon log in until staff and Empower believe appropriate to remove.
- *4Q 2015 Newsletter:* Staff developed and reviewed content for articles to be included in the 4Q newsletter, which will be mailed to participants in January. Content includes reminders to complete an annual account review, information related to tax documents, and an article featuring a Plan participant.
- *Plan Fee Disclosure:* Staff is working on developing a standalone fee disclosure for participant information. This communication will provide an overview of all Plan fees in order to educate and provide transparency.
- *Communications Retreat:* Staff attended a half-day communications retreat with Segal Consultants on January 15, 2016 to review the Plan's communications strategy and materials. Staff will provide a review of this meeting and related communications strategy at the next Board meeting.

Operations

- *Participant Services:* Staff assisted participants with a year-end 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 2015 contributions and/or making changes for their 2016 contribution amounts.
- *2015 Year-End Reviews:* Staff is in the process of reviewing eligible contributions for the year, which includes review of participants enrolled in special catch-up. Staff is additionally working with the Controller to identify programming gaps in payroll data necessary to determine eligibility for special catch-up.

Administration

- *Third-Party Administrator Request for Proposals:* Staff continues its work in preparing for this procurement. Details are included in an accompanying report.
- *Contracts:* The Bank of the West contract was executed in early January. Contracts for Mercer and Segal are finalized and are waiting final approval from the Mayor's Office and the CAO before they can be executed at the City Clerk's Office; all language is final and applicable signatures have been collected. Galliard's contract language is pending finalization of contract language, as discussed in the accompanying staff report.
- *Cost Allocation Plan (CAP) Rate:* An update and recommendation is provided in an accompanying report.

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%	Paul Makowski
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

Staff expects to hold interviews for its Benefits Specialist vacancy at the end of January. A new eligible list for the classification was created in early January.

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

C. Additional Items

- **Mandatory Online Ethics Training**

The Ethics Commission should have notified all Board members in mid-October regarding a mandatory online ethics training. The training is mandatory and must be completed by **February 1, 2016**. Any Board member who has not yet completed the training or received notification regarding the training should discuss with staff. The online training can be accessed through the Personnel Department's Online Training Academy at <http://la.ezlearnu.com>. If log in assistance is required, please contact the academy administrators at pertraining@lacity.org or otherwise contact Plan staff.

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: DECEMBER 2015						
#	STATUS		PROJECT	DUE DATE	COMPLETED?	NOTES
DECEMBER 2015						
1	Completed	G	Minutes - Oct 2015 Meeting	12/30/15	Y	
2	Completed	G	Board Report - Staff Projects & Activities	12/30/15	Y	For Oct & Nov
3	Completed	G	Board Report - TPA RFP Update	12/30/15	Y	
4	Completed	G	Board Report - Galliard and the SVF	12/30/15	Y	
5	Completed	G	Board Report - Indirect Reimbursements and CAP Rate Update	12/30/15	Y	
6	Completed	G	Board Report - NRSW 2015 Campaign Results	12/30/15	Y	
7	Completed	A	FDIC Savings - Bank of the West Contract	12/30/15	Y	Contract executed 1/6/2016
8	Completed	A	DCP TPA RFP - Development of Draft Questionnaire	12/30/15	Y	
9	Completed	A	DCP TPA RFP - Development of Draft Scope of Services	12/30/15	Y	
10	Completed	C	Newsletter 4Q 2015 - Development of Articles	12/30/15	Y	
11	Completed	C	DROP Brochure Update	12/30/15	Y	
12	Completed	O	Plan Payroll & Transaction Processing	12/30/15	Y	Ongoing
13	Completed	O	Participant & Payroll Issues Resolution	12/30/15	Y	Ongoing
PENDING PROJECTS						
JANUARY 2016						
14	PENDING	G	Minutes - Dec 2015 Meeting	01/30/16		Pending
15	PENDING	G	Board Report - Election of Officers	01/30/16		Pending
16	PENDING	G	Board Report - TPA RFP Update	01/30/16		Pending
17	PENDING	G	Board Report - Staffing percentages and CAP Rates	01/30/16		Pending

