



Board Report 22-29

Date: April 19, 2022

To: Board of Deferred Compensation Administration (Board)

From: Staff

Subject: Deferred Compensation Plan Projects and Activities Report: March 2022

Board of Deferred Compensation Administration
Thomas Moutes <i>Chairperson</i>
Raymond Ciranna <i>Vice-Chairperson</i>
Robert Schoonover <i>First Provisional Chair</i>
Neil Guglielmo <i>Second Provisional Chair</i>
Joshua Geller <i>Third Provisional Chair</i>
Dana H. Brown
Linda P. Le
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Jeremy Wolfson

Discussion:

Presentation regarding Deferred Compensation Plan project and activity updates for March 2022:

A. Operations and Project Updates

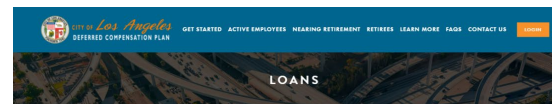
- **SECURE Act 2.0** – The National Association of Government Defined Contribution Administrators (NAGDCA) issued a communication to its plan sponsor members noting that on March 29, 2022, the US House of Representatives voted to pass H.R. 2954, the Securing a Strong Retirement Act of 2021 (“SSRA” or Secure Act 2.0). A notable provision within SECURE Act 2.0 pertaining to Internal Revenue Code Section 457 plans is elimination of the “first day of the month” rule, which has required that a participant deferral election (including a new enrollment) may only be taken if the election for the deferral occurred in at least the prior month. The bill next moves to the US Senate for consideration by the Senate Finance Committee. NAGDCA’s communication detailing components of the House version of the legislation can be found in **Attachment A**. Staff will monitor and, working with Deferred Compensation Plan (DCP) consultants, report back on the provisions of any final legislation that may be enacted into law.
- **Voya Plan Administrator Quarterly Review Q4 2021 Follow-Up** – At its meeting on March 15, 2022, the Board requested a correction and additional information from Voya’s presentation. Voya’s updated presentation and Financial Wellness Assessment questions are provided in **Attachment B**, and are summarized below:

- Page 9 – Data in the graph did not appear accurate. Voya has updated the chart to reflect the data.
- Page 27 – The Board requested the survey questions leading to respondents indicating 29% confidence that they are on track for retirement. Voya noted that the Financial Wellness Assessment scores are based on a combination of information. The retirement specific pillar takes data from the Retirement Calculator. Participants do have the option to include their pension in this calculator, however, it is optional and manual, so the score may not be an accurate reflection of true retirement confidence. Voya has done campaigns to add their outside assets to the Retirement Calculator in the past and will continue to focus on that ongoing.

B. Communications Updates

- **Social Media Tuesday Tips** – Staff is launching a new social media (Instagram and Facebook) campaign called “Tuesday Tips,” posting on the first Tuesday of each month to engage participants on various DCP features, such as contribution limits, Voya’s chat bot, DCP blog posts, and more. The first post will be live on April 5, 2022.

- **LA457 Website Enhancement** – Staff continues to iteratively update and enhance the DCP website, reviewing content and organization. An updated version of the “Loans” page is now available on the website at LA457.com/loans providing greater detail about the loans process and loan payments. The “Accrued Leave” page has also been updated with clarified requirements. Simultaneously, staff has used these updates to produce new print flyers that the Voya local representatives have available for distribution to participants.



BORROWING MONEY FROM YOUR ACCOUNT

The loan feature allows you to borrow from your Deferred Compensation Plan (DCP) account balance and pay back the loan, plus interest, through automatic payments from your bi-weekly paycheck (for active City employees only). If you are a retired participant, loan payments can be deducted from your checking or savings account monthly.



- + What are some key considerations of taking a loan?
- + What types of loans are available?
- + How much can I loan to myself from my account?
- + How long does it take to process a loan?
- + How do I apply for a loan?
- + Are there any fees for taking out a loan?

LOAN PAYMENTS

- + What are the different payment methods available?
- + Can I make additional payments?
- + What happens if I take a leave of absence?

LEAVING CITY EMPLOYMENT

- + What happens if I separate from City service but still have an outstanding loan?
- + Can I still apply for new loans after I separate from City service?

- **Money Matters Zoom Virtual Meetings** – In October 2020, staff launched “Money Matters” virtual meetings for employees to interact with DCP local retirement counselors via Zoom. During these sessions, DCP local retirement counselors provide education on various topics and answer participant questions. General DCP information virtual

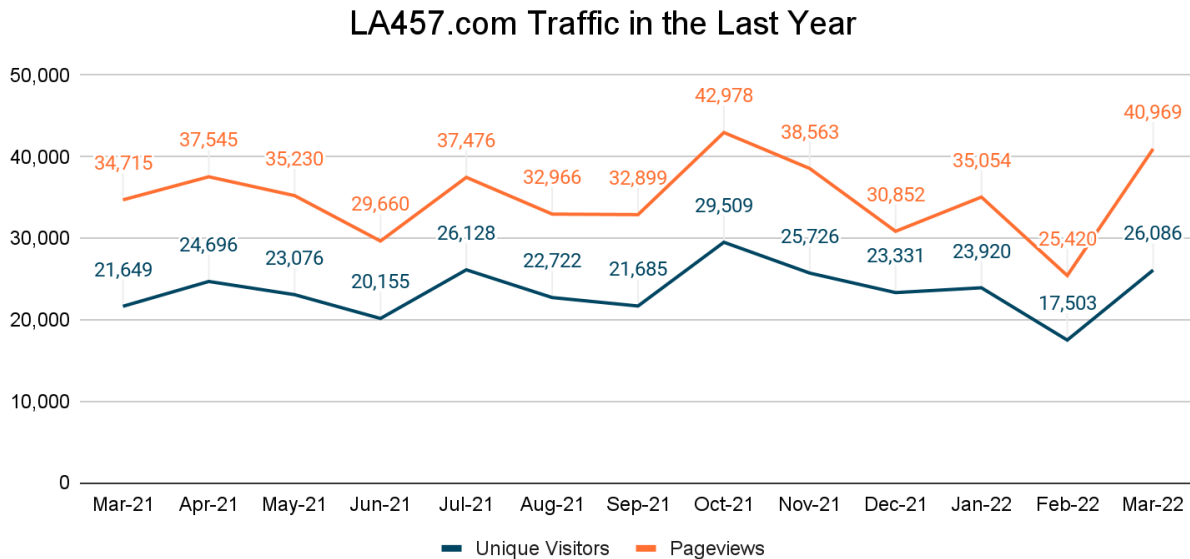
meetings are held on the third Wednesday of every month from 12:00 to 1:00 p.m. Attendance for the March virtual meetings is provided in the following table:

Topic	Date	Attendance
Retirement Readiness	March 16, 2022	64

- LA457.com Engagement Statistics: March 2022** – In March LA457.com had 26,086 unique visitors and 40,969 pageviews. The following table provides a review of the top ten website topics accessed by participants during the month.

Top 10 LA457.com Pages in March 2022	Views
1. Home	28,501
2. Notice of Deferred Compensation Plan Mailing Error	3,252
3. Contact Us	1,548
4. FAQs	1,021
5. Join the DCP	855
6. Contributions	586
7. 2022 Contribution Limits	461
8. Investment Options	345
9. Your Distribution Options	327
10. Board Meeting Materials	319

The following chart tracks LA457.com unique visitors and page views on a rolling 12-month basis:



C. 2022 DCP Strategic Initiatives Update

- A status review of DCP strategic initiatives is addressed in **Attachment C**.

D. Staffing Update

- The following table provides a summary of staff positions supporting the DCP.

Position Authority	Incumbent Class	Function	Est. Percent Reimbursed by DCP	Staff Member
Personnel				
Defined Contribution Plan Manager	Defined Contribution Plan Manager	Executive Director	75%	Steven Montagna
Senior Benefits Analyst II	Senior Personnel Analyst II	Plan Governance	40%	Daniel Powell
Senior Benefits Analyst I (will be elevated to Sr BA II effective 07/22)	Vacant	Plan Administration	100%	<i>Vacant</i>
Benefits Analyst	Benefits Analyst	Communications	100%	Eric Lan
Benefits Analyst	Benefits Analyst	Operations	100%	Mindy Lam
Benefits Specialist	Benefits Specialist	Participant Services	100%	Claudia Guevara
DCP Intern	DCP Intern	Participant Research	100%	Rose Moore
City Attorney				
Deputy City Attorney	Deputy City Attorney	Board Counsel	25%	Charles Hong
Legal Assistant	Legal Assistant	Participant Legal Services	40%	Vicky Williams

E. Committee Assignments

- On March 7, 2022 staff issued a brief survey tool to request Board member interest in serving on Board Committees. This information has been provided to the Board Chairperson for consideration of Committee assignments. Following is the existing Committee roster as designated by the Board Chairperson:


Plan Governance and Administrative Issues Committee	Investments Committee	Participant Engagement Committee	Ad Hoc DC Plan Manager Selection Committee
Joshua Geller, Chair	Raymond Ciranna, Chair	Neil Guglielmo, Chair	Thomas Moutes, Chair
Thomas Moutes	Joshua Geller	Joshua Geller	Joshua Geller
Baldemar J. Sandoval	Neil Guglielmo	Baldemar J. Sandoval	Neil Guglielmo
	Jeremy Wolfson		

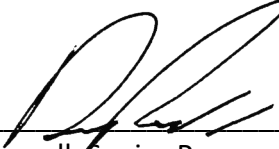
F. Next Board Meeting

The next regular Board meeting will take place on May 17, 2022, 28 days following the April 19, 2022 meeting. Following is a tentative list of agenda items for that meeting:

May 17, 2022 Regular Meeting Agenda Items

Board Report: AB 361 Review
Board Report: 2021 Annual Report
Board Report: DCP Goals Development
Board Report: DC Plan Manager Update
Board Report: DCP Office Space
Board Report: Quarterly Reimbursements – Q1 2022
Board Report: DCP Plan Projects & Activities Report: April 2022
Quarterly Investment & Economic Review (Q1 2022)

Submitted by: 
 Eric Lan, Benefits Analyst

Reviewed by: 
 Daniel Powell, Senior Personnel Analyst II

Approved by: 
 Steven Montagna, Chief Personnel Analyst

House Passes SECURE 2.0

On March 29, 2022, the House overwhelmingly passed H.R. 2954, the *Securing a Strong Retirement Act of 2021* ("SSRA"), by a vote of 414-5. The legislation contains provisions from the version of the bill approved by the House Ways and Means Committee in May 2021 and from the Education and Labor Committee's *RISE Act* (H.R. 5891) approved in November 2021.

The legislation takes the bulk of its provisions the Ways and Means version of the bill, among them:

- expanding automatic enrollment;
- phasing in an increase in the required minimum distribution age;
- allowing a higher catch-up limit; and
- facilitating matching contributions with respect to student loan repayments.

