



CITY OF *Los Angeles*  
DEFERRED COMPENSATION PLAN



# City of Los Angeles

## Deferred Compensation Plan

---

First Quarter 2023 Review



CITY OF *Los Angeles*  
DEFERRED COMPENSATION PLAN



For discussion

Updates – News – Trends

Plan Health

DCP Communications 2023

Employee Engagement

Appendix



CITY OF *Los Angeles*  
DEFERRED COMPENSATION PLAN



# Updates – News – Trends



## Q1 2023 Plan Summary

### ➤ Assets and Cash Flow

- Q1 2023 plan assets increased by 5.5% from the prior quarter. This is mainly attributable to contributions and positive earnings. Assets were \$8,482,590,981 at the close of the first quarter.
- With a surge in rollovers into the plan, cash flow was a positive \$5,909,578 for the quarter. LAFPP rollovers accounted for 80% of the increase in rollovers for the quarter.
- The average account balance at quarter-end was \$163,438 and the number of participants with balances increased by 227 during the quarter resulting in 51,901 participant accounts as of March 31, 2023.

### ➤ Investment Composition

- The DCP Large Cap Fund, Stable Value Fund and the Schwab brokerage option continue to hold the largest percentage of plan assets.

### ➤ Participant Activity

- There was also an increase in partial rollovers out of the plan from the prior quarter. In Q1 2023, there were almost \$28.1 million in partial rollovers - an increase of \$10.5 million in prior quarter.





# Q1 2023 Transfer Activity by Investment

Investment Name	Transfers In	Transfers Out	Net
SCHWAB BROKERAGE	\$45,532,848	(\$22,717,221)	\$22,815,627
FDIC INSURED SAVINGS ACCOUNT	\$38,614,801	(\$40,230,506)	(\$1,615,704)
STABLE VALUE	\$53,243,820	(\$47,807,224)	\$5,436,597
ULTRA CONSERVATIVE PORTFOLIO	\$5,541,099	(\$5,438,152)	\$102,948
CONSERVATIVE PORTFOLIO	\$6,620,973	(\$7,253,807)	(\$632,834)
MODERATE PORTFOLIO	\$7,136,815	(\$8,120,521)	(\$983,705)
AGGRESSIVE PORTFOLIO	\$6,371,181	(\$7,080,861)	(\$709,680)
ULTRA AGGRESSIVE PORTFOLIO	\$6,497,479	(\$8,228,173)	(\$1,730,694)
DCP BOND FUND	\$14,620,773	(\$12,108,106)	\$2,512,668
DCP LARGE CAP FUND	\$32,588,071	(\$55,093,783)	(\$22,505,712)
DCP MID CAP FUND	\$5,228,283	(\$7,756,436)	(\$2,528,153)
DCP SMALL CAP FUND	\$15,858,069	(\$16,002,542)	(\$144,473)
DCP INTERNATIONAL FUND	\$5,947,069	(\$5,196,582)	\$750,487
<b>TOTAL</b>	<b>\$243,801,281</b>	<b>(\$243,033,914)</b>	<b>\$767,372</b>





CITY OF *Los Angeles*  
DEFERRED COMPENSATION PLAN



# Plan Health





# Plan Overview

	2022 Q2	2022 Q3	2022 Q4	2023 Q1
Total Plan Participants (Active/Terminated)	51,413 (35,245/16,168)	51,518 (34,955/16,563)	51,674 (35,061/16,613)	51,901 (35,087/16,814)
Total Plan Participant with a Beneficiary	-	-	-	46,799
Total Plan Assets	\$7,906,363,475	\$7,679,392,506	\$8,035,340,110	\$8,482,590,981
Average Balance	\$155,085	\$149,059	\$155,501	\$163,438
Median Balance	\$59,069	\$57,061	\$60,022	\$62,632





# Cash Flow Summary

## Cash In

Pre-tax Contributions	\$67,002,741.39
Roth Contributions	\$15,427,930.89
Rollover Contributions	\$47,186,671.88
Loan Repayments	\$19,831,646.76
Other	\$8,268,610.57

**Total Cash In** **\$157,717,601.49**

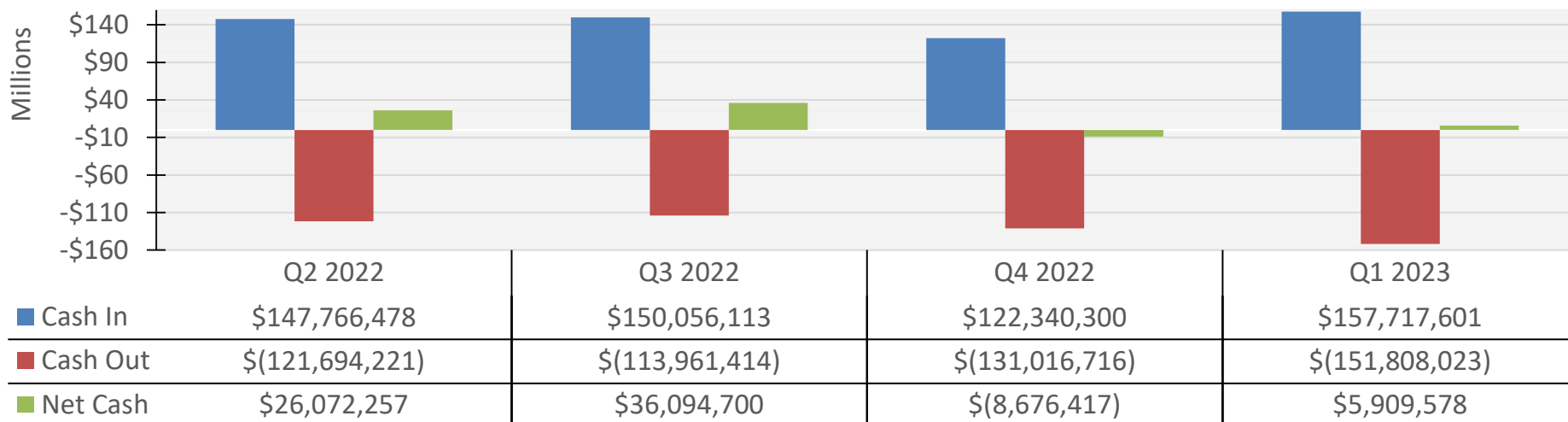
## Cash Out

Distributions	(\$64,848,477.70)
Rollovers	(\$57,403,793.75)
Loans Issued	(\$20,229,650.51)
Fees	(\$1,057,490.96)
Other	(\$8,268,610.57)

