



Board Report 22-36

Date: June 7, 2022

To: Board of Deferred Compensation Administration

From: Staff

Subject: Deferred Compensation Plan Projects and Activities Report: April 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
Baldemar J. Sandoval
Jeremy Wolfson

Discussion:

Presentation regarding Deferred Compensation Plan (DCP) project and activity updates for April 2022:

A. Communications Updates

- **First Quarter 2022 Statements and April 2022 Newsletter** – DCP participant statements for the first quarter of 2021 (three-month period beginning January 1, 2022 and ending March 31, 2022) and the April 2022 newsletter were mailed to DCP participants on April 29, 2021. Participants who elected electronic delivery were sent an email notification on April 23, 2022 informing them that their individual statement and the April 2022 newsletter were available to view and download via the Voya participant website.
- **NAGDCA Leadership Award Nomination** – Staff has submitted an annual NAGDCA Leadership Award nomination submission for the DCP’s 2021 National Retirement Security Month Campaign. The submission is provided in **Attachment A**. The NAGDCA Awards Committee will review submissions and announce winners in July.
- **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

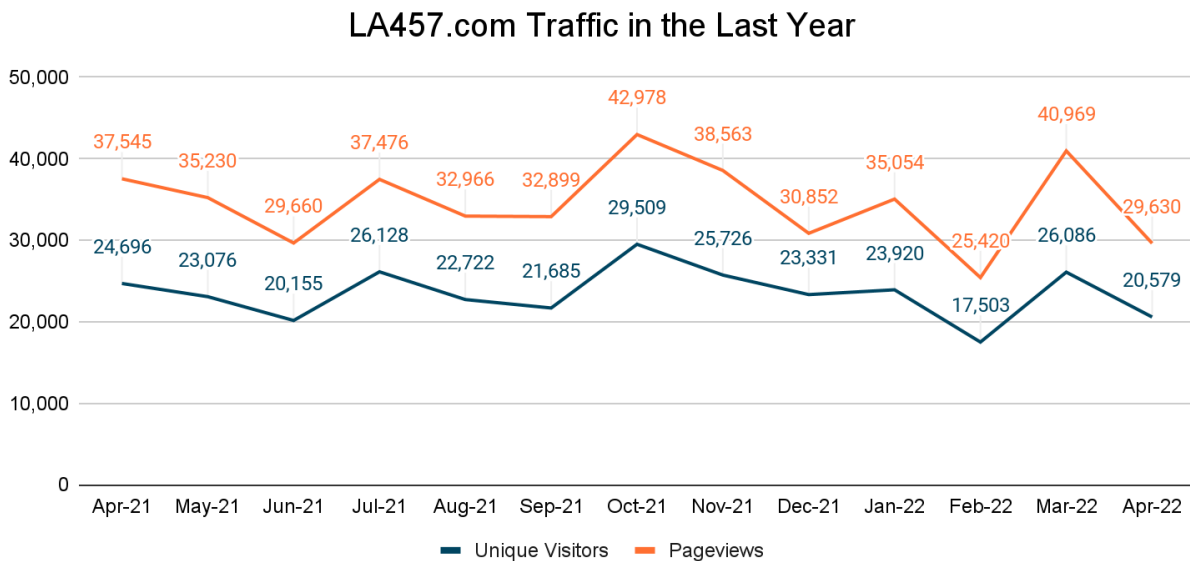
virtual meetings are held on the third Wednesday of every month from 12:00 to 1:00 p.m. Attendance for the April virtual meetings is provided in the following table:

Topic	Date	Attendance
Pre-tax vs After Tax Roth	April 20, 2022	56

- LA457.com Engagement Statistics: April 2022** – In April LA457.com saw 20,579 unique visitors and 29,630 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 April 2022	Views
1. Home	22,966
2. FAQs	830
3. Contact Us	803
4. Join the DCP	679
5. Contributions	506
6. Loans	385
7. Your Distribution Options	319
8. Investment Options	238
9. Board Meeting Materials	216
10. Money Matters	215

The following chart tracks LA457.com unique visitors and page views since April 2021.