From the *RISE Act*, the legislation acquired:

- increasing retirement plan access for part-time workers;
- allowing employers to offer small financial incentives, such as low-dollar gift cards, to increase plan participation; and
- changes to pooled employer plans.

Provisions specific to governmental plans in the merged bill include:

- allowing 403(b) MEPs/PEPs;
- eliminating the "first day of the month" rule for 457(b) plans; and
- conforming the 403(b) hardship withdrawal rules to those of 401(k) rules.

A provision to allow 403(b)s to invest in collective investment trusts (CITs) was substantially modified at the last minute, effectively killing the provision. NAGDCA is lobbying for this provision as originally drafted to be included in the Senate version.

The version passed by the House did contain a few notable changes from the bills approved by the committees, including:

- a simplified Saver's Credit; and
- a streamlined federal Retirement Savings Lost and Found online database.

The SSRA now heads to the Senate, where the Finance Committee is working on its own legislation. Rather than accept the SSRA as sent over by the House, Finance Committee members will likely look to pull popular provisions from an assortment of retirement bills that have been introduced in the Senate, including measures by Finance Chairman Ron Wyden (D-OR) and Senators Ben Cardin (D-MD) and Rob Portman (R-OH). The Finance Committee currently plans to hold a markup of its bill later this spring. NAGDCA maintains frequent contact with important Senate offices to highlight our priorities and address any concerns.

It is unclear whether both chambers of Congress might pass a retirement bill this year. As demonstrated by the SSRA's vote, however, there is clearly bipartisan support for many of the measures currently under consideration. Further, some key retirement champions have announced that they will retire at the end of the year, which may prove an impetus for passage. As was the case in past efforts to enact retirement legislation, the best chance for enactment would be through hitching a ride on a must-pass, year-end package.



CITY OF *Los Angeles*
DEFERRED COMPENSATION PLAN



Attachment B

City of Los Angeles

Deferred Compensation Plan

Fourth Quarter 2021 Review





For discussion

Updates – News – Trends

Plan Health

Plan Goals

DCP Communications 2021

Employee Engagement



CITY OF *Los Angeles*
DEFERRED COMPENSATION PLAN



Updates – News – Trends





Q4 2021 Plan Summary

- Plan assets grew by \$972 million during the 2021 plan year. At the close of the quarter, DCP's plan assets were over \$9.3 billion.
- The total number of plan participants reached 50,814 by the end of the quarter.
- The fourth quarter experienced negative net cash flow of \$42 million due to increased year-end distributions, which grew from \$41 million in 3Q 2021 to \$101 million in 4Q 2021.
- The top three investment holdings (by balance) were the DCP Large Cap Fund, the Schwab Brokerage option, and the Stable Value Fund.
- The number of participants with loans decreased slightly in Q4. In addition, the average loan balance decreased during the quarter.
- During the fourth quarter, the onsite team had over 6,500 interactions with DCP participants.



Enhanced Electronic Delivery Default Service

Voya will be enhancing our current e-delivery solution to comply with the DOL Final Rule on default electronic disclosure

Voya's solution will:

- Allow Voya to default employees into e-delivery if we have participant email address on file.
- Default participants into e-delivery upon receipt of the email address with ability to opt out.
- Ensure participants are returned to paper delivery via U.S. mail when Notice of Internet Availability (NOIA) emails are undeliverable.
- Continue to use paper delivery via U.S. mail if we do not have an email address on file, either plan sponsor or participant provided.
- **Enhanced e-delivery services will be available in July 2022.**

Plan participants will receive notification regarding the enhanced e-delivery services through several mediums including statement messaging, newsletters, blog posts, emails and postcards.



CITY OF *Los Angeles*
DEFERRED COMPENSATION PLAN



Plan Health





Plan Overview

	2020 Q4	2021 Q1	2021 Q2	2021 Q3	2021 Q4
Total Plan Participants	50,395	50,532	50,593	50,663	50,814
Total Plan Assets	\$8,035,747,720	\$8,336,053,561	\$8,820,623,760	\$8,820,724,913	\$9,307,962,971
Average Balance	\$159,455	\$164,966	\$174,345	\$174,105	\$183,177
Median Balance	\$60,517	\$62,279	\$66,864	\$65,880	\$69,961





Plan Overview - Loans

	2020 Q4	2021 Q1	2021 Q2	2021 Q3	2021 Q4
Percentage of Total Loans to Plan Participants	35%	34%	33%	32%	32%
Total Number of Outstanding Loans	17,546	16,987	16,638	16,385	16,107
Average Outstanding Loan Balance	\$14,361	\$14,268	\$14,327	\$14,373	\$14,083





Cash Flow Summary

Cash In

Pre-tax Contributions	63,539,637.09
Roth Contributions	14,003,958.79
Rollover Contributions	14,400,340.36
Loan Repayments	23,456,487.06
Other	12,697,319.76

Total Cash In **\$128,097,743.06**

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

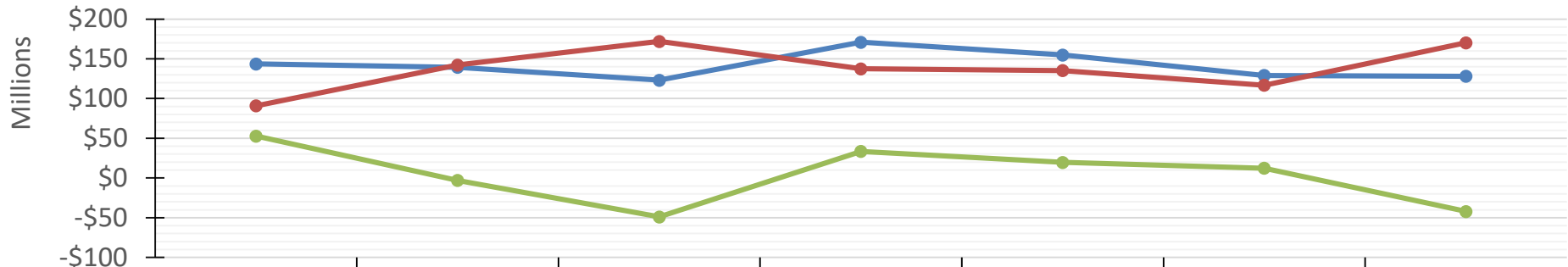
"Withdrawals" activity represents withdrawals, installments and termination payments.

Cash Out

Distributions	101,191,717.22
Rollovers	38,323,202.80
Loans Issued	16,912,012.20
Fees	1,058,248.43
Other	12,697,319.76

Total Cash Out **(\$170,182,500.41)**

Net Cash Flow **(\$42,084,757.35)**

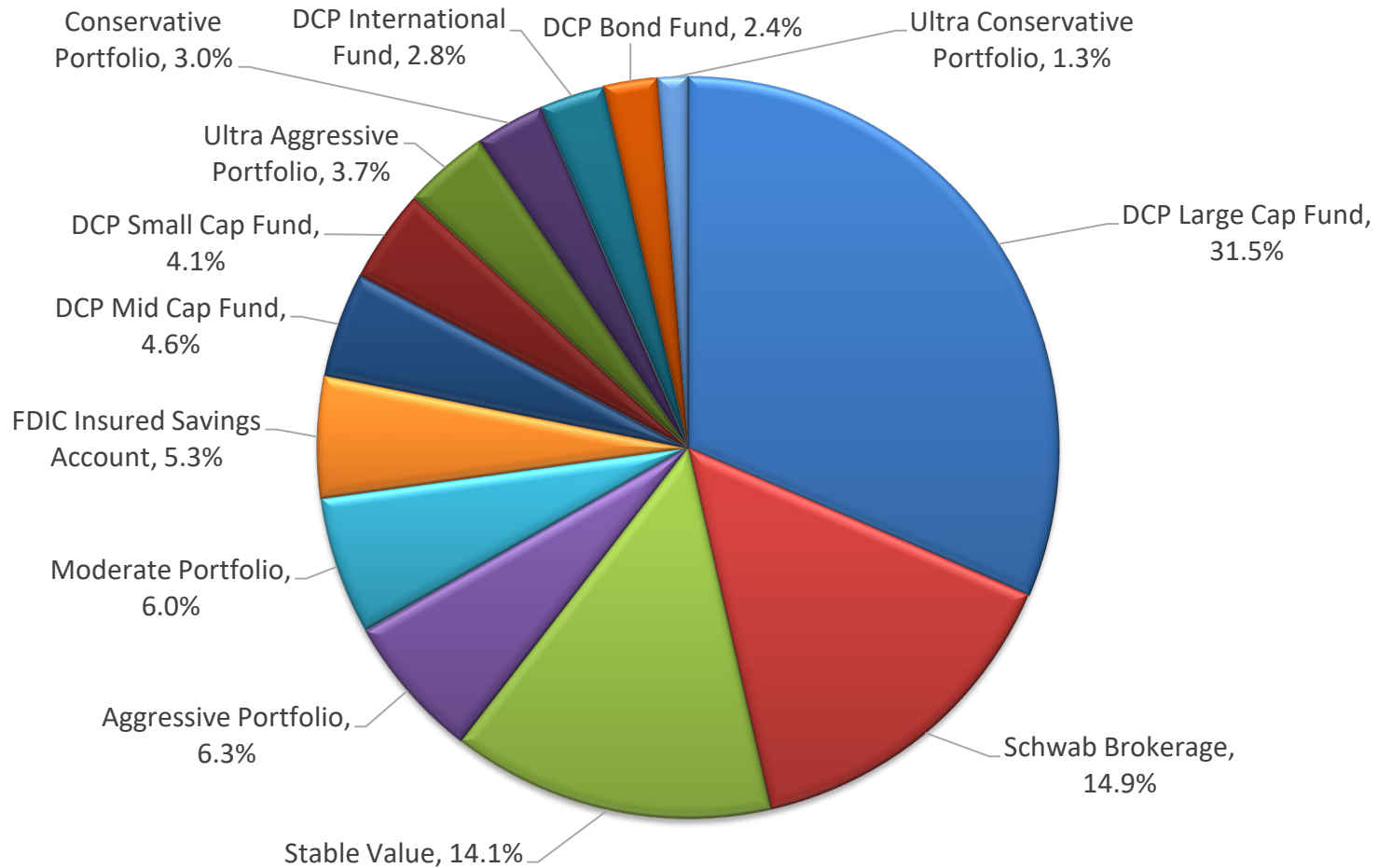


	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021
— Cash In	\$143,612,342	\$139,282,469	\$123,134,839	\$170,891,031	\$154,888,365	\$129,144,807	\$128,097,743
— Cash Out	\$90,897,133	\$142,313,549	\$172,014,325	\$137,391,546	\$135,305,572	\$116,856,418	\$170,182,500
— Net Cash	\$52,715,209	(\$3,031,080)	(\$48,879,486)	\$33,499,845	\$19,582,793	\$12,288,389	(\$42,084,757)