**Total Cash Out** **(\$151,808,023.49)**

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

**Net Cash Flow** **\$5,909,578.00**





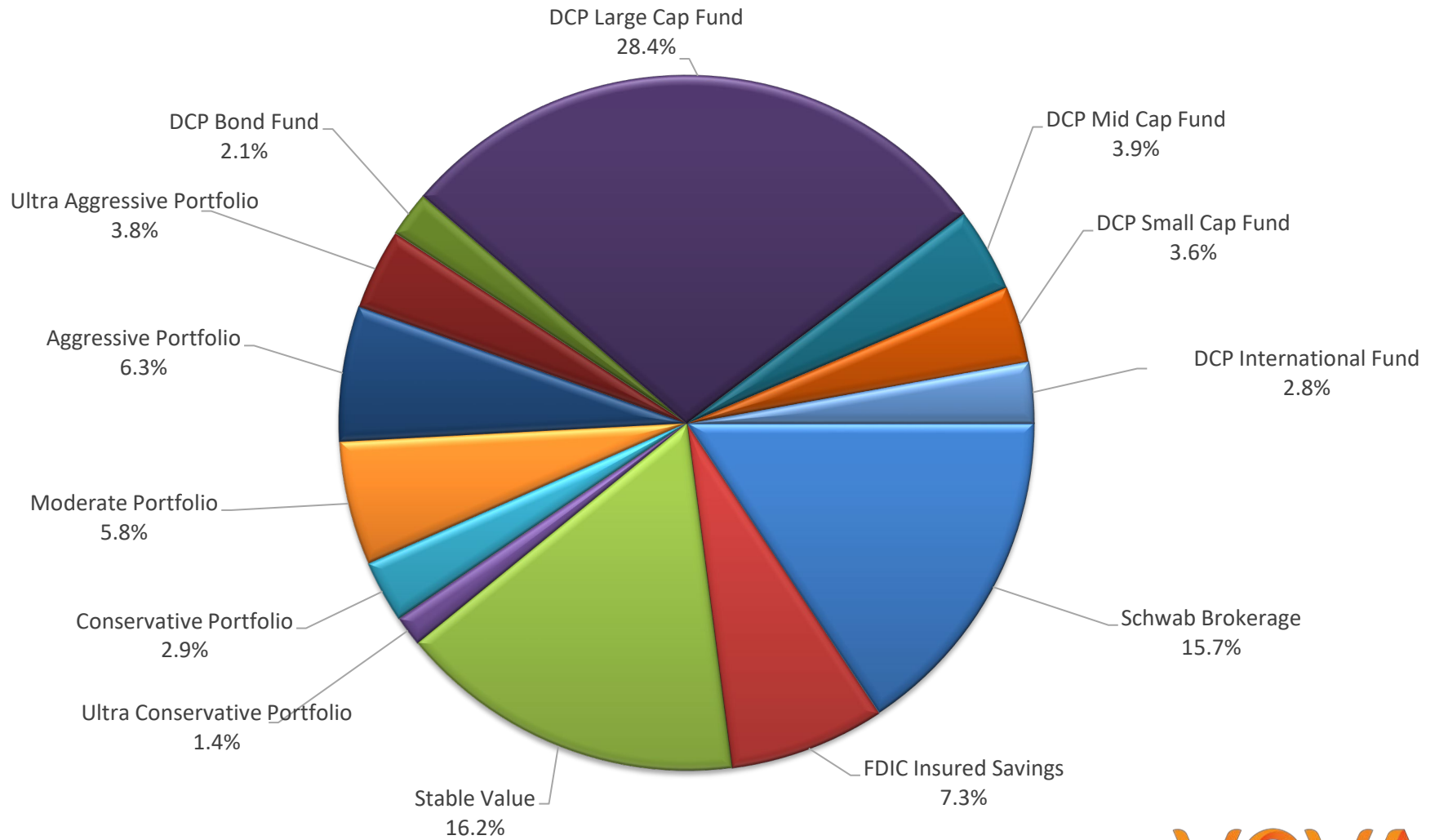


# Balances by Investment

Investment	Investment Balance	Number of Participants	Average Participant Balance	Percentage of Plan Assets
SCHWAB BROKERAGE	\$1,327,592,679.79	7,011	\$189,358.53	15.7%
FDIC INSURED SAVINGS ACCOUNT	\$616,513,164.67	13,188	\$46,748.04	7.3%
STABLE VALUE	\$1,373,721,896.93	13,717	\$100,147.40	16.2%
ULTRA CONSERVATIVE PORTFOLIO	\$118,858,057.98	3,096	\$38,390.85	1.4%
CONSERVATIVE PORTFOLIO	\$244,351,429.70	5,630	\$43,401.67	2.9%
MODERATE PORTFOLIO	\$488,064,914.27	12,193	\$40,028.29	5.8%
AGGRESSIVE PORTFOLIO	\$533,489,100.72	14,384	\$37,089.06	6.3%
ULTRA AGGRESSIVE PORTFOLIO	\$318,308,341.81	10,768	\$29,560.58	3.8%
DCP BOND FUND	\$180,802,229.82	6,768	\$26,714.28	2.1%
DCP LARGE CAP FUND	\$2,407,958,772.48	21,607	\$111,443.46	28.4%
DCP MID CAP FUND	\$331,380,238.72	8,491	\$39,027.23	3.9%
DCP SMALL CAP FUND	\$303,673,840.13	9,438	\$32,175.66	3.6%
DCP INTERNATIONAL FUND	\$237,876,313.60	8,798	\$27,037.54	2.8%
<b>Total Investment Balance:</b>	<b>\$8,482,590,980.62</b>			
<b>Total Outstanding Loans:</b>	<b>\$166,930,876.03</b>			