B. 2022 DCP Strategic Initiatives Update

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

C. 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	100%	<i>Vacant</i>
Chief Management Analyst	Chief Management Analyst	Employee Benefits Chief	10%	Paul Makowski
Senior Benefits Analyst II	Senior Personnel Analyst II	Plan Governance	60%	Daniel Powell
Senior Benefits Analyst II	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 IV	Deputy City Attorney IV	Board Counsel	25%	Charles Hong
Legal Assistant	Legal Assistant	Participant Legal Services	40%	Vicky Williams

D. Committee Assignments

- On March 7, 2022 staff issued a brief survey to solicit Board member interest in serving on Board Committees. The Board Chairperson conducted a review of the survey results and provided the following Committee assignments to staff. Following are the updated Committee rosters:

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	Dana Brown	Joshua Geller
Baldemar J. Sandoval	Neil Guglielmo	Joshua Geller	Neil Guglielmo
	Jeremy Wolfson	Baldemar J. Sandoval	

E. Next Board Meeting

The next regular Board meeting will take place on June 21, 2022. Following is a tentative list of agenda items for that meeting:

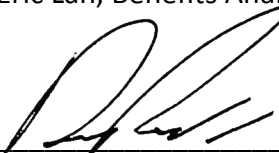
June 21, 2022 Regular Meeting Agenda Items
Board Report: AB 361 Review
Board Report: 2021 Annual Report
Board Report: DCP Plan Projects & Activities Report: May 2022
TPA Quarterly Review (Q1 2022)

Submitted by:



Eric Lan, Benefits Analyst

Approved by:



Daniel Powell, Senior Personnel Analyst II



2021 NAGDCA Leadership Award Submission: National Retirement Security Month



CITY OF *Los Angeles* DEFERRED COMPENSATION PLAN

PLAN PROFILE

The City of Los Angeles Deferred Compensation Plan (DCP) is an Internal Revenue Code Section 457(b) plan. As of December 31, 2021, the DCP had approximately \$9.4 billion in assets and 50,841 participants. The DCP has a participation rate of 75% and average participant contributions as a percent of salary of 7.57%.

IN THEIR OWN WORDS

“NRSM is one of the most challenging but fun projects we work on every year. The opportunity to blend creativity, education, and plan data into an engaging retirement readiness program that speaks to each participant truly makes all of the hard work worth it.”

—Eric Lan, Deferred Compensation Plan Communications, City of Los Angeles

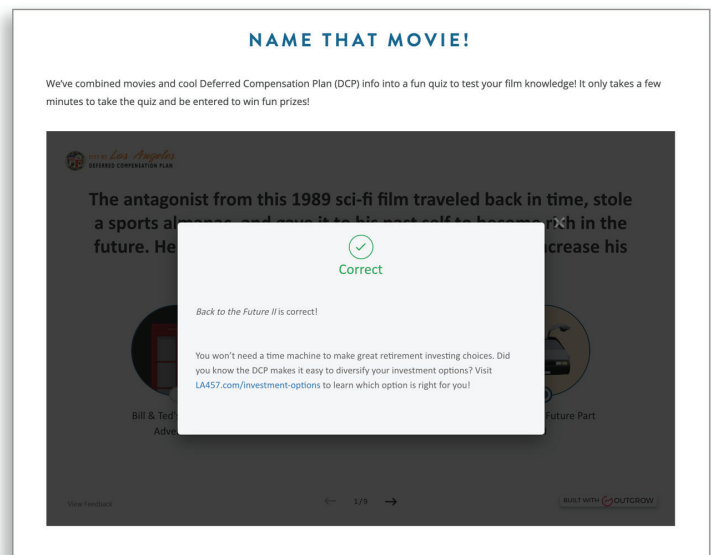
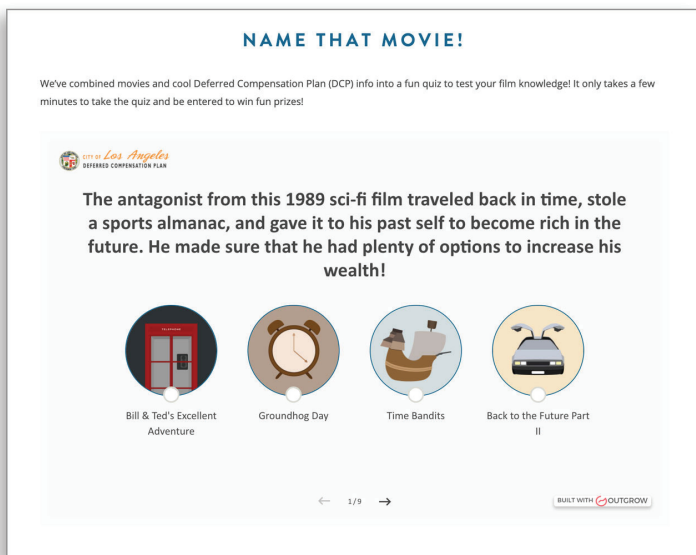
PROJECT SUMMARY

On September 27, 2021, DCP staff, in partnership with its Third-Party Administrator (TPA), Voya, launched their annual campaign for National Retirement Security Month (NRSM). The primary objectives of the campaign were to encourage participation, increase participant contributions, support asset retention of its retired participants, and promote greater awareness of the services and features offered by the DCP.