Percentage of Plan Assets





Balances by Investment

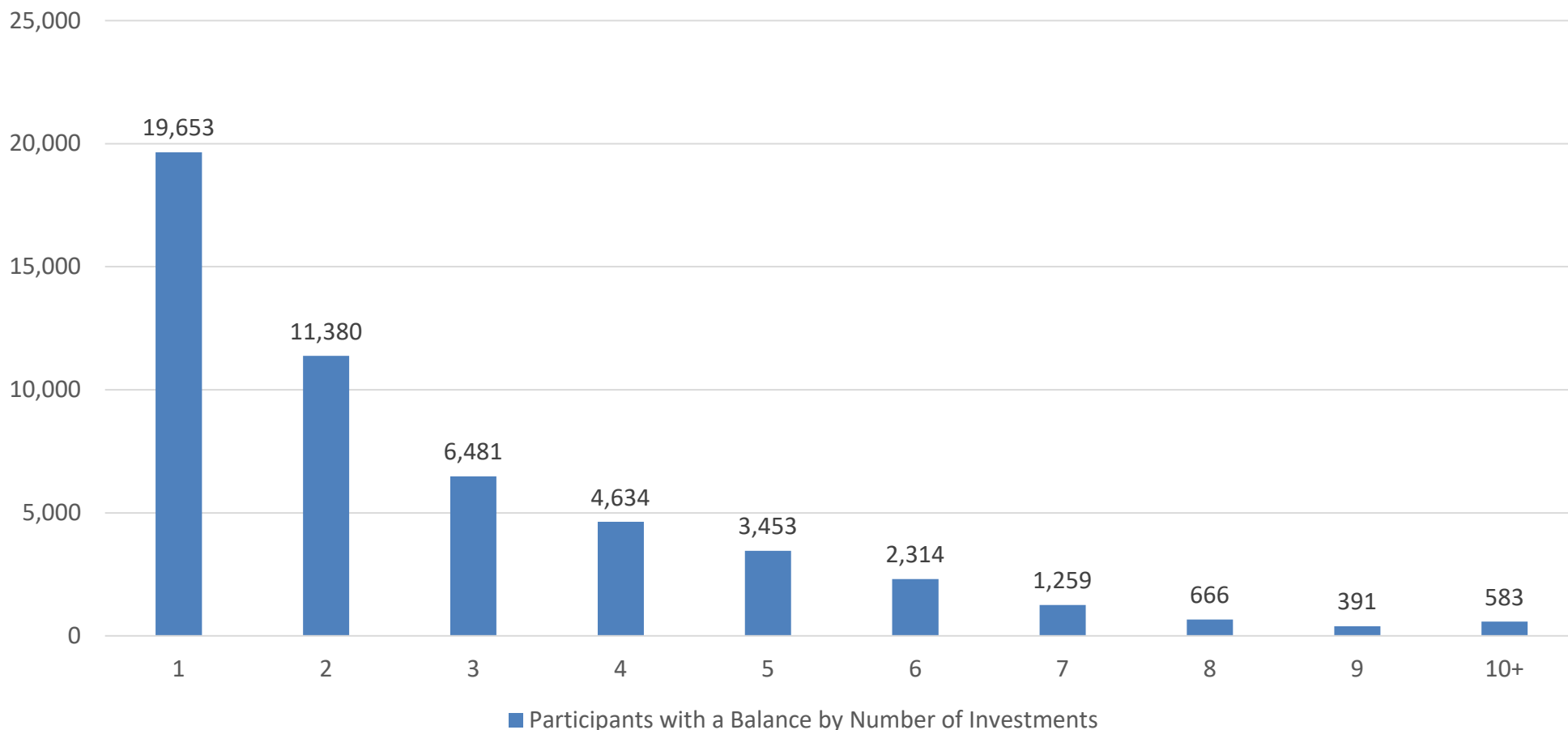
Investment	Investment Balance	Number of Participants	Average Participant	Percentage of Plan Assets
SCHWAB BROKERAGE	\$1,388,395,940.26	6,391	\$217,242.36	14.9%
FDIC INSURED SAVINGS ACCOUNT	\$493,140,539.32	12,575	\$39,215.95	5.3%
STABLE VALUE	\$1,310,864,193.95	13,369	\$98,052.52	14.1%
ULTRA CONSERVATIVE PORTFOLIO	\$121,384,687.97	2,812	\$43,166.67	1.3%
CONSERVATIVE PORTFOLIO	\$281,237,017.24	5,458	\$51,527.49	3.0%
MODERATE PORTFOLIO	\$560,451,412.04	12,182	\$46,006.52	6.0%
AGGRESSIVE PORTFOLIO	\$585,953,289.13	14,579	\$40,191.60	6.3%
ULTRA AGGRESSIVE PORTFOLIO	\$345,459,485.08	10,798	\$31,992.91	3.7%
DCP BOND FUND	\$219,233,480.45	7,136	\$30,722.18	2.4%
DCP LARGE CAP FUND	\$2,931,804,297.48	22,255	\$131,736.88	31.5%
DCP MID CAP FUND	\$426,746,975.87	8,947	\$47,697.21	4.6%
DCP SMALL CAP FUND	\$380,187,111.43	9,986	\$38,072.01	4.1%
DCP INTERNATIONAL FUND	\$263,104,540.95	9,178	\$28,666.87	2.8%
Total Investment Balance:	\$9,307,962,971.17			
Total Loan Fund:	\$147,043,021.47			





Diversification

Participant Investment Option Holdings by Number of Participants

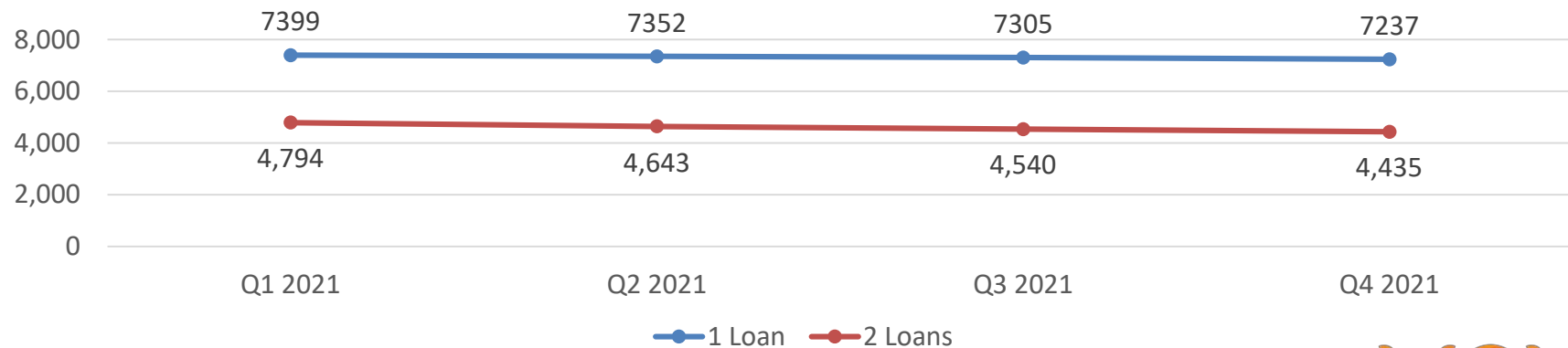




Loan Trending

	Q1 2021	Q2 2021	Q3 2021	Q4 2021
Total Participants with Loans	12,193	11,995	11,845	11,672
Total Number of Outstanding Loans	16,987	16,638	16,385	16,107
Number of General Loans	15,332	14,994	14,748	14,492
Number of Residential Loans	1,655	1,644	1,637	1,615
Total Outstanding Loan Balance	\$174,383,897	\$172,571,913	\$170,251,831.11	\$164,383,821.35
General Loan Balance	\$145,075,804	\$143,448,091	\$141,619,891.97	\$136,368,368.84
Residential Loan Balance	\$29,308,093	\$29,123,822	\$28,631,939.14	\$28,015,452.51
Average Loan Balance per Borrower	\$14,302	\$14,387	\$14,373	\$14,083
Number of Re-amortized	526	404	209	149
Number of Loan Defaults	199	264	260	207
Total New Loans Initiated	1,062	1,350	1,334	1,295
New Loans Active	1,009	1,267	1,276	1,243
New Loans Retirees	48	53	83	52

1 Loan versus 2 loans



The Schwab Personal Choice Retirement Account (PCRA) Quarterly Report

CITY OF LA 457 DEFERRED COMP as of 12/31/2021

Plan Profile Information

Plan Type	457B
Total PCRA Assets	\$1,381,291,509
Total Funded PCRA Accounts	7,468
Total Roth Assets	\$54,146,096
Total Funded Roth Accounts	1,344
Total Advisor Managed PCRA Assets	\$590,293,914
Total Advisor Managed Funded PCRA Accounts	3,159
PCRA Accounts Opened This Quarter	343
PCRA Assets In and Out This Quarter*	\$40,343,393
Average PCRA Account Balance	\$184,961

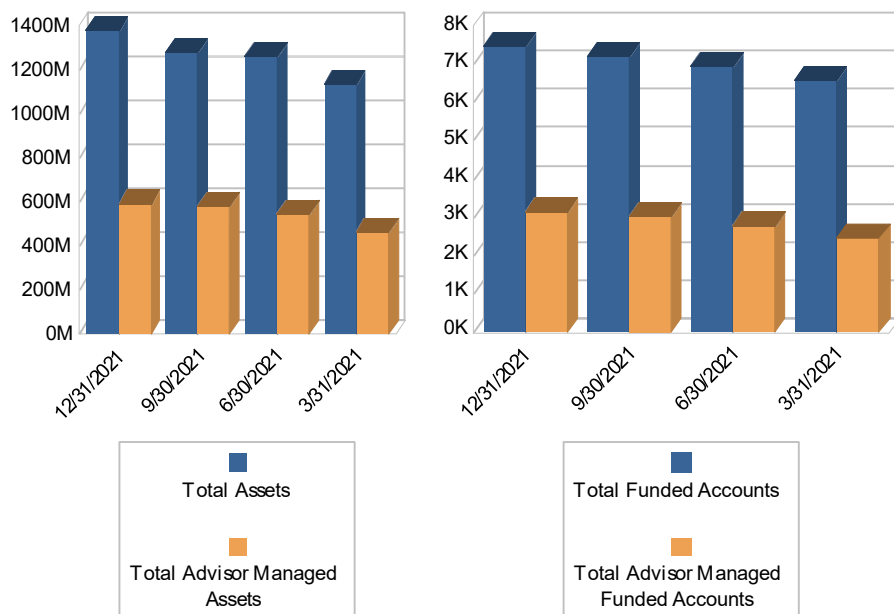
PCRA Participant Profile Information

Average Participant Age	49
Percent Male Participants	83%
Percent Female Participants	17%

Total Assets by Category

Cash Investments	\$137,561,601
Equities	\$635,465,004
ETFs	\$274,666,885
Fixed Income	\$64,608,045
Mutual Funds	\$269,643,304
Other	-\$653,324

Assets and Accounts (Trailing 4 Quarters)



Average Positions Per Account

Cash Investments	1.0
Equities	10.7
ETFs	3.5
Fixed Income	0.3
Mutual Funds	2.0
Other	0.1
Total	17.6

Average Trades Per Account

Equities	10.4
ETFs	2.4
Fixed Income	0.0
Mutual Funds	7.8
Other	0.3
Total	21.0

* Assets In and Out includes contributions and distributions.