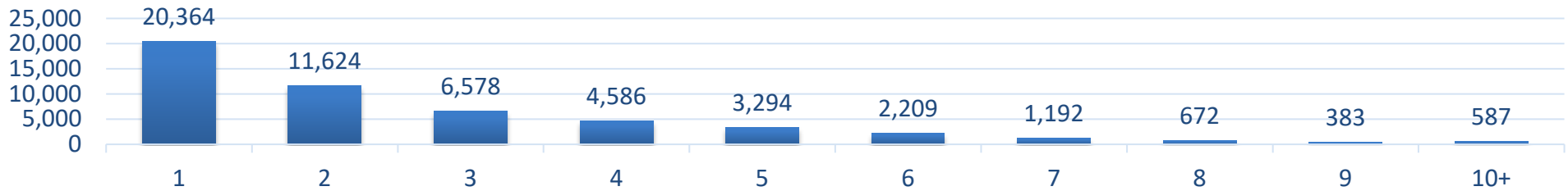
# Percentage of Plan Assets



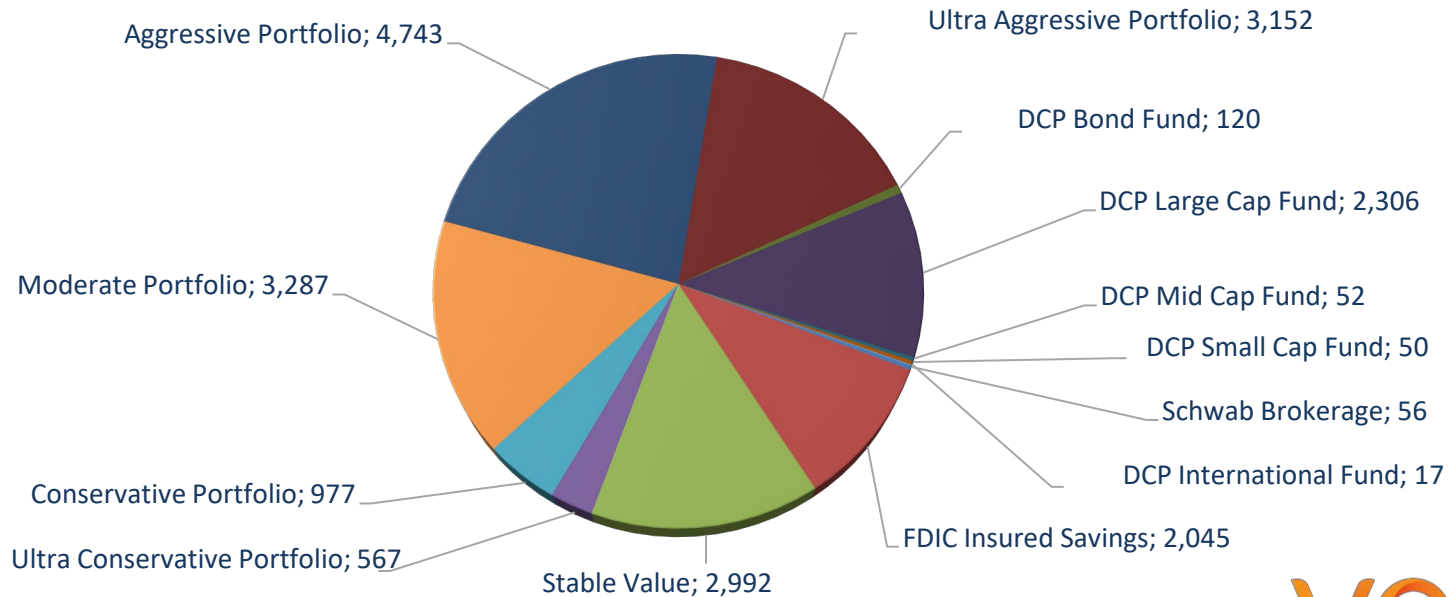


# Diversification- All Investment Options

Participants with Balances by Number of Investments



Participants with a Balance in a Single Investment

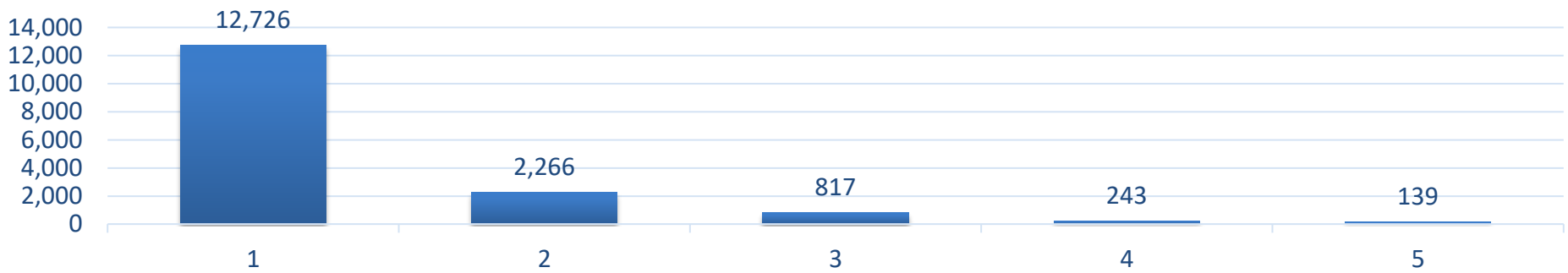




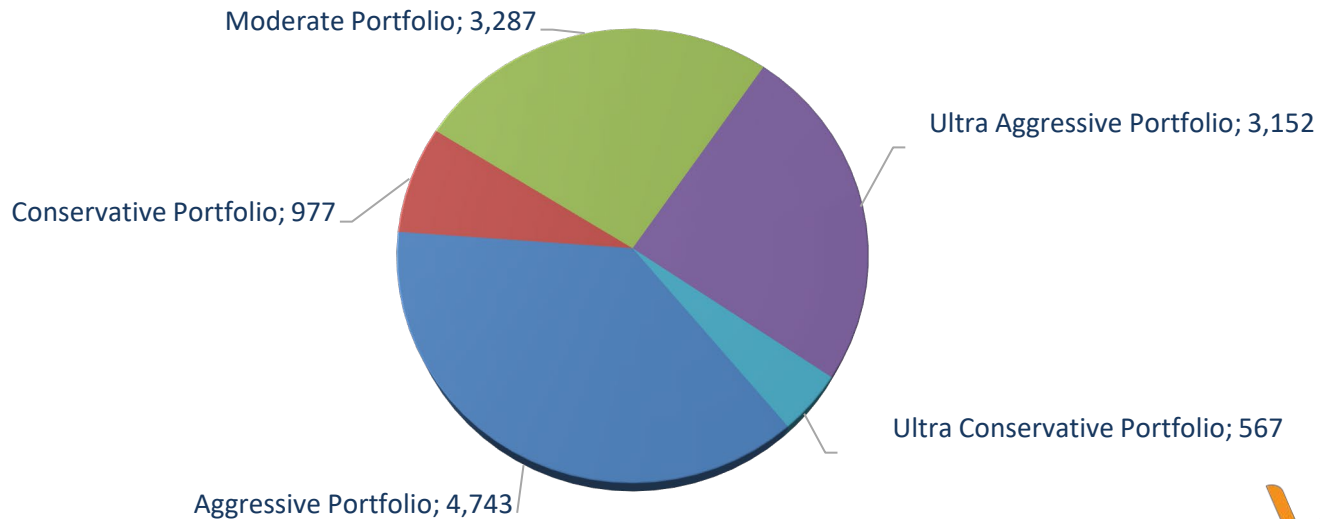


# Diversification- Portfolio Funds Only

Participants with Balances by Number of Investments



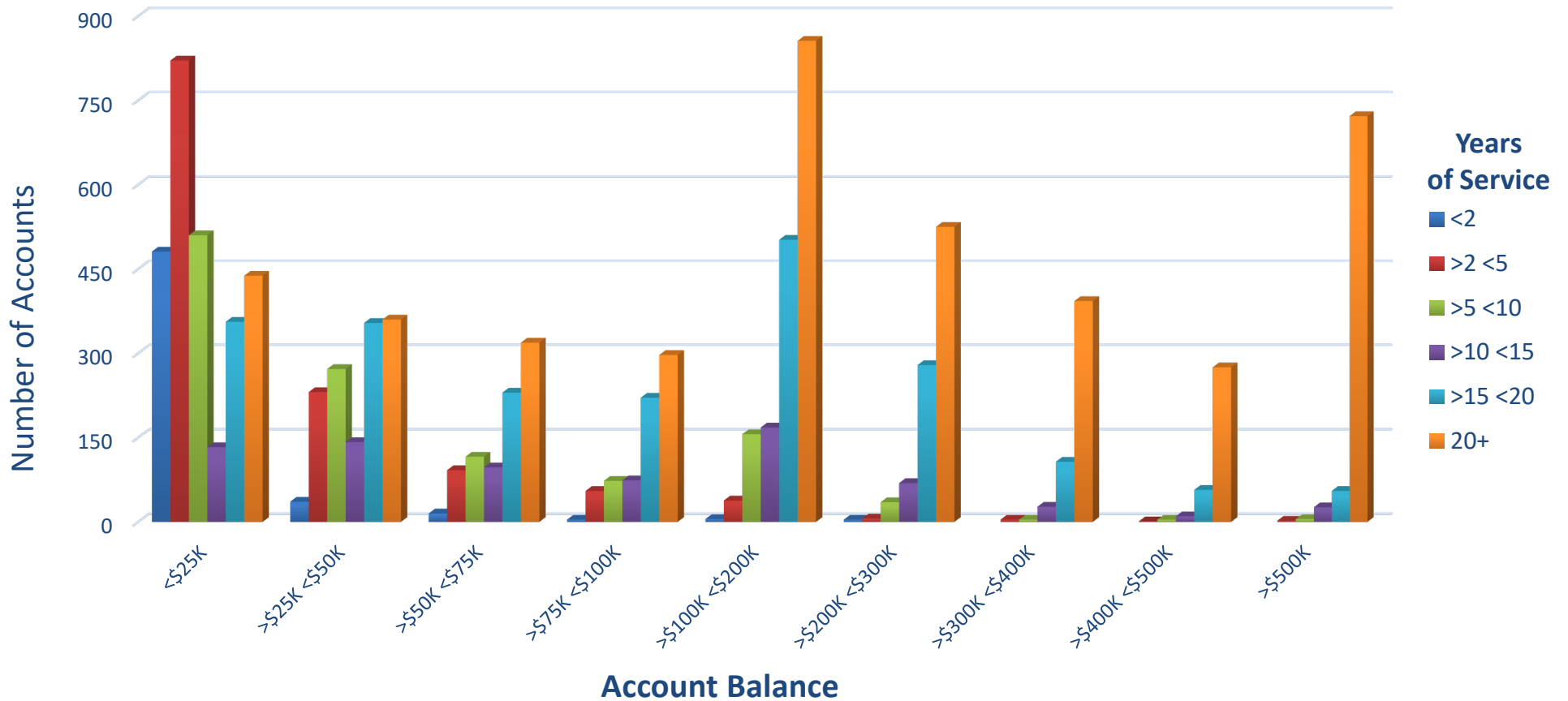
Participants with a Balance in a Single Investment





