



Board Report 23-34

Date: September 19, 2023

To: Board of Deferred Compensation Administration

From: Staff

Subject: Deferred Compensation Plan Projects and Activities Report:
August 2023

Board of Deferred Compensation Administration

Thomas Moutes
Chair

Neil Guglielmo
Vice-Chair

Robert Schoonover
First Provisional Chair

Jeremy Wolfson
Second Provisional Chair

Joseph Salazar
Third Provisional Chair

Matthew Benham

Dana H. Brown

Linda P. Le

Carl Lurvey

Discussion:

Below are the Deferred Compensation Plan (DCP) project and activity updates for August 2023:

A. Operations and Project Updates

- **IRS Administrative Relief for SECURE 2.0 Roth Age 50+ Contributions** – On August 25, 2023, the IRS released additional guidance¹ for the SECURE 2.0 Act pertaining to Section 603, which addresses the requirement for Roth (after-tax) only deferrals for Age 50+ contributions for participants earning \$145,000 or more in the prior year. The notice clarifies the following points:
 - A two-year administrative implementation period will be provided, during which plans may continue to accept pre-tax contributions from all employees.
 - Catch-Up contributions may continue to be taken after 2023, correcting an inadvertent SECURE 2.0 drafting error that seemingly eliminated the option.

Additionally, future guidance regarding implementation of Section 603 will be forthcoming regarding:

- Confirmation on whether the provision applies to employees who have no prior-year FICA wages.
- Flexibility for plan administrators to treat high earners' pre-tax Catch-Up elections as Roth Catch-Up elections, for administrative ease.

¹ <https://www.irs.gov/newsroom/irs-announces-administrative-transition-period-for-new-roth-catch-up-requirement-catch-up-contributions-still-permitted-after-2023>

More information and a webinar session is made available by the National Association of Government Defined Contribution Administrators (NAGDCA) on this topic: <https://www.nagdca.org/roth-catch-up-guidance/>

- **Human Resources & Payroll (HRP) Project** – Updates on this project are provided separately this month, as submitted in Board Report 23-22.
- **Participant Services** – Staff has been working with Voya, the DCP’s third party administrator (TPA) and recordkeeper, to review processes and participant communications related to One-Time Contributions (as it pertains to clarifying the timing of changes made by participants and the inbound file received) and loans (as it pertains to addressing missed payments during leaves of absence and participants who make additional principal only payments).
- **Cybersecurity** – At the August 29, 2023 Special Meeting of the Board, it was requested that additional information be brought back related to the cybersecurity and the DCP. Staff is coordinating with Voya to schedule an informational session for the Board at a future date. Preliminary information related to Voya’s security stance and its S.A.F.E. guarantee is available here: <https://www.voya.com/terms-use/voya-security>

B. Communications Updates

- **Money Matters Zoom Virtual Meetings** – Money Matters sessions are held on the third Wednesdays of each month from 12:00 p.m. to 1:00 p.m. Sessions are advertised through the DCP website, the Personnel Department’s monthly Citywide newsletter, social media, and other communications content when timely. Attendance numbers are provided in the following table:

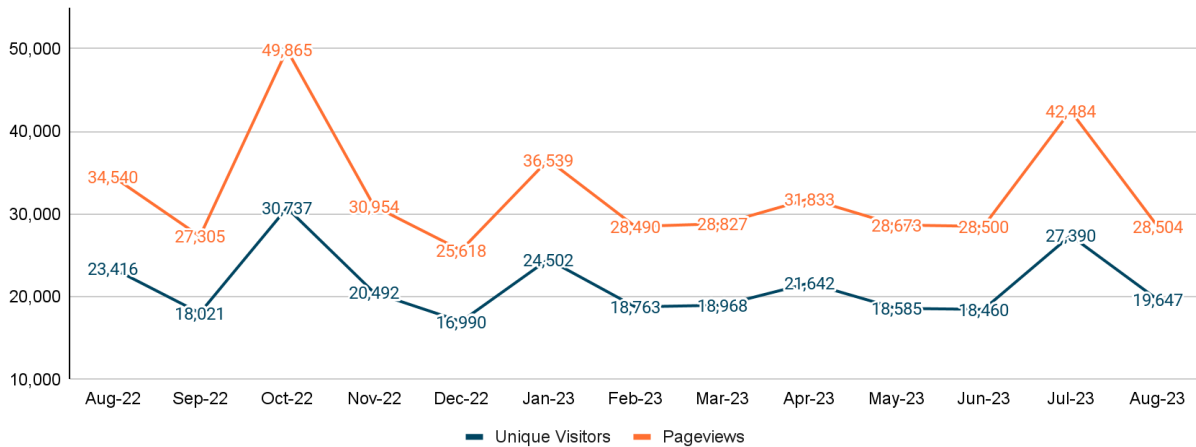
Topic	Date	Attendance
Distribution Options, RMDs, and Beneficiaries	August 16, 2023	31

- **LA457.com Engagement Statistics: August 2023** – LA457.com saw 19,647 unique visitors and 28,504 page views. The following table provides a review of the top ten website topics accessed by participants during the month.

Top 10 LA457.com Pages in August 2023	Views
1. Home	19,462
2. Loans	956
3. Contact Us	948
4. Join the DCP	837
5. Your Distribution Options	766
6. FAQs	751
7. Contributions	718
8. Board Meeting Materials	276
9. Investment Options	228
10. Pension Savings Plan	202

The following chart tracks LA457.com unique visitors and page views over the past calendar year.

LA457.com Traffic in the Last Year



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%	Esther Chang
Senior Benefits Analyst II	<i>Vacant</i>	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	<i>Vacant</i>	Participant Research	100%	<i>Vacant</i>
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

The Plan Governance & Administrative Issues Committee convened on August 29, 2023 to conduct the annual DCP resource and assumptions review. Future meetings will be scheduled to address upcoming topics that include but are not limited to: SECURE 2.0 provisions, Board member term limits, alternates for ex-officio Board members, review of the DCP Bylaws.

The Investments Committee will convene on September 22, 2023, to review the investment menu structure for the plan.

Following are the current Committee rosters as designated by the Board Chairperson:

Plan Governance and Administrative Issues Committee	Investments Committee	Participant Engagement Committee	Ad Hoc Employer Match Program Considerations
Thomas Moutes, Chair	Jeremy Wolfson, Chair	Neil Guglielmo, Chair	Thomas Moutes
Matthew Benham	Neil Guglielmo	Dana H. Brown	Neil Guglielmo
Neil Guglielmo	Thomas Moutes	Joseph Salazar	
	Joseph Salazar		

E. Next Board Meeting

The next regular Board meeting is scheduled for October 17, 2023.

Following is a tentative list of upcoming agenda items:

October 17, 2023 Regular Meeting Agenda Items
Board Report: 2022 Annual Report
Board Report: Recommendations from the Investments Committee
Board Report: DCP Projects and Activities – September 2023

November 21, 2023 Regular Meeting Agenda Items
Board Report: NAGDCA Learnings
Quarterly Investments Update: Mercer – Q3 2023
Board Report: DCP Projects and Activities – October 2023

December 19, 2023 Regular Meeting Agenda Items
Board Report: 2023 National Retirement Security Month Campaign Results
Board Report: Quarterly Staffing Reimbursements – Q3 2023
Quarterly Plan Update: Voya – Q3 2023
Board Report: DCP Projects and Activities – November 2023

Submitted by: Eric Lan, Benefits Analyst
Reviewed by: Esther Chang, Defined Contribution Plan Manager