CITY OF *Los Angeles*
DEFERRED COMPENSATION PLAN



Plan Goals

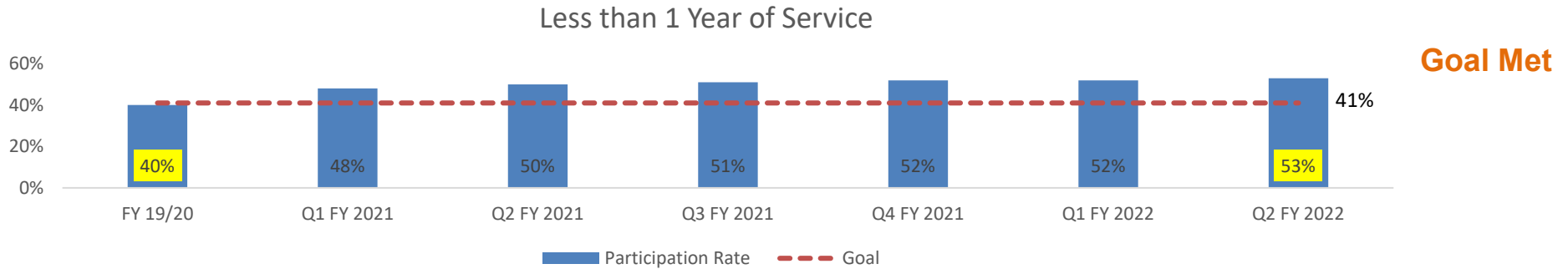




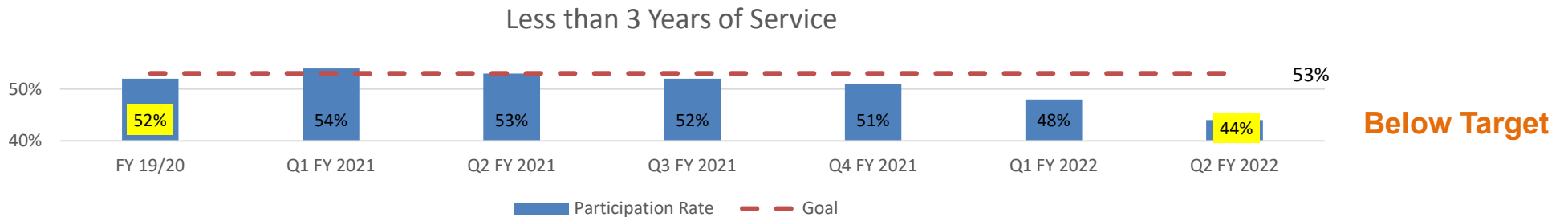
Participant Outcomes: Participation

For the period July 2020 through December 2021, the Board adopted two targeted goals to increase participation for employees with less than three years of City service.

Goal: Increase participation of employees with less than one year of City service by 1%, from 40% to 41%.



Goal: Increase participation of employees with less than three years of City service by 1%, from 52% to 53%. (Note: City staff has advised that the methodology used in calculation of the denominator for this goal will need to be refined).



*At its meeting on July 20, 2021, the Board approved the measurement of DCP participant goals on a calendar year basis starting with calendar year 2021. A final report regarding the outcomes of calendar year 2021 participant goals will be presented to the Board in the first quarter of 2022.

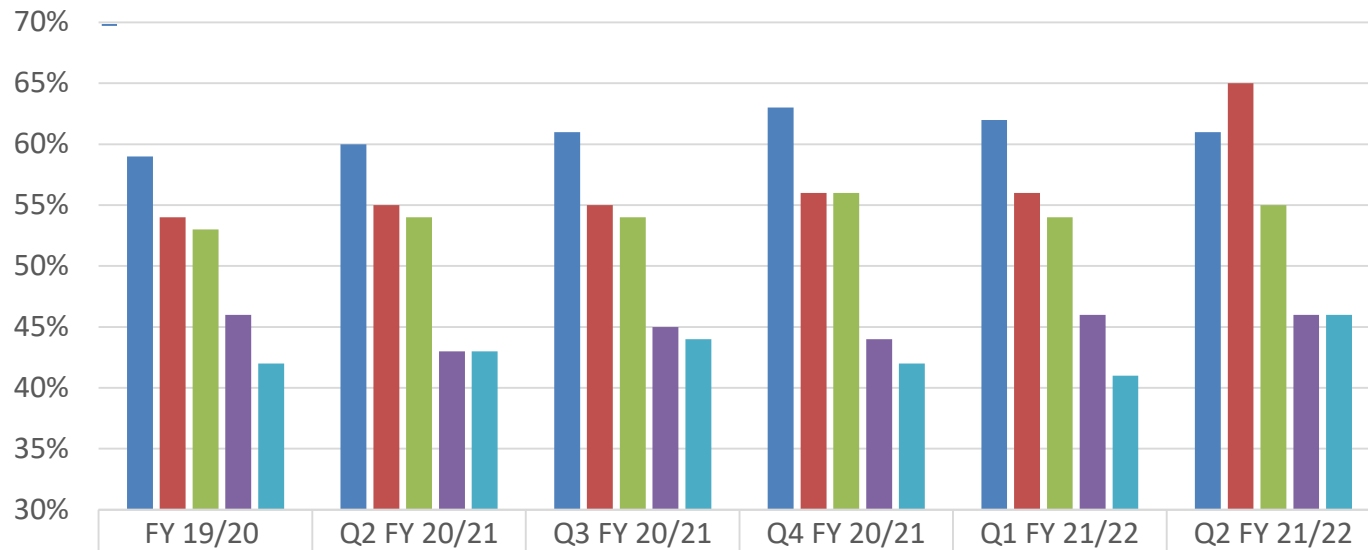




Participant Outcomes: Department Participation

For the period July 2020 through December 2021, the Board adopted two targeted goals to increase participation for the lowest participating departments and labor organizations.

Goal: Increase participation of the five departments with the lowest participation by 1%:



■ Recreation & Parks (60%)	59%	60%	61%	63%	62%	61%	Met Goal
■ Public Works - Street Svcs (55%)	54%	55%	55%	56%	56%	65%	Met Goal
■ General Services Division (54%)	53%	54%	54%	56%	54%	55%	Met Goal
■ Council (47%)	46%	43%	45%	44%	46%	46%	Below Target
■ Mayor's Office (43%)	42%	43%	44%	42%	41%	46%	Met Goal

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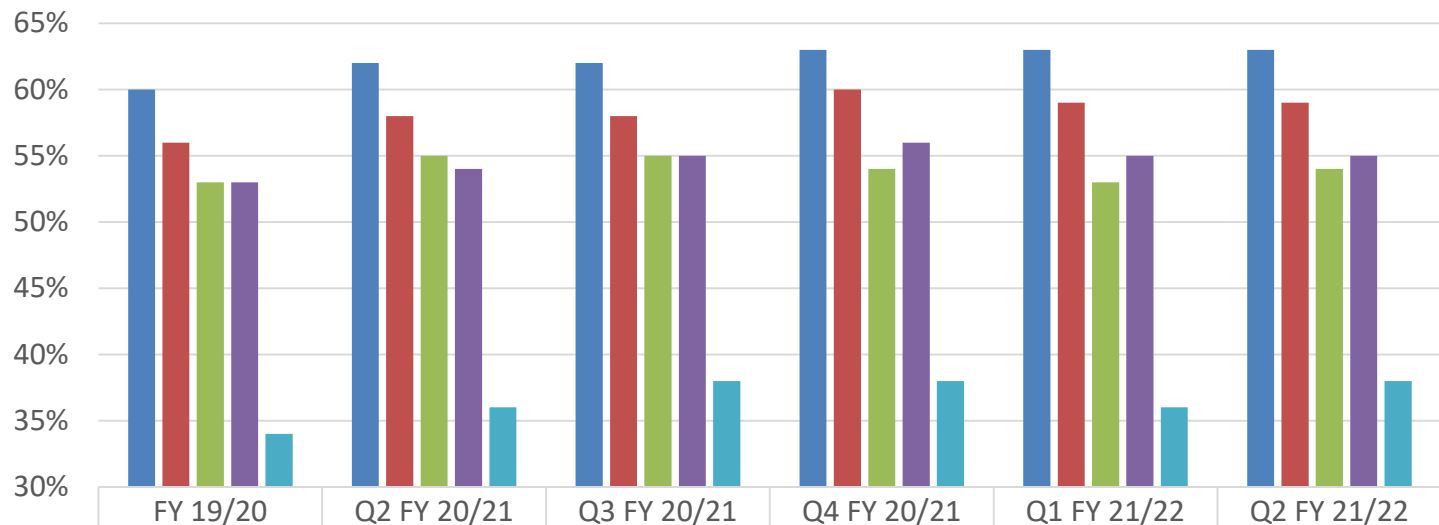




Participant Outcomes: Labor Organization Participation

For the period July 2020 through December 2021, the Board adopted two targeted goals to increase participation for the lowest participating departments and labor organizations.

Goal: Increase participation of the five groups of labor organizations or non-represented employees (greater than 50 full-time employees) with the lowest participation by 1%:



■ MOU 02: Building and Trades (61%)	60%	62%	62%	63%	63%	63%	Met Goal
■ MOU 14: Service and Craft (57%)	56%	58%	58%	60%	59%	59%	Met Goal
■ MOU 00: Non-Represented (54%)	53%	55%	55%	54%	53%	54%	Met Goal
■ MOU 04: Equip. Ops & Labor (54%)	53%	54%	55%	56%	55%	55%	Met Goal
■ MOU 15: Service EE's (35%)	34%	36%	38%	38%	36%	38%	Met Goal

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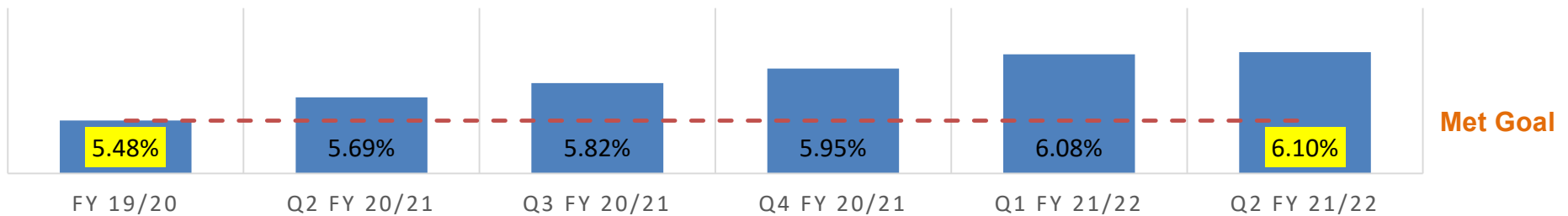


Participant Outcomes: Contributions

For the period July 2020 through December 2021, the Board adopted two goals aimed at maintaining the average employee contribution and increasing participant contributions as a percent-of-pay.