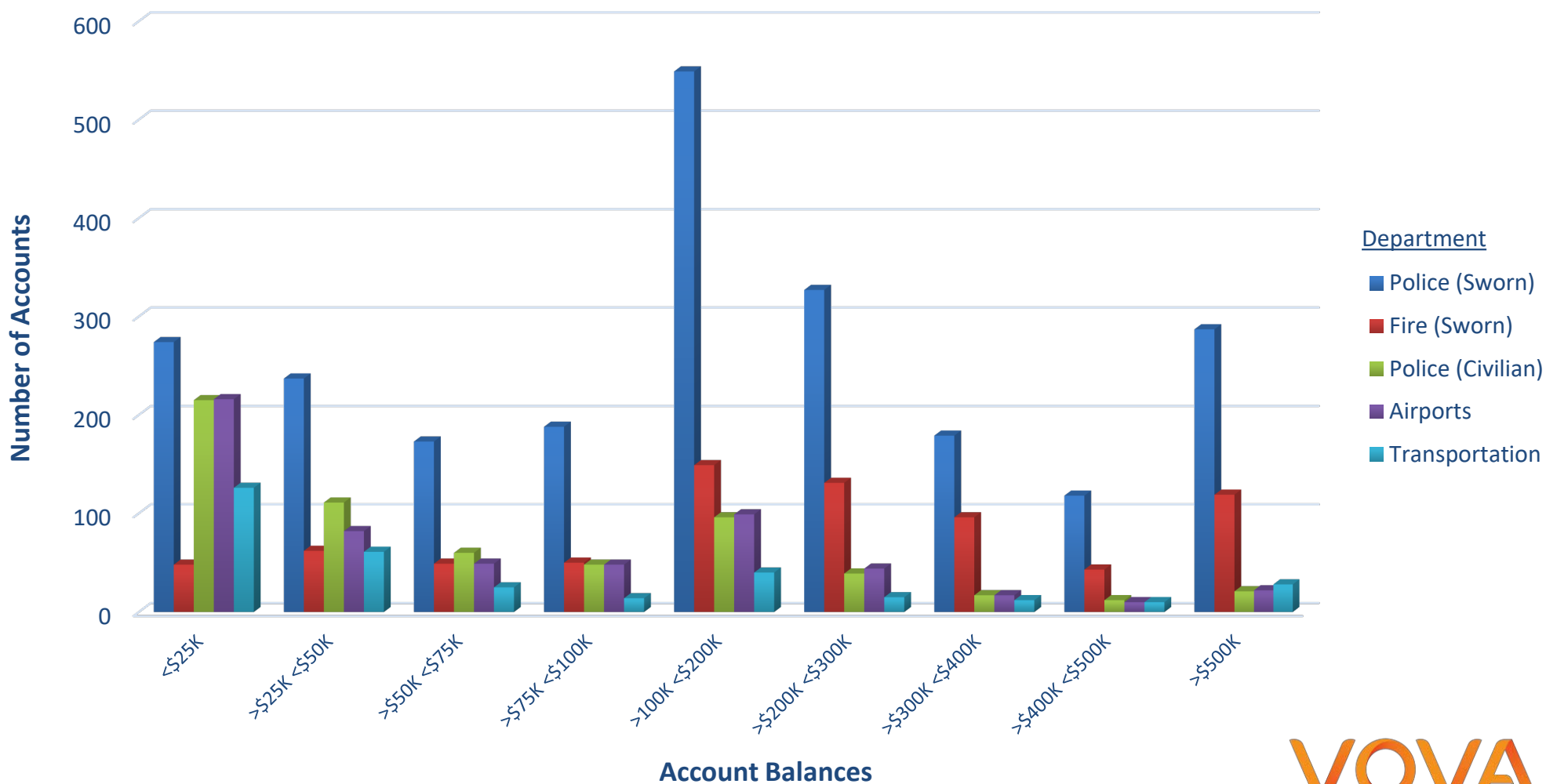


# Active Participant Account Balances, by Years of Service

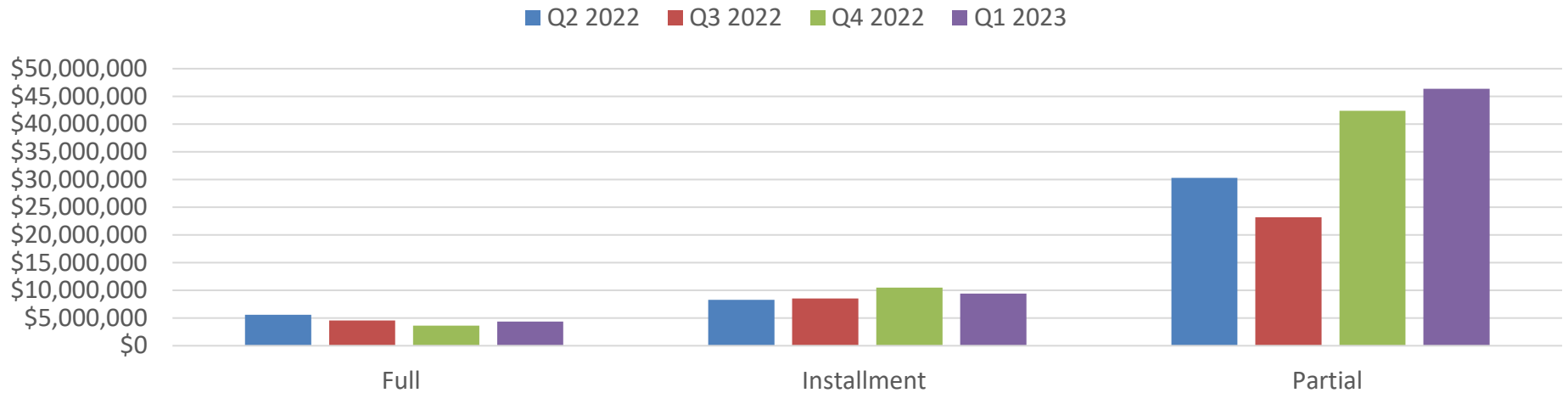




# Account Balances- Top 5 City Departments by Active Participant Count



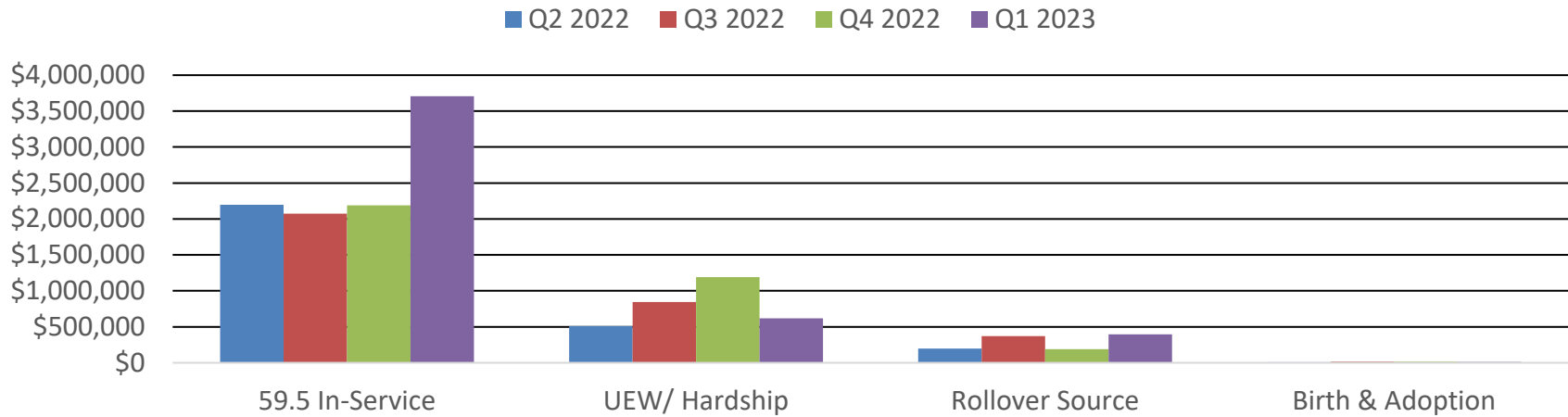
# Participant Outcomes: Distribution Types by Quarter



		Q2 2022		Q3 2022		Q4 2022		Q1 2023	
		Amount	Participant Count	Amount	Participant Count	Amount	Participant Count	Amount	Participant Count
Full	Ptp	\$4,705,302	160	\$3,124,259	143	\$2,606,142	122	\$3,697,341	143
	QDRO	\$91,686	5	\$396,769	8	\$217,659	7	\$116,506	5
	Bene	\$760,391	22	\$1,001,596	14	\$768,696	19	\$542,261	16
Install	Ptp	\$8,026,008	1,619	\$8,121,902	1,565	\$9,967,482	1,858	\$9,041,352	1,608
	Qdro	\$17,512	5	\$19,796	5	\$24,330	6	\$29,366	5
	Bene	\$240,912	58	\$372,364	64	\$472,641	109	\$329,525	64
Partial	Ptp	\$28,936,348	961	\$22,124,164	949	\$38,850,183	2,680	\$44,513,445	1,493
	Qdro	\$331,807	23	\$370,088	27	\$298,009	41	\$524,770	24
	Bene	\$1,025,220	63	\$705,159	39	\$3,234,181	299	\$1,324,354	57
Total		\$44,135,187	2,916	\$36,236,094	2,814	\$56,439,323	5,141	\$60,118,920	3,415