18	PENDING	G	Board Report - Galliard Contract Update	01/30/16		Pending
19	PENDING	G	Board Report - Auto Enrollment Update	01/30/16		Pending
20	PENDING	G	Board Report - 2015 Attendance Review	01/30/16		Pending
21	PENDING	G	Board Report - Staff Projects & Activities	01/30/16		Pending
22	PENDING	A	Stable Value - Finalize Galliard Contract	01/30/16		Pending
23	PENDING	A	Consulting Services - Finalize Segal Contract	01/30/16		Complete; awaiting Mayor/CAO approval to execute
24	PENDING	A	Consulting Services - Finalize Mercer Contract	01/30/16		Complete; awaiting Mayor/CAO approval to execute
25	PENDING	C	Newsletter 4Q 2015 - Coordinate Design & Layout/Final Approvals	01/30/16		Pending
26	PENDING	C	Review of 4Q Performance Sheet (IOAG)	01/30/16		Pending
27	PENDING	C	DCP Communications Review	01/30/16		Pending
28	PENDING	C	Fee Disclosure Flyer	01/30/16		Pending
29	PENDING	O	2015 Contributions Review	01/30/16		Pending
30	PENDING	O	2015 Catch-Up Code Removal and Review	01/30/16		Pending
31	PENDING	O	Plan Payroll & Transaction Processing	01/30/16		Ongoing
32	PENDING	O	Participant & Payroll Issues Resolution	01/30/16		Ongoing
FEBRUARY 2016						
33	PENDING	G	Minutes - Jan 2016 Meeting	02/28/16		Pending
34	PENDING	G	Board Report - Staff Projects & Activities	02/28/16		For Jan
35	PENDING	G	Board Report - TPA RFP Update	02/28/16		Pending
36	PENDING	G	Board Report - Quarterly Reimbursement Corrections	02/28/16		Pending
37	PENDING	G	Board Report - 2016 Plan Budget	02/28/16		Pending
38	PENDING	G	Board Report - Travel Policy Review	02/28/16		Pending
39	PENDING	G	Board Report - FDIC Provider Recommendation	02/28/16		Pending

40	PENDING	G	Board Report - Communications Update	02/28/16		Pending
41	PENDING	G	Board Report - Contracts Update	02/28/16		Pending
42	PENDING	G	Board Report - Beneficiary Campaign Summary	02/28/16		Pending
43	PENDING	G	Board Report - DOT Targeted Enrollment Campaign Results	02/28/16		Pending
44	PENDING	A	Budget procedural revisions	02/28/16		Pending
45	PENDING	C	Accrued Leave - Flier and Form Revisions	02/28/16		Pending
46	PENDING	C	Catch Up - Form revisions	02/28/16		Pending
47	PENDING	C	Distribution Options Guide - Tax and Loan revisions	02/28/16		Pending
48	PENDING	C	Calculator Revisions	02/28/16		Pending
49	PENDING	C	Research - Video Content Development Capabilities	02/28/16		Pending
50	PENDING	O	Loan Default Reversal - Hold Harmless	02/28/16		Pending
51	PENDING	O	Plan Payroll & Transaction Processing	02/28/16		Ongoing
52	PENDING	O	Participant & Payroll Issues Resolution	02/28/16		Ongoing
MARCH 2016						
53	PENDING	G	Board Report - Minutes	03/31/16		For February
54	PENDING	G	Board Report - Staff Report	03/31/16		For February
55	PENDING	G	Board Report - Plan Staffing	03/31/16		Pending
56	PENDING	G	Board Report - Plan Governance Documents Review Schedule	03/31/16		Pending
57	PENDING	G	Board Report - Investment Issues Review Schedule	03/31/16		Pending
58	PENDING	C	Newsletter 1Q 2016 - Development of Articles	03/31/16		Pending
59	PENDING	O	Plan Payroll & Transaction Processing	03/31/16		Ongoing
60	PENDING	O	Participant & Payroll Issues Resolution	03/31/16		Ongoing
UPCOMING						
61	PENDING	G	Board Report - 2014 PSP Annual Report	TBD		Pending
62	PENDING	G	Board Report - Distributions & Contributions - Retirees who return to work	TBD		Pending