The City’s NRSM campaign was themed “**Back to the Movies with the DCP**,” highlighting the City of Los Angeles’ iconic reputation of being the home of movies. Consistent with the theme, the campaign featured a “**Name that Movie**” trivia quiz that tested participant movie history knowledge while also offering helpful DCP tips and education. Completion of this simple but engaging quiz entered participants into weekly prize raffle. Additionally, the campaign hosted two online “Money Matters” seminars (Money Matters seminars are an ongoing monthly educational forum produced by the DCP), one regarding enrolling in the DCP and the other regarding DCP loans. A unique innovation to this year’s campaign was a special video presentation offered through an exclusive collaboration between the DCP and the Broadcast Retirement Network (BRN), entitled **Relocating In Retirement: Practical Advice For Those Dreaming About “Big Moves.”** The collaboration featured a real estate expert, Scott Fuller, offering his expertise on the state of the real estate market across the country, tips for relocating into or out of California, special considerations for retirees looking for retiree-friendly retirement locations, and strategies for prospective buyers and sellers in the current real estate market.

The combination of engagement offerings resulted in the DCP’s highest ever NRSM campaign participation with 8,277 engagements—a 50% increase from the previous record-setting year!

The campaign was published on the **LA457.com** website and included the interactive quiz. The interactive quiz centered around eight movie plots. The following is a sample quiz question illustrating how we integrated a DCP feature promoting greater savings into our quiz answers:



PROMOTION

The DCP’s three distinct target audiences are **active participants**, **retired participants**, and **eligible non-participating employees**. Communications informing the three distinct audiences included direct email, social media posts, and mailed postcards. An invitation to join in the fun was also included with the third quarter newsletter and statement.

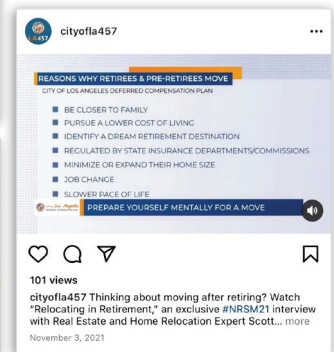
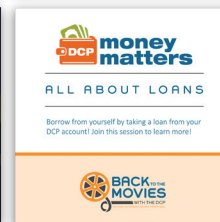
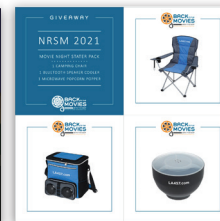
CAMPAIGN OVERVIEW AND DELIVERABLES

	WEEK 1 (9/27-10/2)	WEEK 2 (10/3-10/9)	WEEK 3 (10/10-10/16)	WEEK 4 (10/17-10/23)	WEEK 5 (10/24-10/30)	WEEK 6 (10/31-11/8)
Homepage Banner	City Email (Active and Eligible Employees)	Social Media Posts	Social Media Posts	Social Media Posts	Social Media Posts	Social Media Posts
Social Media Giveaway Campaign Launch	Voya Email (Active and Retired)		Money Matters: Enrollment	DCP Newsletter	Money Matters: All About Loans	Partner Promotion—Wellness Newsletter
Landing Page	Postcard (Active, Eligible Employees, Retired)			City Email (Active and Eligible Employees)	City Email (Active and Eligible Employees)	Partner Promotion—Personnel Newsletter
“Name that Movie!” Quiz Launch	“Relocating in Retirement” Video Launch			Voya Email (Active and Retired)	Voya Email (Active and Retired)	
Partner Promotion—Wellness Newsletter	Partner Promotion—Personnel Newsletter					

Postcard



Social Media (our Instagram handle is @cityofla457)





Email

IT'S SHOWTIME!
See what's premiering for National Retirement Security Month!

Have we got a show for you! Check out the special content and fun games the City's Deferred Compensation Plan (DCP) is bringing you for National Retirement Security Month (NRSM).