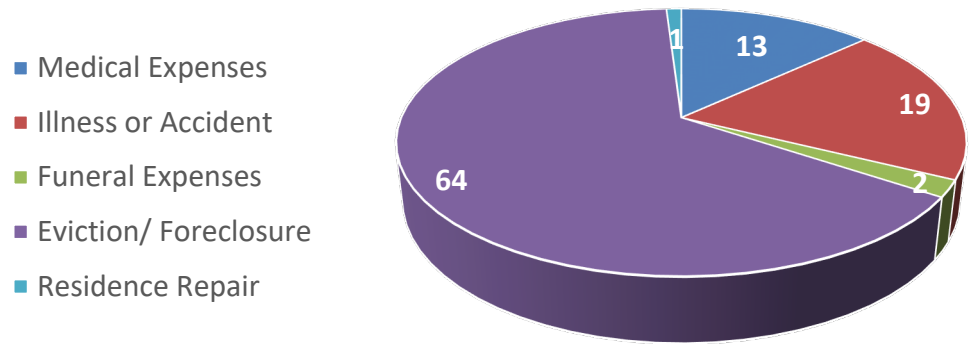


# Participant Outcomes: In-Service Withdrawals by Quarter



	Q2 2022		Q3 2022		Q4 2022		Q1 2023	
	Amount	Participant Count	Amount	Participant Count	Amount	Participant Count	Amount	Participant Count
59.5 In-Service	\$2,196,127	84	\$2,074,274	99	\$2,190,359	83	\$3,704,740	121
UEW/Hardship	\$512,415	83	\$843,573	94	\$1,189,843	98	\$619,551	82
Rollover Source	\$197,747	23	\$371,649	15	\$190,577	21	\$395,767	22
Birth & Adoption	\$6,261	2	\$14,800	4	\$15,000	3	\$9,500	2
<b>Total</b>	<b>\$2,912,550</b>	<b>192</b>	<b>\$3,304,296</b>	<b>212</b>	<b>\$3,585,779</b>	<b>205</b>	<b>\$4,729,558</b>	<b>227</b>

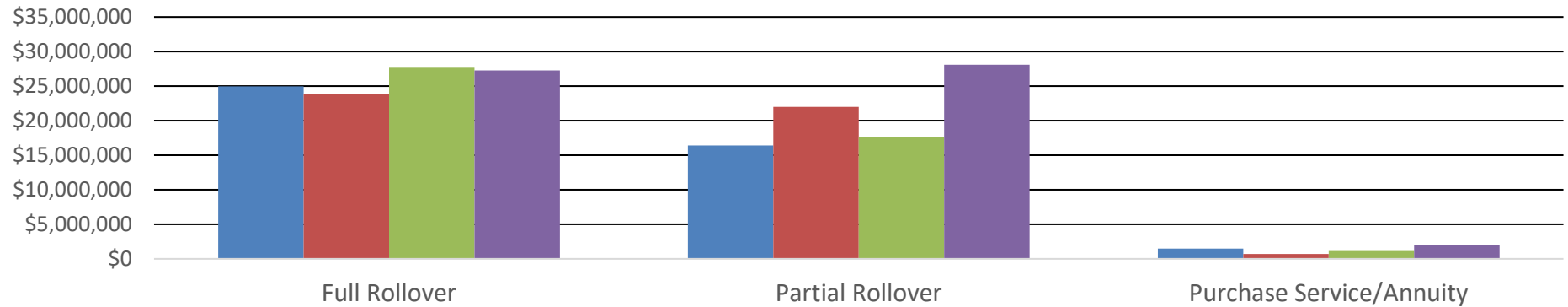
## Unforeseeable Emergency Withdrawal (UEW) Reasons





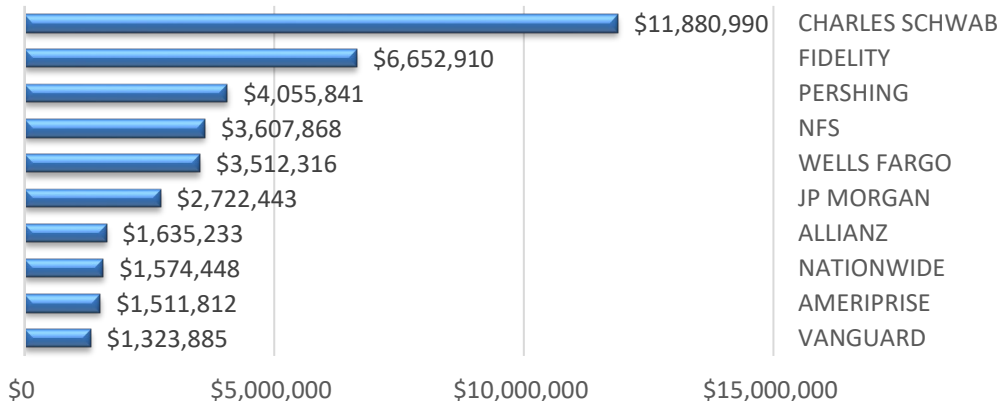
# Participant Outcomes: Rollovers

■ Q2 2022 ■ Q3 2022 ■ Q4 2022 ■ Q1 2023

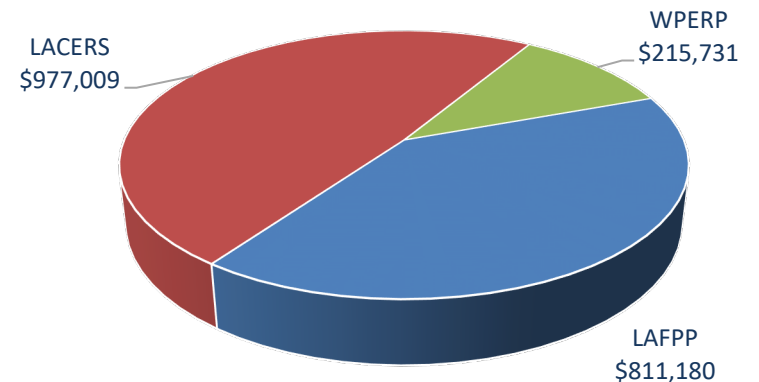


	Q2 2022		Q3 2022		Q4 2022		Q1 2023	
	Amount	Participant Count	Amount	Participant Count	Amount	Participant Count	Amount	Participant Count
Full Rollover	\$24,964,510	119	\$23,930,423	111	\$27,660,757	116	\$27,290,909	128
Partial Rollover	\$16,406,184	71	\$21,994,710	73	\$17,630,983	73	\$28,108,965	96
Purchase Service/Annuity	\$1,494,470	119	\$694,872	84	\$1,141,345	94	\$2,003,920	122
<b>Total</b>	<b>\$42,865,164</b>	<b>309</b>	<b>\$46,620,005</b>	<b>268</b>	<b>\$46,433,085</b>	<b>283</b>	<b>\$57,403,794</b>	<b>346</b>

## Top 10 Rollover Providers by Dollar Amount



## Purchase of Service/Annuity by Provider

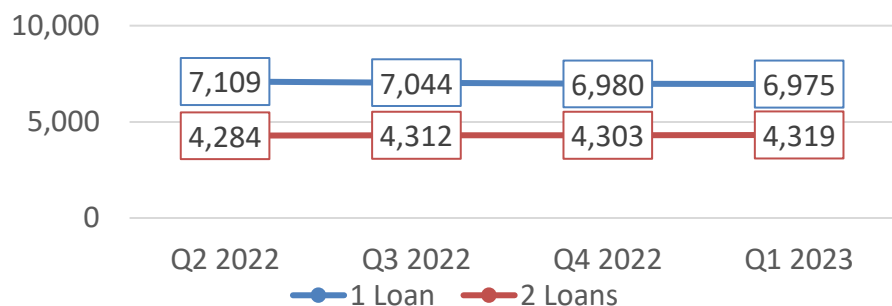




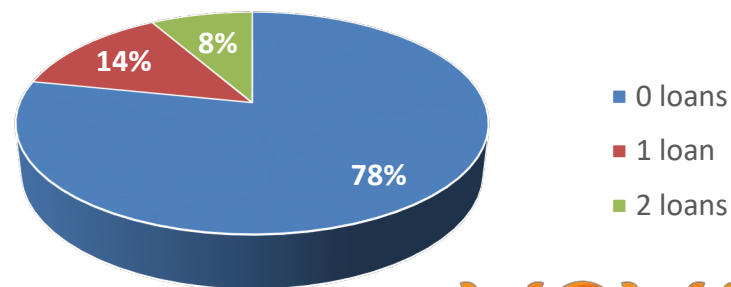
# Loan Trending

	Q2 2022	Q3 2022	Q4 2022	Q1 2023
Total Participants with Loans	11,393	11,356	11,283	11,294
Total Number of Outstanding Loans	15,677	15,668	15,586	15,613
Number of General Loans	14,094	14,114	14,055	14,127
Number of Residential Loans	1,583	1,554	1,531	1,486
Total Outstanding Loan Balance	\$161,456,537	\$162,342,369	\$158,649,635	\$159,881,530
General Loan Balance	\$134,274,513	\$135,892,892	\$132,962,150	\$135,006,225
Residential Loan Balance	\$27,182,024	\$26,449,477	\$25,687,485	\$24,875,305
Average Outstanding Loan Balance per Borrower	\$14,172	\$14,296	\$14,061	\$14,156
Number of Loans Re-amortized	218	217	148	156
Number of Loans in Arrears >30 days	-	-	-	106
Number of Loan Defaults	206	162	199	212
Total New Loans Initiated	1,388	1,473	1,252	1,424
Average Amount of New Loans Initiated	\$14,211	\$13,181	\$13,327	\$14,213
New Loans Active	1,298	1,392	1,166	1,335
New Loans Separated from Service	90	81	86	89