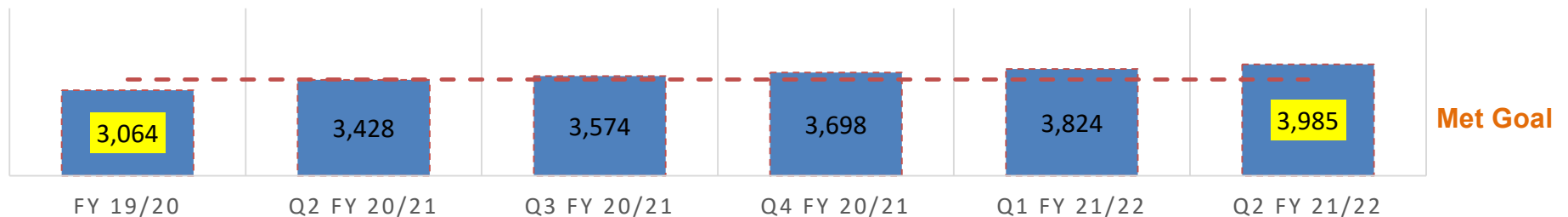
Goal: Maintain average employee contributions at the current 5.48%, calculated to include all full-time employees eligible for the DCP.

Average Employee Contributions



Goal: Increase the number of participants saving as a percent-of-pay from 3,064 (9% of contributing participants) to 3,446 (10% of contributing participants).

Total Number of Contributing Participants Saving as a Percent of Pay



*At its meeting on July 20, 2021, the Board approved the measurement of DCP participant goals on a calendar year basis starting with calendar year 2021. A final report regarding the outcomes of calendar year 2021 participant goals will be presented to the Board in the first quarter of 2022.



Participant Outcomes: Asset Retention

For the period July 2020 through December 2021, the Board adopted two goals aimed at retaining the assets of participants who have separated from City service.

Goal: Maintain the number of participants separated from City service who roll funds out of their account to no more than 4.5% of the separated population (excluding closures of QDRO and beneficiary accounts).

	Q2 FY 20/21	Q3 FY 20/21	Q4 FY 20/21	Q1 FY 21/22	Q2 FY 21/22
Total Number of Retired and Separated from Service Plan Participants	22,709	23,890	25,369	26,166	26,811
Number of Retired and Separated from Service Plan Participants with a Full or Partial Rollover	153	176	120	150	164
Percentage of Retired and Separated from Service Plan Participants with a Rollover	0.7%	0.7%	0.5%	0.6%	0.6%
Annualized %				2.5% Under 4.5%	2.4% Goal Met



Participant Outcomes: Distributions

For the period July 2020 through December 2021, the Board adopted two goals aimed at retaining the assets of participants who have separated from City service.

FY 20/21 Goal: Maintain the number of participants separated from City service who close their accounts to no more than 2.5% of the separated population (excluding closures of QDRO and beneficiary accounts).

Trustee	Count	Cash Total	Quarter	Assets	Separated Service	Separated & Closed Account	Percent of Separated
Charles Schwab	33	\$14,182,796.07	FY 19/20	\$9,638,655			3.3%
Fidelity	19	\$3,922,370.24	Q2 FY 20/21	\$4,478,135	22,799	90	0.4%
TD Ameritrade	16	\$3,608,449.99	Q3 FY 20/21	\$3,479,967	23,890	119	0.5%
Pershing IRA	11	\$2,829,378.66	Q4 FY 20/21	\$3,093,242	25,369	120	0.5%
Raymond James	8	\$2,575,428.16	Q1 FY 21/22	\$3,358,051	26,166	104	0.4%
Vanguard	13	\$1,785,013.05	Q2 FY 21/22	\$33,512,791	26,811	86	0.3%
Edward Jones	6	\$1,403,918.22	Annualized%		Under 2.5% Met Goal		1.7%
Morgan Stanley	5	\$1,196,182.91	Agency		Count	Cash Total	
Allianz	5	\$835,224.24	LACERS		47	\$1,140,495.76	
NFS	5	\$830,115.08	Board of Fire & Police Comm.		90	\$483,213.50	





CITY OF *Los Angeles*
DEFERRED COMPENSATION PLAN



DCP Communications 2021



2021 Insights

How were employees feeling?



They were uneasy

55% of Americans say “These days I feel stuck and unable to make much progress in my life”¹



They wanted to be prepared

Which of the following have become more important in your own personal life since the pandemic began?¹

- **54%** being prepared for anything
- **38%** Self reliance
- **34%** avoiding risk
- **29%** resilience



Planning for their future is an important financial priority

- **90%** Having a guaranteed source of income in retirement so I don’t outlive my retirement savings²
- **86%** Having a long-term view of my investments
- **85%** Staying the course during a volatile market environment
- **76%** Continuing to make contributions to my retirement plan



They want help

When it comes to personal finances, **87%** of employees **want help**³

How can we help?

Increased engagement

- Specific actions
- Digestible steps
- Breaking down complex topics

To drive outcomes

Individuals who engage with their retirement plan digitally through the web **save 52% more** than those who do not⁴

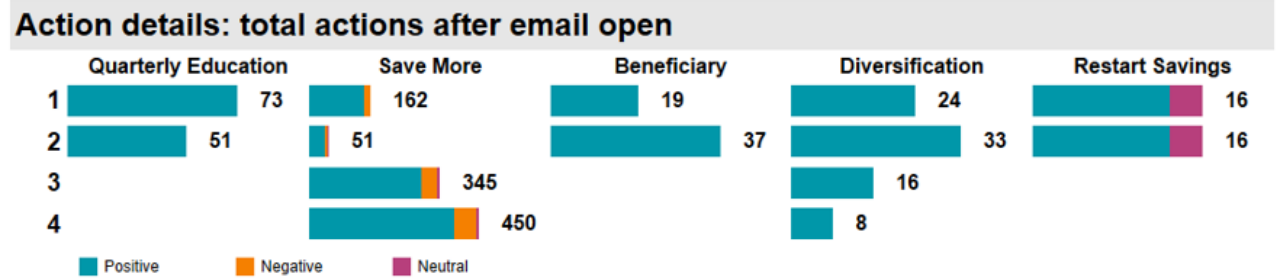
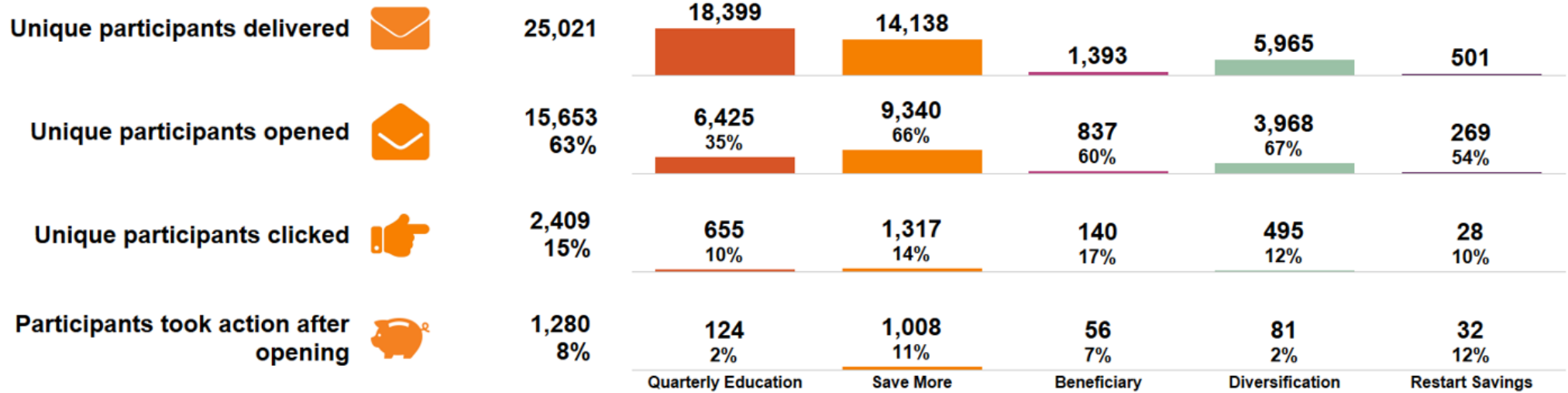
¹ Kantar U.S. Monitor 2021 (October Express Survey) ² Voya Consumer Insights & Research Team, Survey of general U.S. population

³ 2021 PWV Employee Financial Wellness Survey ⁴ Voya Financial plan participant data as of March 31, 2021. Digital engagement is defined as using the web at least once in the past 12 months. For plan sponsor use only. Products and services offered through the Voya® family of companies. CN1909958_1123.