63	PENDING	G	Report back recapping presentation on Financial Wellness from Strategic Planning Meeting	TBD		Pending
64	PENDING	G	Letter to City Council re 10% Early Distribution Penalty	TBD		Pending
65	PENDING	G	Metrics Tracking Document	TBD		Pending
66	PENDING	G	PSP Program Review - Proposal for Terminated Accounts	TBD		Pending
67	PENDING	G	Loan Policy Document	TBD		Pending
68	PENDING	G	Board Report - Historical Contribution History	TBD		Pending
69	PENDING	G	Board Report - SAS Form	TBD		Pending
70	PENDING	G	Review of CA Governmental Plan - Demographic Files	TBD		Pending
71	PENDING	G	Board Report - Contractor Evaluation Policy	TBD		Pending
72	PENDING	G	Board Report - Retirement/Pension System Retired Loan Payments	TBD		Pending
73	PENDING	G	Investments Committee Meeting: Investment Policy Review - Termination	TBD		Pending
74	PENDING	G	Board Report - Proxy Share Voting	TBD		Pending
75	PENDING	G	Research adding other Plan type in order to increase savings opportunities (from 8/21/12 BDCA meeting)	TBD		Pending
76	PENDING	G	Deemed IRA	TBD		Pending
77	PENDING	G	Auto-Glide Investment Allocations	TBD		Pending
78	PENDING	G	Board Report - Transition Manager Procurement	TBD		Pending
79	PENDING	G	Retirement Plan Summit	TBD		Pending
80	PENDING	G	Revisit Plan Audit	TBD		Pending
81	PENDING	G	Board Report - Social Media Options	TBD		Pending
82	PENDING	C	Revise Pension Savings Plan Highlights	TBD		Pending
83	PENDING	C	Letter Notification to Participants RE: Catch-Up Eligibility ("Attained Age Letters")	TBD		Pending
84	PENDING	C	EZ Enrollment Form	TBD		Pending
85	PENDING	C	2-Page IOAG format	TBD		Pending
86	PENDING	C	Enrollment Guide Revision	TBD		Pending

87	PENDING		Active-Retiree Loan Transfer Guide/Package	TBD		Pending
88	PENDING	C	New Brand Style Guide	TBD		Pending
89	PENDING	C	Create Catch-Up Flyer Incorporating Roth & Revise Catch up Form/Flyer re Accrued Leave	TBD		Pending
90		C	DROP Options Guide update-revisions	TBD		Pending
91	PENDING	C	Website Tutorial/Education Videos	TBD		Pending
92	PENDING	C	Enrollment Form Revision Phase 2 (Auto escalation & PSP Rollover addition)	TBD		Pending
93	PENDING	C	DROP participant fee comparison graphic flier	TBD		Pending
94	PENDING	C	Draft Citywide Memo re Marketing by Non-Contracted Financial & Benefit Services Providers	TBD		Pending
95	PENDING	C	Roth 457 Intro Guide Revise/Redesign	TBD		Pending
96	PENDING	C	DCP Glossary	TBD		Pending
97	PENDING	C	Communications Plan: List of alternative DC publications and outlets (LACERS, Pensions, Union pubs, etc.)	TBD		Pending
98	PENDING	O	Catch-Up Unused Amount Calculation - Memo to Controller	TBD		CU Unused Amount Reporting - Ticket submitted to Controller.
99		O	Catch Up Contribution changes allowed online	TBD		Pending
100	PENDING	O	PSP Account Consolidation	TBD		Pending
101	PENDING	O	Domestic Partners Research and Review with City Attorney and California Peers	TBD		Pending
102	PENDING	O	Online Enrollment Functionality	TBD		Pending
103	PENDING	O	Pre-Audit Testing - Phase II	TBD		Pending
104	PENDING	O	PST Retroactive Adjustments - Meeting w/ LACERS & Controller	TBD		Pending
105	PENDING	O	DCP Workprocesses Review & Documentation	Ongoing		Pending

BDCA UPCOMING AGENDA TOPICS

	Administrative Issues	Presentations/Training
January 2016	2015 Board Attendance Review	Quarterly Investment & Economic Review (3Q 2015) Fund Manager Presentation (Loomis Sayles)
	Election of Officers	
	TPA RFP Update	
	Galliard Contract Update	
	AEP Update	
	Plan Reimbursements & CAP Rate	
February 2016	TPA RFP Update - Finalize RFP	TPA/Plan Statistics Review (3Q & 4Q 2015)
	Quarterly Reimbursement Corrections	
	2016 Plan Budget	
	Travel Policy Review	
	FDIC Provider Recommendation	
	Communications Update	
	Contracts Update	
March 2016	TPA RFP Update	Quarterly Investment & Economic Review (4Q 2015) Fund Manager Presentation (Voya/Ridgeworth/Hartford)
	Plan Staffing - <i>Administrative Intern</i>	
	Investment Committee Issues & Schedule	
	Plan Governance Committee Issues & Schedule	
April 2016	TPA RFP - Response Update	
	DCP Annual Report - 2015	
May 2016	TPA RFP Update	Quarterly Investment & Economic Review (1Q 2016) Fund Manager Presentation (Galliard)
	2016-17 Conference Training Preferences	
June 2016	TPA RFP - Board Selection	TPA/Plan Statistics Review (1Q 2016)
	National Retirement Security Campaign 2016	