Participant Loan Count, 1 Loan vs 2



Participant Loan Count, Summary



# The Schwab Personal Choice Retirement Account (PCRA) Quarterly Report

## CITY OF LA 457 DEFERRED COMP as of 3/31/2023

### Plan Profile Information

Plan Type	457B
Total PCRA Assets	\$1,325,665,869
Total Funded PCRA Accounts	8,341
Total Roth Assets	\$62,580,878
Total Funded Roth Accounts	1,651
Total Advisor Managed PCRA Assets	\$636,711,833
Total Advisor Managed Funded PCRA Accounts	3,874
PCRA Accounts Opened This Quarter	176
PCRA Assets In and Out This Quarter*	\$38,390,714
Average PCRA Account Balance	\$158,934

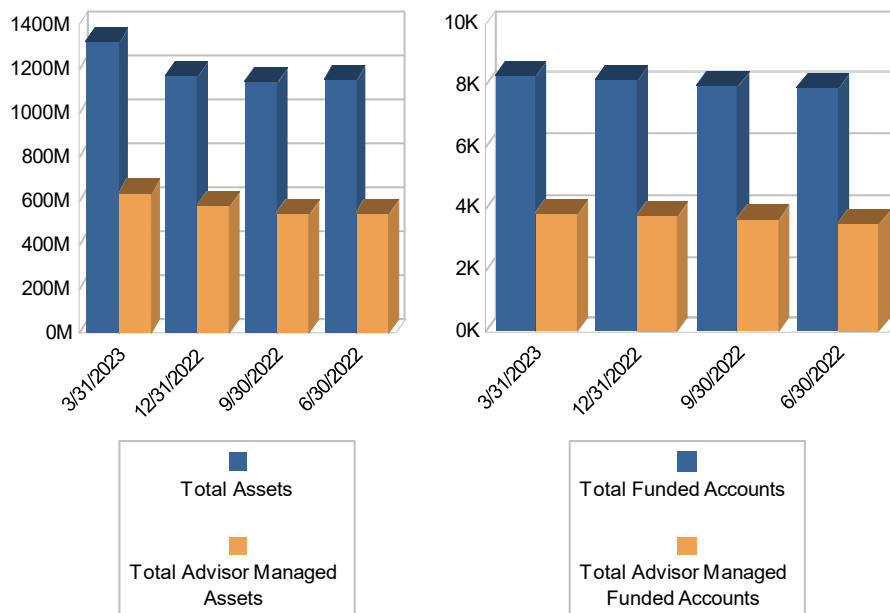
### PCRA Participant Profile Information

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

### Total Assets by Category

Cash Investments	\$133,333,618
Equities	\$541,714,282
ETFs	\$270,641,858
Fixed Income	\$109,262,352
Mutual Funds	\$271,506,680
Other	-\$792,921

### Assets and Accounts (Trailing 4 Quarters)



### Average Positions Per Account

Cash Investments	1.0
Equities	11.4
ETFs	3.0
Fixed Income	0.5
Mutual Funds	2.7
Other	0.1
Total	18.7

### Average Trades Per Account

Equities	6.0
ETFs	2.1
Fixed Income	0.1
Mutual Funds	5.4
Other	0.3
Total	13.9

\* Assets In and Out includes contributions and distributions.



CITY OF *Los Angeles*  
DEFERRED COMPENSATION PLAN



# DCP Communications





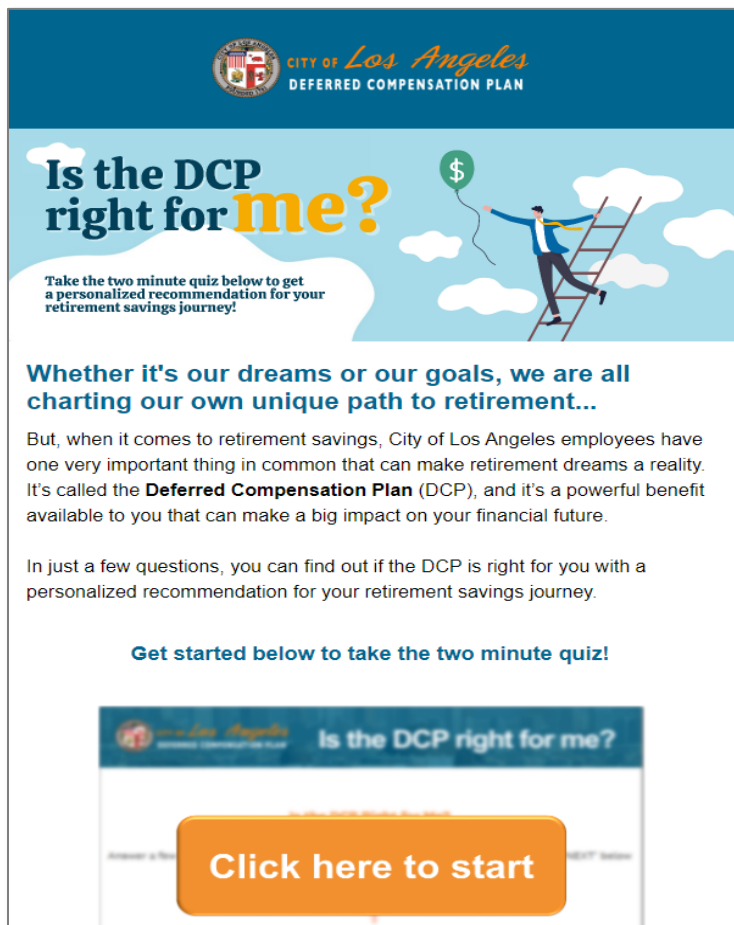


CITY OF *Los Angeles*  
DEFERRED COMPENSATION PLAN



# January 2023 Campaign: Enrollment

## Citywide Promotional Email



**Is the DCP right for me?**

Take the two minute quiz below to get a personalized recommendation for your retirement savings journey!

Whether it's our dreams or our goals, we are all charting our own unique path to retirement...

But, when it comes to retirement savings, City of Los Angeles employees have one very important thing in common that can make retirement dreams a reality. It's called the **Deferred Compensation Plan (DCP)**, and it's a powerful benefit available to you that can make a big impact on your financial future.

In just a few questions, you can find out if the DCP is right for you with a personalized recommendation for your retirement savings journey.

Get started below to take the two minute quiz!

[Click here to start](#)

## Blog post with embedded questionnaire



Is the DCP right for me? Take the two minute quiz below!

When it comes to planning for retirement, you may have questions about the savings options available through your employment with the City of Los Angeles. With our brief two minute quiz you'll find out if the Deferred Compensation Plan (DCP) is the right fit to help you reach your retirement goals. Get started below.

**Is the DCP Right for Me?**

Let's get started!

Are you a Full-Time Employee with the City of Los Angeles?

Yes

No

Prev Next

## Social media promotion @LA457



**Is the DCP right for me?**

Find out in two minutes or less if the Deferred Compensation Plan is right for you!

## Key Metrics & Results:

- 2,308 started questionnaire
- 53% completion rate (1,223)
- *Is the DCP Right for Me?* (3,158 views)
  - Most viewed blog post of May 2022 – May 2023





CITY OF *Los Angeles*  
DEFERRED COMPENSATION PLAN



# February 2023 Campaign: Catch-up Contributions

## Targeted Email Campaign (age 50+)

**CATCH UP**  
WITH YOUR RETIREMENT DREAMS.

Reaching your retirement goals with the DCP faster just got easier.

Dreaming about the things you want to do in retirement? Whether you have world travel on your mind or simply more time at home with family and friends, increased contribution limits and "catch-up" opportunities in the City of Los Angeles Deferred Compensation Plan (DCP) can get you there faster.