Financial Wellness Journey Results

2021

Personalized Financial Wellness Messaging



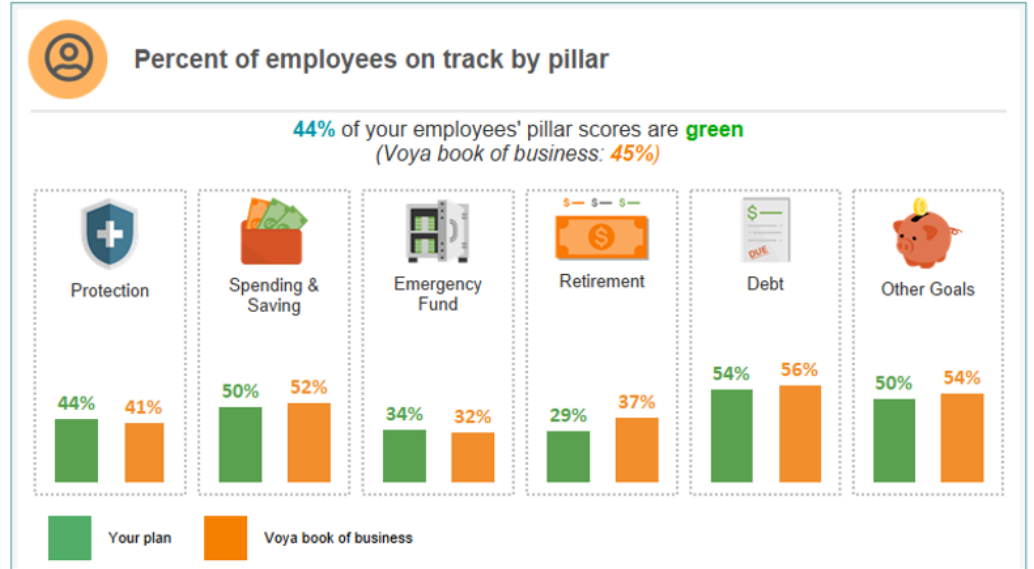
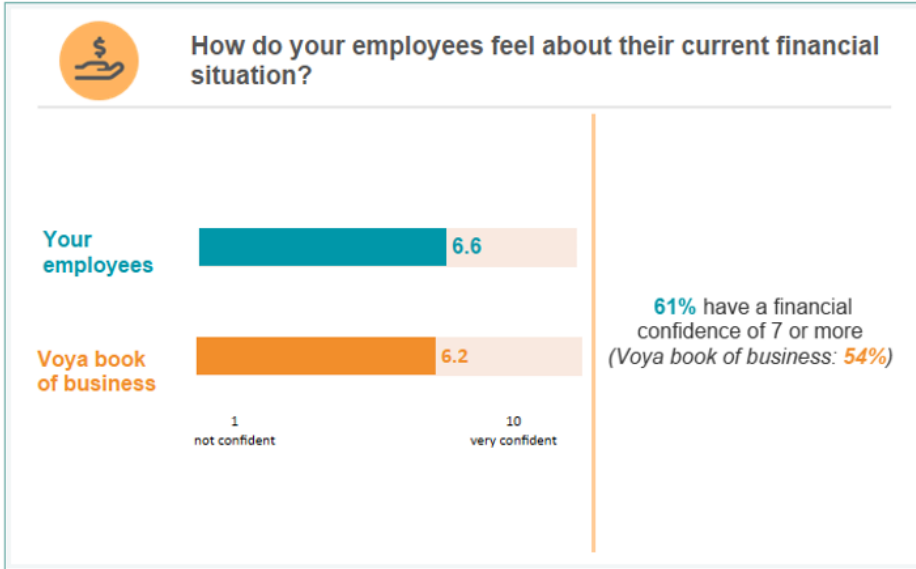
Potential financial impact: (those who changed deferral rate, excludes deferral amt)

Save More \$53,070 of additional contributions per year. (177 participants increased their savings rate by 0.3% on average)

Restart Savings \$30,516 of additional contributions per year. (7 participants increased their savings rate by 4.1% on average)

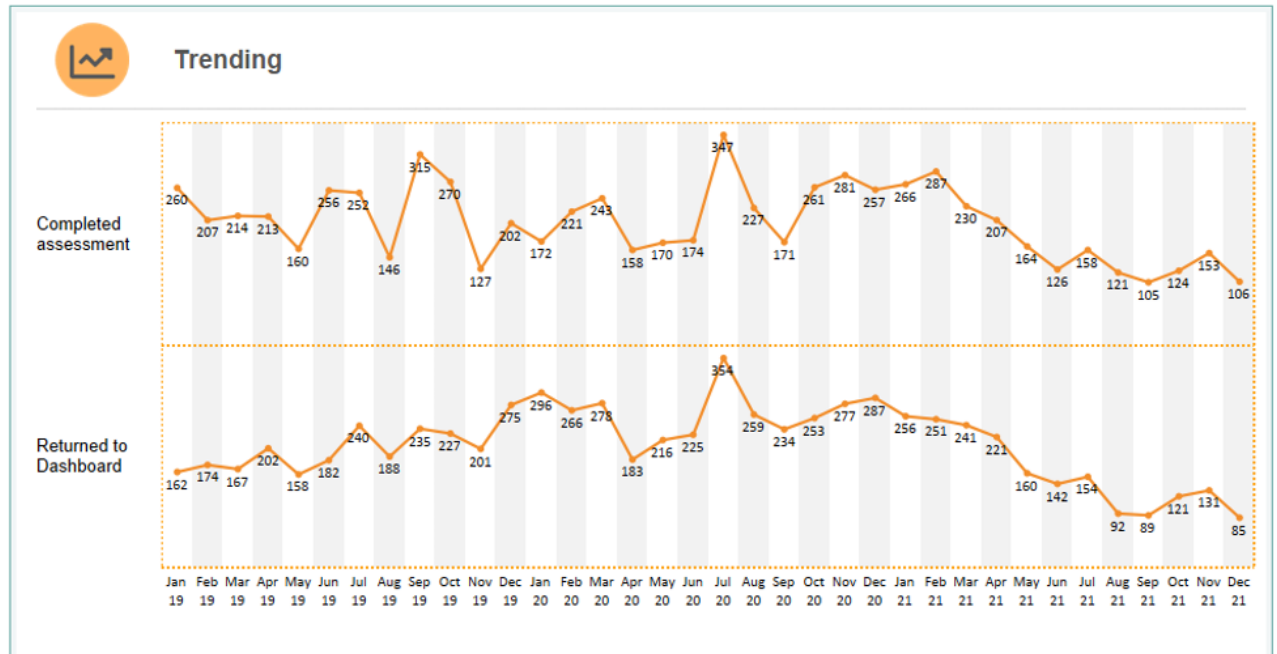
Financial Wellness Journey Results

2021



Engagement

	# of participants	% of participants	Voya Book of Business
Started Financial Wellness assessment	5,598	--	--
Completed assessment and viewed results	4,988	89%	89%
Viewed dashboard after completing assessment	4,360	87%	84%

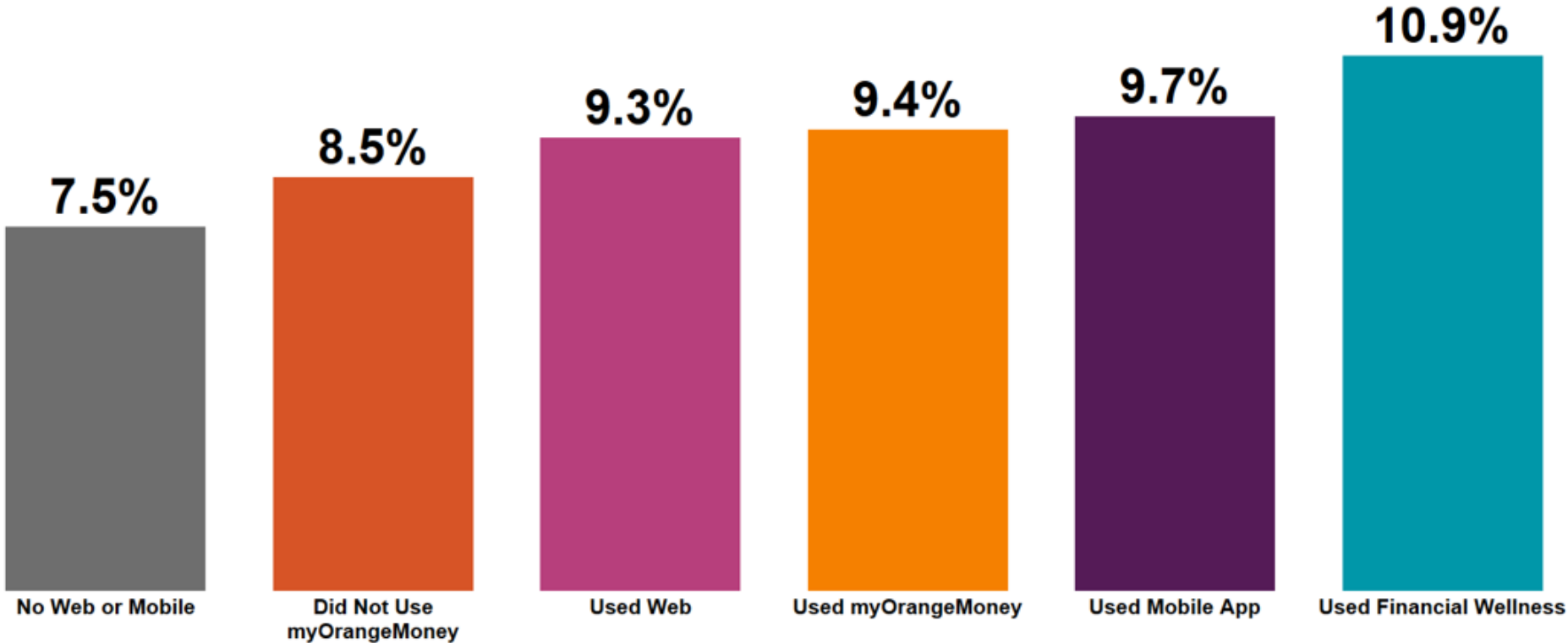


Digital Engagement Report

2021

Engagement Outcomes - Savings Rate

Savings Rate (%)



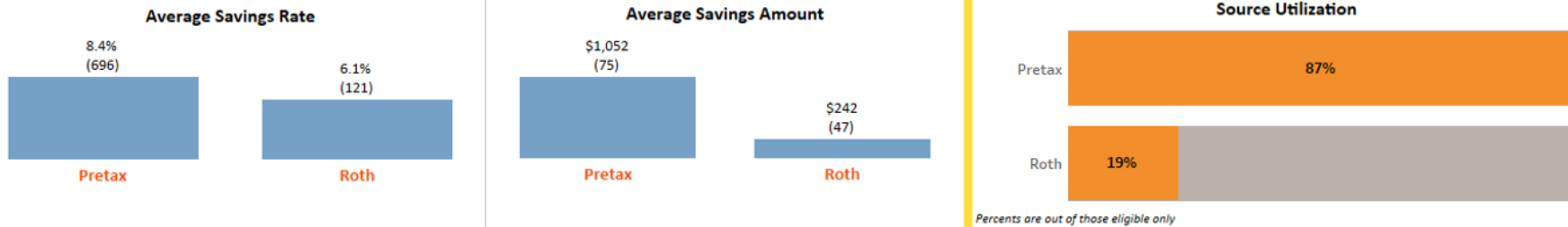
Digital Engagement Report

Enrollment

2021

Web Enrollments	Average Savings %	Average Savings \$	Rate Escalate
886	8.5% (774)	\$836 (108)	36.3% (322)

Savings Election by Source



Trending

Web Enrollments



Savings Rate



Rate Escalate



Rate Escalate is the feature that allows participants to automatically schedule increases to their contribution amounts (monthly, quarterly, or annually).
 % = Rate Escalate Total / Web Enrollments Total.