[Visit LA457.com/nrsm2021](https://LA457.com/nrsm2021)

Curious about what's going on with the real estate market? Do you like to dream about future homes? This year's special feature is an **exclusive interview** with real estate and relocation expert **Scott Fuller**. It's available for viewing **now through October 31!** Check it out by clicking the image below.

AN INTERVIEW WITH REAL ESTATE EXPERT SCOTT FULLER
Relocating in Retirement
Practical Advice for those Dreaming About "Big Moves"
A SPECIAL NATIONAL RETIREMENT SECURITY MONTH OFFERING

Take the Quiz!

Name That Movie!
We've combined movies and DCP info into a fun quiz to test your film knowledge! Take the quiz anytime **now thru October 31** for a chance to win weekly raffle prizes.

Instagram Giveaway

Instagram Giveaway
We're giving away 10 Movie Night Starter Packs! Check out our Instagram (@cityofla457) to see how to win! Giveaway ends **October 31 at 11:59 PM PT**.

[NRSM 2021 Rules](#)

Join us on Zoom for two engaging and informative presentations on enrolling in the DCP and accessing the DCP's loans feature. Register today at the links below!

[October 13 - Enrollment](#)
[October 27 - Loans](#)

City of Los Angeles Deferred Compensation Plan
200 N. Spring Street, Room 867
Los Angeles, CA 90012
LA457.com | 213-978-1601

[Contact Us](#)

Homepage Banner

WELCOME TO THE CITY OF LOS ANGELES
DEFERRED COMPENSATION PLAN

It's National Retirement Security Month! Take our quiz for a chance to win prizes!

[JOIN THE DCP](#)

It's National Retirement Security Month! Take our quiz for a chance to win prizes!

\$8.8	50,446	71.5%	7.57%	3,701
Billion Invested with the DCP	DCP Participants	Participation Rate	Average Savings Rate	Participants Using Percent of Pay

Landing Page (this page is still live at LA457.com/nrsm2021)

IT'S SHOWTIME!
NATIONAL RETIREMENT SECURITY MONTH

Campaign has Ended! Thanks for playing!

Have we got a show for you! Check out the special content and fun games the DCP is bringing you for National Retirement Security Month (NRSM)!

- RELOCATING IN RETIREMENT - EXCLUSIVE PRESENTATION
- "NAME THAT MOVIE!" QUIZ + PRIZES
- SOCIAL MEDIA GIVEAWAY
- NRSM MONEY MATTERS SESSIONS

RELOCATING IN RETIREMENT
PRACTICAL ADVICE FOR THOSE DREAMING ABOUT "BIG MOVES"

Curious about what's going on with the real estate market? Do you like to dream about future homes? This year's special feature is an exclusive interview with Scott Fuller, Real Estate & Home Relocation Expert. It's available through November 8—don't miss out!

[WATCH HERE](#)

This special feature presentation is offered through an exclusive collaboration between the City's Deferred Compensation Plan and the Broadcast Retirement Network (BRN), a streaming platform focused on helping individuals achieve financial security and independence by providing unbiased and independent content. BRN shows are available at no-cost to viewers across over 100 streaming and smart tv platforms. To learn more, please visit <https://broadcastretirementnetwork.com/>.

Additional Resources:

- State Tax Rates
- Cost of Living Calculator
- 55+ Communities in the US
- City Comparisons
- Where in the US Would You Like to Retire?



Newsletters (from left to right: DCP Newsletter, Personnel Newsletter, Wellness Newsletter)

MEASURING CAMPAIGN EFFECTIVENESS

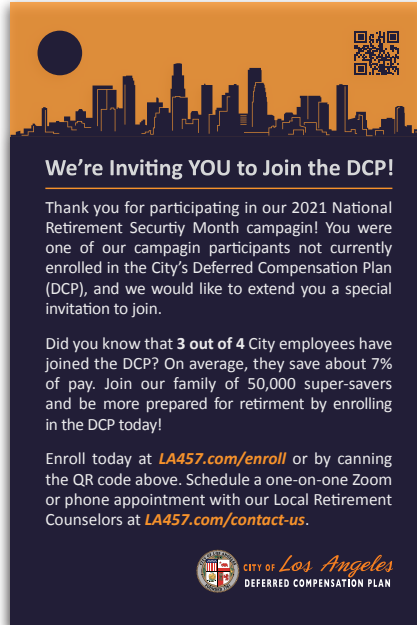
The 2021 NRSM campaign produced stellar engagement results, with 8,277 engagements recorded in all of the various campaign elements—a 50% increase from last year’s previously most successful campaign. In addition, we utilized customized links in outgoing communications to track and assess the website traffic resulting from various communication channels used to promote the campaign. We utilized Google Analytics to evaluate the communication channels that were most effective in drawing individuals to the campaign’s dedicated landing page. In total, the dedicated campaign-landing page, **LA457.com/NRSM2021**, received 29,054 pageviews and 23,786 unique pageviews exceeding last year’s unique pageviews by 164%. The following table summarizes key campaign metrics used to evaluate the success of the campaign:

METRIC	2021	% CHANGE	2020	% CHANGE	2019
Campaign Entries	6,470	17%	5,507	435%	1,029
Campaign Engagements	8,277	50%	5,507	137%	2,320
Campaign Total Pageviews	29,054	44%	20,173	N/A	N/A
Campaign Unique Pageviews	23,786	164%	8,993	90%	4,734
Total Account Logins	194,789	109%	93,127	57%	59,255
Total Calls Received	4,369	-6%	4,625	71%	2,704
Contribution Changes (%)	614	131%	266	8%	247
Contribution Changes (\$)	2,509	56%	1,606	33%	1,209

Citywide and Voya emails are the most effective communication channels for driving individuals to the campaign’s landing page. The largest response came from the second citywide and Voya emails. After the first email was sent, staff analyzed engagement metrics and decided to adjust subsequent communications to highlight the prizes to draw participants to click on the emails; this strategy was successful.

CAMPAIGN ENTRIES	CAMPAIGN UNIQUE PAGEVIEWS
Citywide and Voya Email 1	23,786
Citywide and Voya Email 2	4,133
Citywide and Voya Email 3	8,993
Postcard	495
Personnel Newsletter	553
Wellness Newsletter	60

In addition, staff identified 381 non-participating employees who engaged with the quiz and created a special targeted invitation for them to enroll in the DCP.



In December, these individuals were sent both an invitation to enroll in the DCP along with a thank you for participating in the NRSM campaign. As of April 1, 2022, 11% (41 employees) had enrolled in the DCP.

CONCLUSION

This year’s NRSM campaign was the most successful such campaign in the history of the DCP. Staff attributes this success to (a) providing an engaging, interactive, and easily actionable exercise; (b) offering new and appealing educational content in the form of the outside expert interview; and (c) the ongoing benefits of having developed a credible and respected brand, such that by all indications growing numbers of participants believe that what is being offered in these campaigns is worth the investment of their time and attention. Beyond the overall participation numbers, the most encouraging indication of the campaign’s success was the very tangible set of actions taken by eligible non-participants employees to enroll in the DCP and increase their contributions. In addition, featuring a broadly appealing real estate topic was uniquely engaging to retirees as well as many active employees, demonstrating the commitment of the City to its retired population and supporting asset retention for this population.

2022 DCP Strategic Initiatives

RESOURCE INITIATIVES

1. Fill DCP Leadership Positions: DC Plan Manager and Senior Benefits Analyst I/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 22-35. The Mayor's provided an update that they would support and approve of the DC Plan Manager exemption, and the request would be presented before the Personnel, Audits, and Animal Welfare Committee during the third week of June. Staff is working with Personnel Department's executive recruitment staff to develop a scope of work for recruiting firms.

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.** This position has been filled and the new staff person is working with City staff to develop a robust goals development initiative that will be presented to the Board for approval. An update regarding this strategic initiative is provided in Board Report 22-32.

3. Establish DCP Budget Policy

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

Status: **Complete.** A recommended DCP Budget Policy was provided in Board Report 22-21 and was subsequently adopted by the Board.

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. Staff has discussed leasing opportunities with both LAFPP and LACERS. The LAFPP options are detailed in Board Report 22-27. LACERS is preparing to move into its own building on Broadway later this year. LACERS staff indicated that there is a possibility that there will be space available for lease to the DCP, but it's not yet clear whether that will be the case. LACERS staff suggested that the DCP consider other leasing options, but consult with LACERS before making a final decision. DCP staff has reached out to the Department of General Services' Real Estate Services division for further assistance in identifying new leasing opportunities.

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: Complete. An update regarding this strategic initiative was provided in Board Report 22-22. The Board adopted staff's recommended various improvements to the investment and administrative review process.

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 22-32.

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. An update regarding this item is provided in Board Report 22-32.

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.