**How to save more**

If you're turning age 50 or above in 2023, you're eligible to save up to **\$7,500 more** in the City of LA Deferred Compensation Plan (DCP) in 2023. In fact, that means you're able to save a total of **\$30,000 this year**. What's more, if you're within three years before your eligible retirement age, the catch-up amount may be even higher. Get all the details on the [contributions page at LA457.com](#).

To take advantage of this opportunity to save even more, sign into your DCP account at [LA457.com](#), click on the *Contribution & Savings* tab, and select *Manage Contributions*. Get started below:

[Update my contributions](#)

## Postcard (age 50+)

**CATCH UP**  
WITH YOUR RETIREMENT DREAMS.

Reach your retirement goals even faster with increased contribution limits and catch-up opportunities in the City of Los Angeles Deferred Compensation Plan.

## Blog post

Increased contribution limits can help you catch-up with your retirement dreams

Contribution Limits	Annual Limit	Paycheck Amount*
Below Age 50	\$22,500	\$500
Age 50 or above**	\$30,000	\$1,250
Catch-up***	\$45,000	\$1,800

## Social media promotion (@LA457)

**CATCH UP**  
WITH YOUR RETIREMENT DREAMS.

Swipe to learn more!

## Key Metrics & Results:

- 10,713 emails sent
  - Open rate: 63%
  - Click-through rate: 11.25%
- 4,035 postcards sent
- *Contributions* page on LA457.com was the second most viewed page from Feb 21 – March 21, 2023







# March 2023 Campaign: Installment Withdrawals

## Targeted Email Campaign

(Age 50+, separated from service and active participants with a balance \$50k+)

**keep the fun going in retirement**  
WITH INSTALLMENT WITHDRAWALS FROM THE DCP

**We get it!** The idea of a large lump-sum payment from your retirement account may seem like the perfect way to celebrate your golden years. But, when it comes to your retirement income, taking **installment withdrawals** rather than a lump-sum may be a better way to keep the fun going for the long-haul. Here are three reasons why you may want to consider periodic installment withdrawals for your retirement income strategy:

- It may be hard to pace yourself**  
Let's face it, when you have your life savings looking right at you, it may be easy to go a little overboard. But with installment withdrawals, you can spread the joy out over time and avoid depleting your nest-egg too soon.
- The IRS might end the fun early**  
Taking a large single lump-sum payment (unless you are rolling it over to another tax-qualified account like an IRA) instead of taking periodic withdrawals over time may carry significant and immediate tax consequences.
- High fees can be a party-crasher**  
The City of Los Angeles is continually **negotiating low fees** for the investments funds participants choose in the DCP. When choosing installment

## Postcard

**keep the fun going in retirement**  
WITH INSTALLMENT WITHDRAWALS FROM THE DCP

**It's tempting, we get it!**  
The idea of a large lump-sum payment from your retirement account may seem like the perfect way to celebrate your golden years. But will the party end too soon if you run out of retirement income?  
**There may be a better way**  
With installment withdrawals from the City of Los Angeles Deferred Compensation Plan (DCP), you may be better positioned to make your hard-earned savings last for the long haul.  
Visit [LA457.com/participant-blog](http://LA457.com/participant-blog) or scan the code below to read our latest blog post on installment withdrawals and other distribution options.

City of Los Angeles Deferred Compensation Plan  
200 N. Spring Street, Room 917  
Los Angeles, CA 90012

Questions? Call us at 844-923-2427  
Monday - Friday, 8:00 a.m. to 5:00 p.m. PST

## Blog post

**Keep the fun going in retirement with installment withdrawals from the DCP**

APRIL 8, 2023

**We get it!** The idea of a large lump-sum payment from your retirement account may seem like the perfect way to celebrate your golden years. But, when it comes to your retirement income, taking installment withdrawals rather than a lump-sum may be a better way to keep the fun going for the long-haul. Here are three reasons why you may want to consider periodic installment withdrawals for your retirement income strategy.

**IT MAY BE HARD TO PACE YOURSELF**  
Let's face it, when you have your life savings looking right at you, it may be easy to go a little overboard. But with installment withdrawals, you can spread the joy out over time and avoid depleting your nest-egg too soon.

**THE IRS MIGHT END THE FUN EARLY**  
Taking a large single lump-sum payment (unless you are rolling it over to another tax-qualified account like an IRA) instead of taking periodic withdrawals over time may carry significant and immediate tax consequences.

**HIGH FEES CAN BE A PARTY-CRASHER**  
The City of Los Angeles is continually **negotiating low fees** for the investments funds participants choose in the DCP. When choosing installment withdrawals, you remain part of the DCP "party" and can continue to enjoy the benefits of the plan.

Rest assured, the DCP gives you the flexibility to determine a retirement income approach that's for you. Visit the distributions page on LA457.com below or [schedule an appointment](#) with one of our retirement counselors so you can enjoy your retirement years with confidence.

[Learn more about your distribution options](#)

← You keep our City working. Reward yourself with retirement savings from the DCP. → Increased contribution limits can help you catch-up with your retirement dreams →

## Key Metrics & Results:

- 13,962 emails sent
  - Open rate: 31%
  - Click-through rate: 6.92%
- 2,075 postcards sent
- *Distributions* page on LA457.com was the fourth most viewed page from April 4 – May 4, 2023





CITY OF *Los Angeles*  
DEFERRED COMPENSATION PLAN



# Employee Engagement

PLAN | INVEST | PROTECT







La Tanya Harris



Vincent Alvarez



Steve Harman



Tim Merwin



Carol Say

### 1Q 2023 Representative Activity

	2Q 2022	3Q 2022	4Q 2022	1Q 2023
Total Site Visits	-	-	-	5
Virtual Meetings	34	31	28	26
Meeting Attendees	934	708	521	1,071
Call Totals	2,381	2,152	2,365	2,532
Emails	1,730	1,627	1,767	2,210
Counter Service	-	-	-	61
Total Participation	5,045	4,487	4,653	5,874
Enrollments	50	104	62	145

### 1Q 2023 Highlights:

- Voya returned to City Hall for in-person visits on Tuesdays & Thursdays. The Voya
- Representatives conducted five (5) site visits including four (4) LAPD New Employee Orientations.
- Enrollments increased to 145 for the first quarter. 109 were attributable to the LAPD New Employee Orientations.