CITY OF *Los Angeles*
DEFERRED COMPENSATION PLAN



Employee Engagement

PLAN | INVEST | PROTECT





Vincent Alvarez, Leslie Yoshioka,
La Tanya Harris,
Carol Say, Steve Harman

2021 4Q Representative Activity

	4Q 2020	1Q 2021	2Q 2021	3Q 2021	4Q 2021
Virtual Meetings	23	25	31	28	31
Meeting Attendees	1,459	1,194	987	663	1,043
Call Totals	3,384	3,544	2,989	2,617	3,271
Emails	1,539	2,166	2,788	1,708	2,215
Total Participation	6,382	6,904	6,764	4988	6,529
Enrollments	47	39	45	32	38



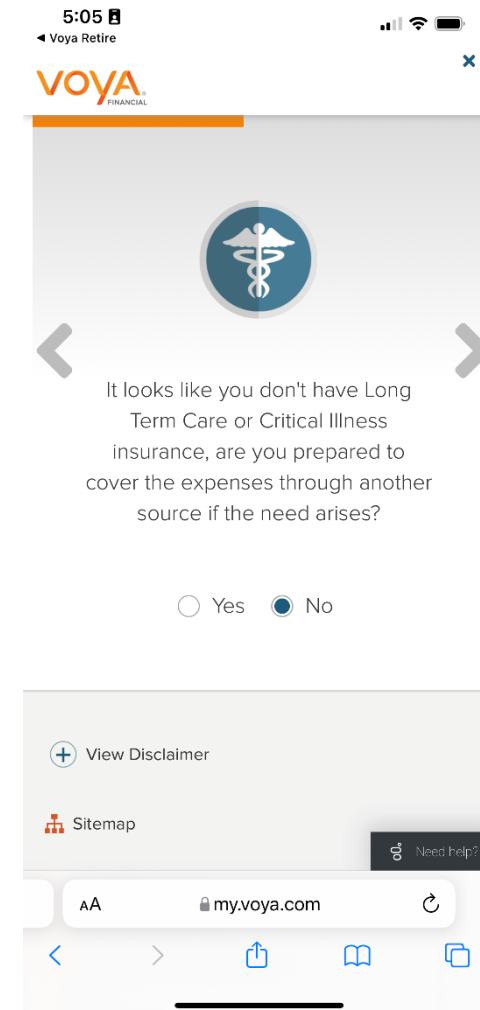
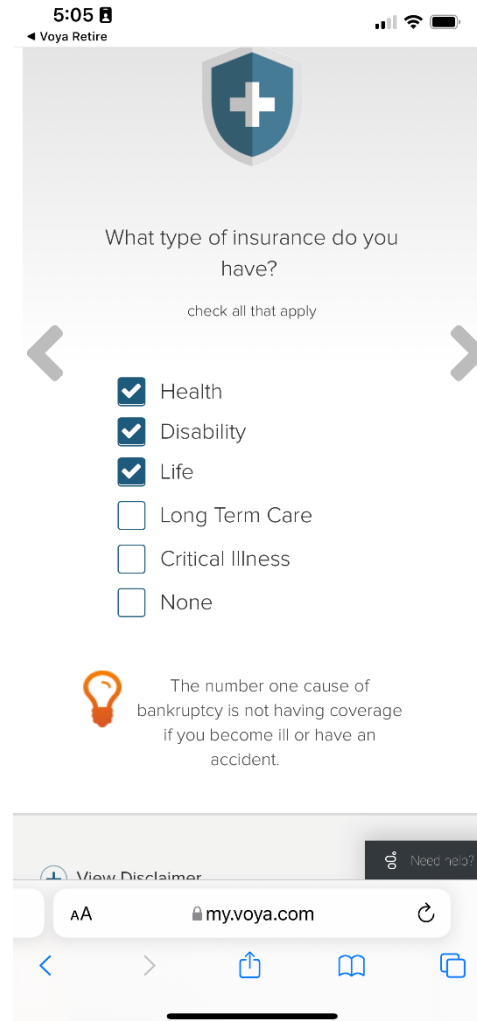
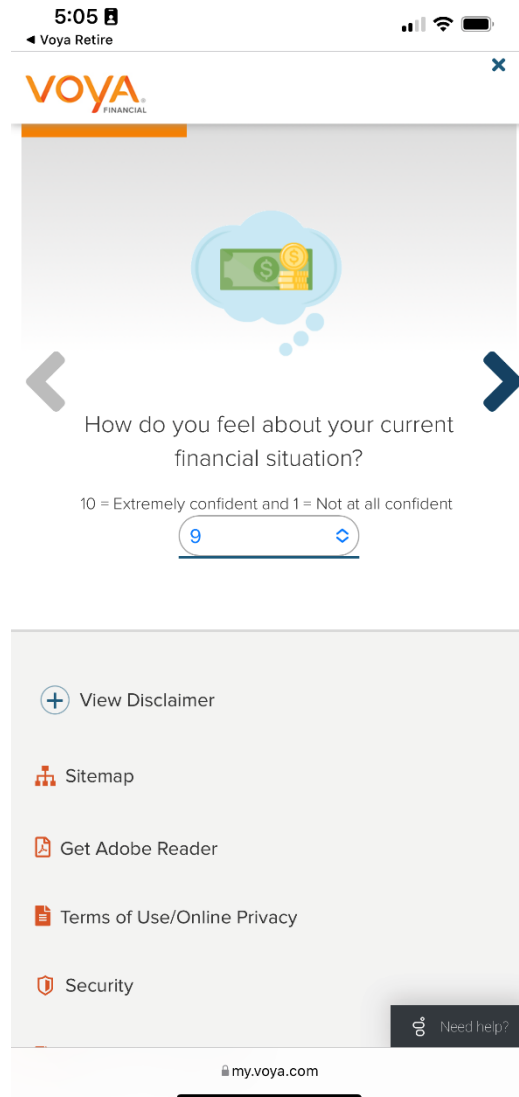
CITY OF *Los Angeles*
DEFERRED COMPENSATION PLAN



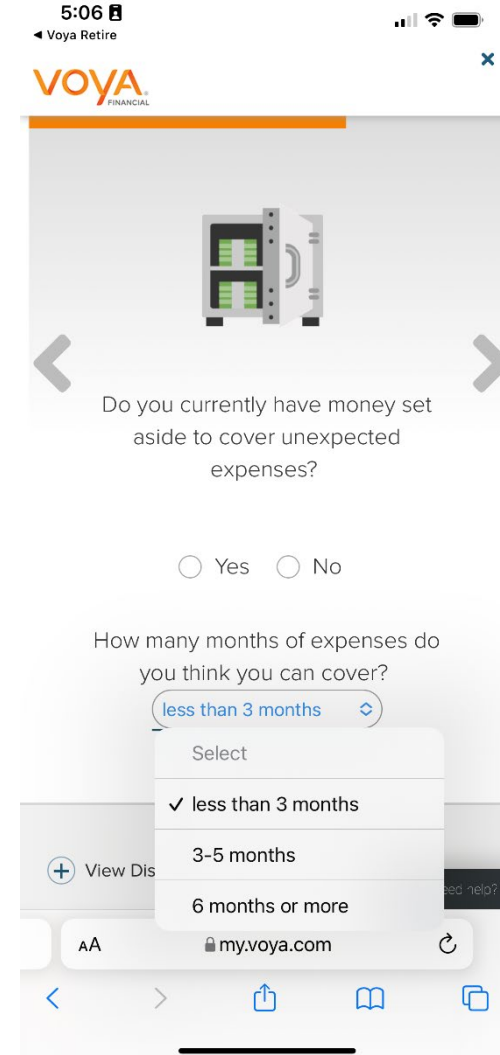
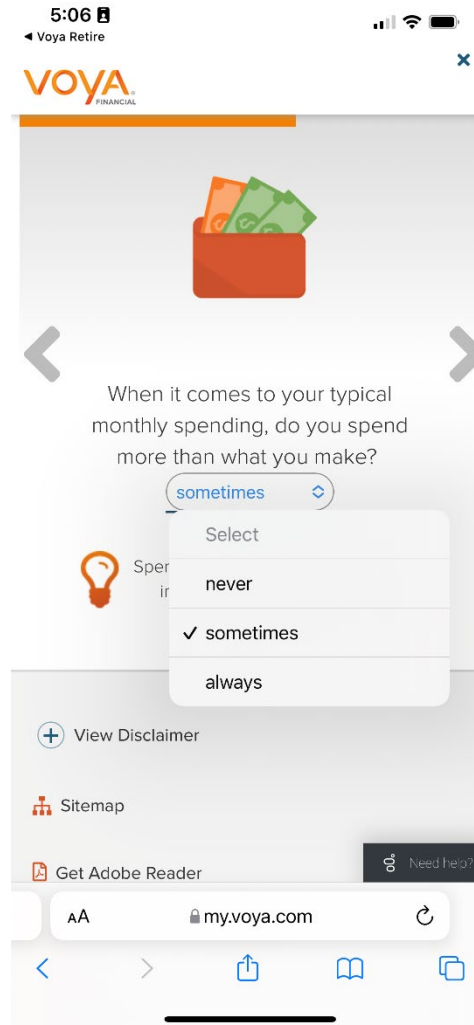
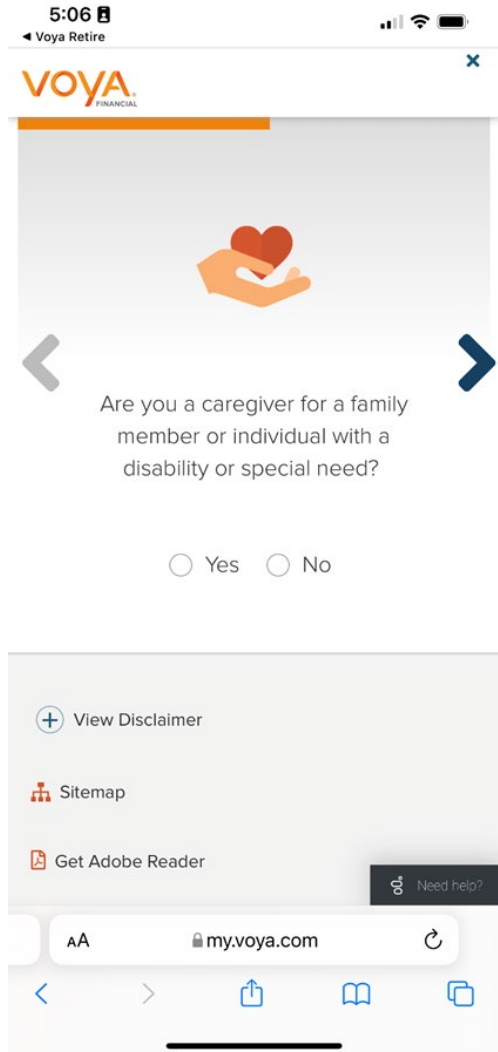
Thank You



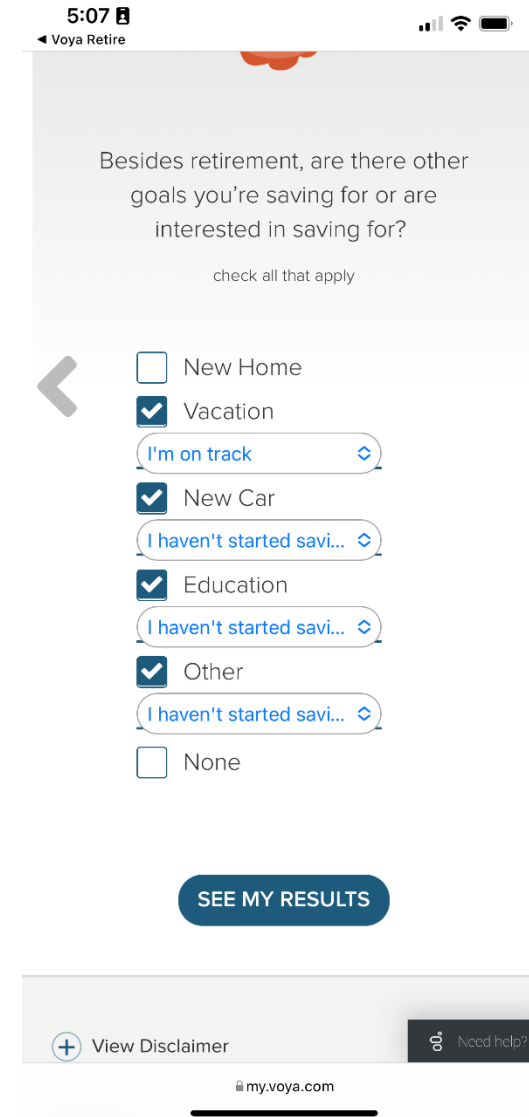
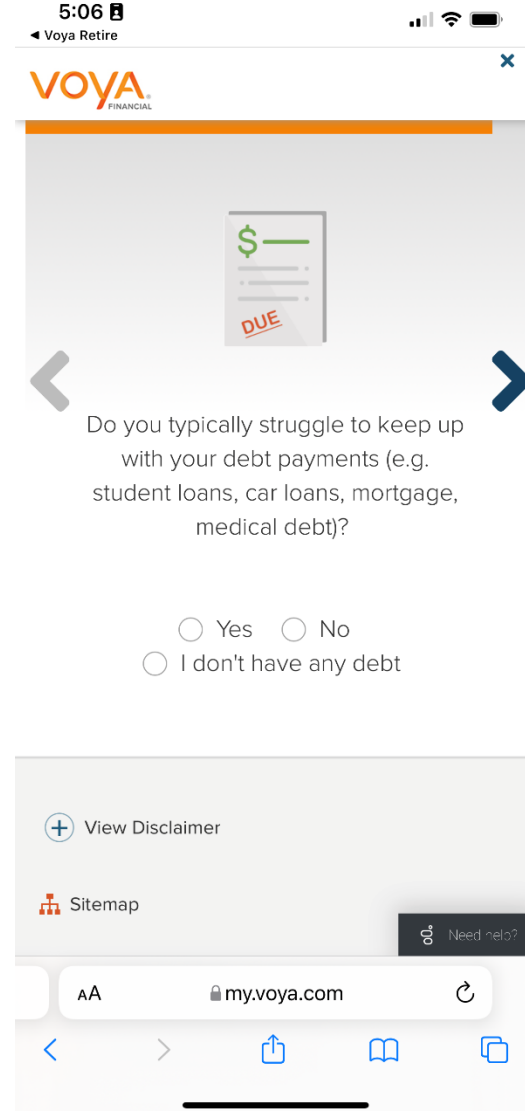
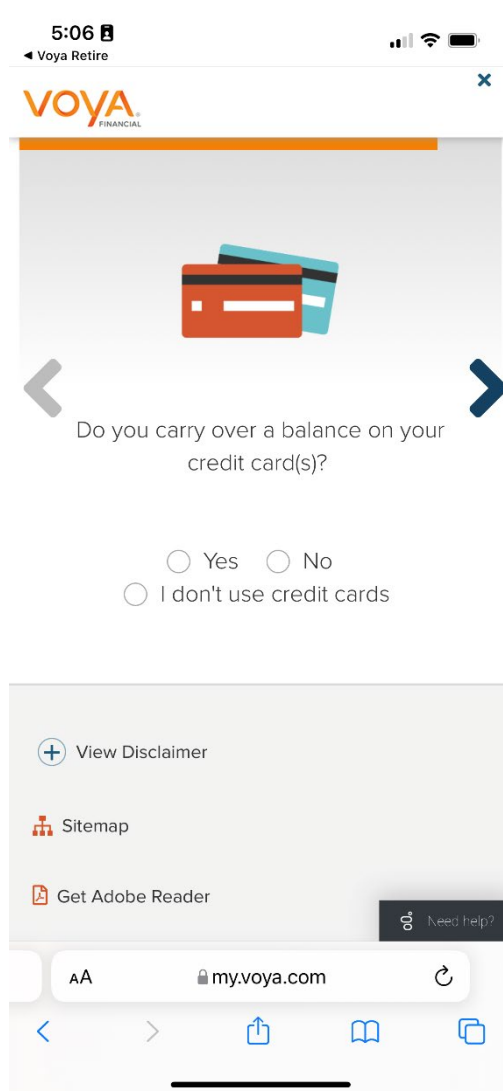
Financial Wellness Assessment



Financial Wellness Assessment



Financial Wellness Assessment



2022 DCP Strategic Initiatives

RESOURCE INITIATIVES

1. Fill DCP Leadership Positions: DC Plan Manager and Senior Benefits Analyst I or II

Initiative: The Board identified filling the DCP leadership positions of DC Plan Manager and Senior Benefits Analyst I (to be reallocated to Senior Benefits Analyst II as of 7/1/22) as a strategic initiative for 2022.

Status: In progress. An update regarding this strategic initiative is provided in Board Report 22-23.

2. Integrate New TPA Strategic Initiatives Director Position into Goals Development Framework

Initiative: The Board identified integrating Voya's new Strategic Initiatives Director position into the existing framework for using goals and data to improve participant outcomes as a strategic initiative for 2022.

Status: In progress. Voya selected an individual to fill the new Strategic Initiatives Director position. This individual began working with the City on March 14, 2022, and will be introduced to the Board at the April 19, 2022 regular meeting. He is currently undergoing onboarding with Voya and City staff. Further information is provided in Board Report 22-26.

3. Establish DCP Budget Policy

Initiative: The Board identified establishing a DCP Budget Policy as a strategic initiative for 2022.

Status: In progress. A recommended DCP Budget Policy is provided in Board Report 22-21.

4. Establish a Facility Plan for DCP Staff

Initiative: As part of its annual resource review conducted in 2021, the Board discussed the potential costs involved with finding new facilities to house DCP staff. The Board approved establishing a facility plan for DCP staff as a strategic initiative for 2022.

Status: In progress. An update regarding this strategic initiative is provided in Board Report 22-27.

PLAN DESIGN AND ADMINISTRATIVE INITIATIVES

5. Establish Plan for Ongoing Investment Menu Design and Review

Initiative: In connection with its most recent Investment Policy Statement (IPS) training, the Board discussed the benefits of establishing a structure for the ongoing review and design of potential future changes to the DCP investment menu. The Board approved establishing a plan for ongoing investment menu design and review as a strategic initiative for 2022.

Status: **In progress.** An update regarding this strategic initiative is provided in Board Report 22-22.

6. Implement Deemed IRA

Initiative: The Board approved implementing the Deemed IRA as a strategic initiative for 2022.

Status: **In progress.** At its June 18, 2019 meeting, the Board reviewed Board Report 19-21 and directed staff to develop a detailed set of recommended Deemed IRA design features for consideration by the Board. At its December 15, 2020 meeting, the Board reviewed staff's analysis of the Deemed IRA option in Board Report 20-45. The Board adopted staff's recommendation to direct the Investments Committee to work with staff and the DCP investment consultant to develop options and considerations for a potential alternative investment menu design for the DCP Deemed IRA. At the Board's January 18, 2022 meeting, staff indicated that the Investments Committee met on January 5, 2022, and was provided information regarding developing a proposal for constructing an investment menu based on some variation of mutual fund versions of Collective Investment Trusts (CITs) selected for the DCP Core Menu; that Committee members asked for additional information related to the implementation of a Deemed IRA, including with respect to administrative requirements, soliciting more detailed participant feedback on investment design and participating in a Deemed IRA, and other implementation topics; and that as these issues relate to matters both administrative and investment related, the report back from staff on these topics should be brought to the full Board rather than the Committee. The next step will involve developing, issuing and analyzing the results of a participant survey providing feedback on investment design and interest in participating in a Deemed IRA.

7. Initiate DCP Financial Audit

Initiative: The Board approved establishing further progress on the DCP financial audit as a strategic initiative for 2022.

Status: **Suspended.** This item is suspended pending filling DCP vacancies. A contract with Crowe LLP to provide financial audit services for the DCP was executed on December 18, 2020. At its meeting on March 16, 2021, the Board deferred commencement of the audit

until the DCP Senior Personnel Analyst I or the DC Plan Manager position was filled. Staff also indicated at that meeting that audit project tasks might need to be customized given the current status of transitioning the City and Department of Water and Power (DWP) payroll systems. Since that Board action, implementation of the payroll element of the City's Human Resources and Payroll (HRP) conversion project has been delayed until January 2023. Once the staff resources are in place to support the audit, a full or modified (i.e. modified relative to the status of HRP and DWP payroll conversions) audit plan can be implemented.

PARTICIPANT OUTCOME INITIATIVES

8. Adopt Plan Year 2022 Participant Goals

Initiative: The Board approved adopting participant goals for Plan Year 2022 as a strategic initiative for 2022.

Status: **In process.** An update regarding this strategic initiative is provided in Board Report 22-26.

9. Expand Automatic Enrollment Program (AEP) Participation

Initiative: The Board approved expanding AEP participation as a strategic initiative for 2022.

Status: **Suspended.** This item is suspended pending filling DCP vacancies. In May 2018, the Los Angeles Police Protective League (LAPPL) signed a letter of agreement adopting the DCP's AEP. DCP staff subsequently engaged in meetings with labor organization leaders to gather feedback about interest in enrolling in the AEP. At its June 18, 2019 meeting, the Board approved staff's recommendation to coordinate a meeting of interested employee labor organizations to gather feedback and gauge interest in the AEP. Finalization and presentation of a supplementary optional AEP model to employee labor organizations has been suspended pending filling staff vacancies.

10. Develop Expanded Engagement Plan

Initiative: The Board approved developing an expanded engagement plan as a strategic initiative for 2022.

Status: **In progress.** This item will advance following the onboarding of Voya's new Strategic Initiatives Director. The objective is to create an engagement plan that includes the regular design and reporting of goals, strategies, and results. This engagement plan will consolidate previously approved initiatives, such as a survey plan and strategic communication plan, under a broader and more disciplined framework tied to goals for participant outcomes.

11. Complete Investment Advisory and/or Financial Education Services Review

Initiative The Board approved completing the investment advisory and/or financial education services review as a strategic initiative for 2022.

Status: Suspended. This item is suspended pending filling DCP vacancies. A Request for Information (RFI) for investment advisory and/or financial education services was issued on March 4, 2020. Staff's evaluation of responses to the RFI was addressed in Board Reports 20-34 and 20-38. Further review and discussion of the desirability and feasibility of adding new services can be addressed once the DCP is more fully resourced.