CITY OF *Los Angeles*  
DEFERRED COMPENSATION PLAN



# Thank You





CITY OF *Los Angeles*  
DEFERRED COMPENSATION PLAN

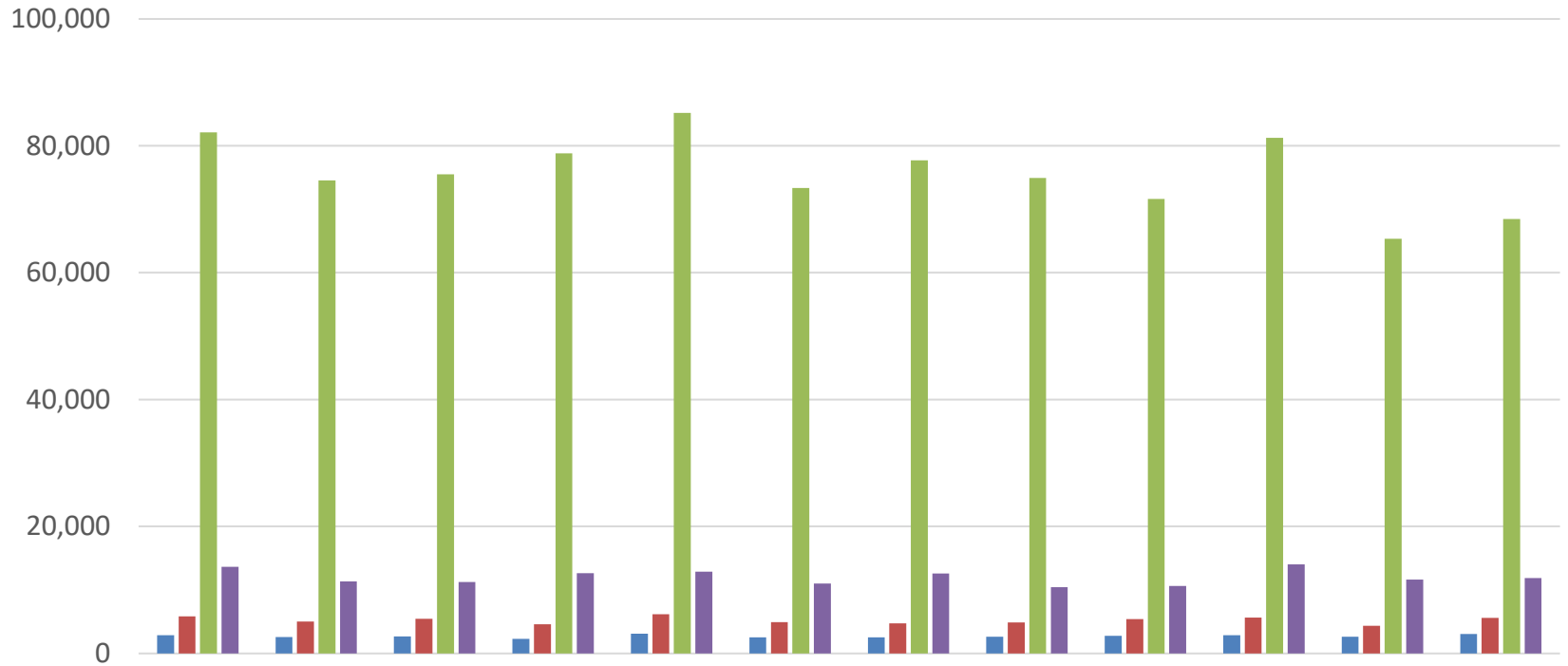


# Appendix





# 2023 Participant Contact Summary



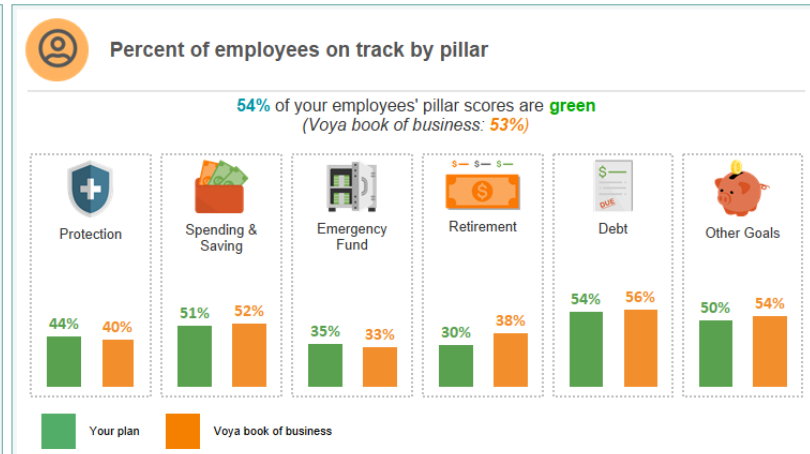
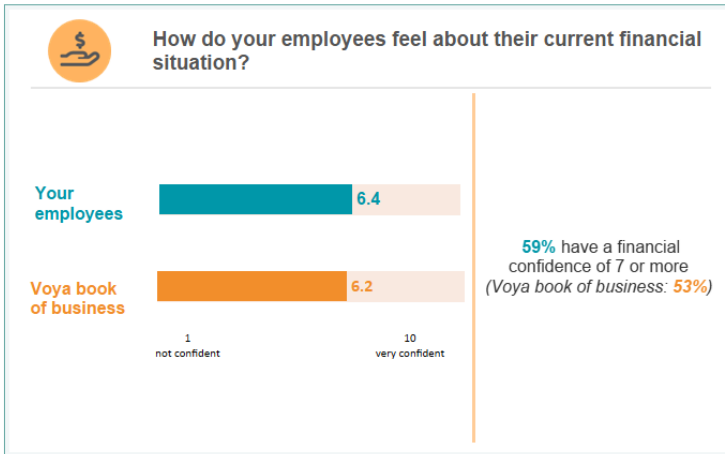
	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23
Total PSR Calls	2,832	2,559	2,678	2,281	3,104	2,525	2,520	2,604	2,780	2,863	2,636	3,067
Total IVR Calls	5,816	4,989	5,438	4,587	6,172	4,912	4,706	4,885	5,389	5,652	4,330	5,578
Total Web Visits	82,122	74,552	75,481	78,777	85,152	73,337	77,684	74,935	71,593	81,239	65,333	68,457
Total Unique Web Visits	13,615	11,316	11,261	12,644	12,855	10,992	12,561	10,426	10,598	13,993	11,614	11,881





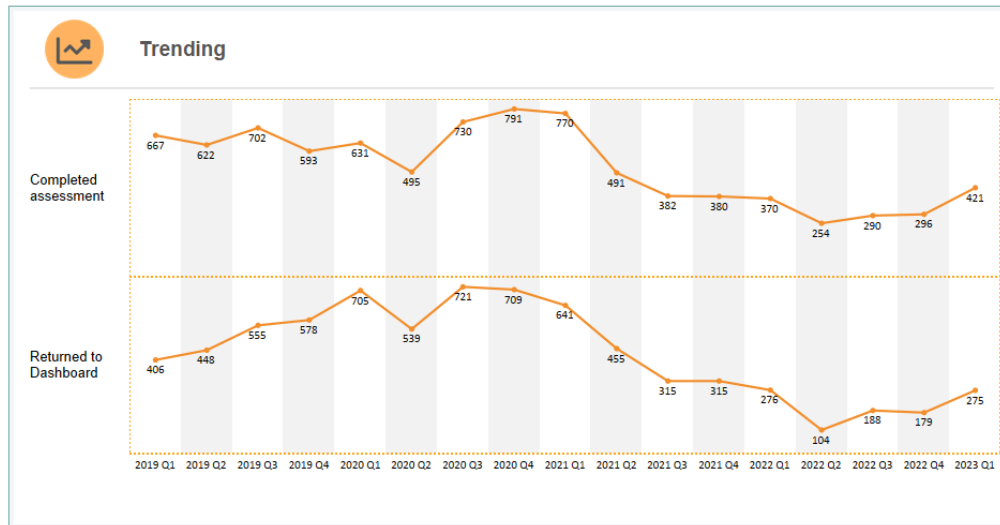
# Financial Wellness Snapshot Q1 2023

03/31/2023



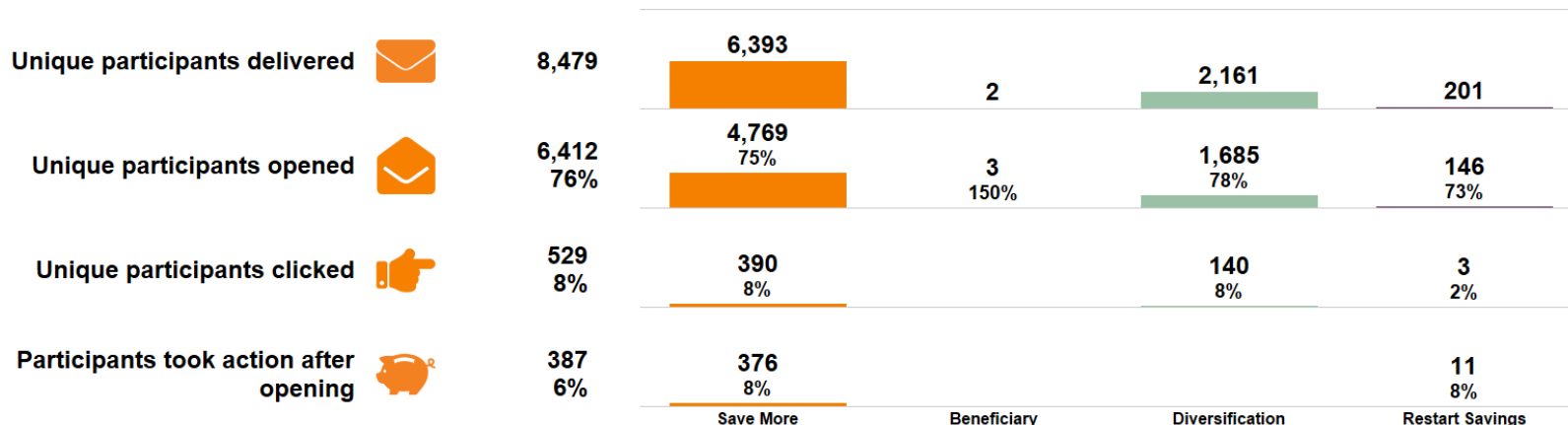
### Engagement

	# of participants	% of participants	Voya Book of Business
Started Financial Wellness assessment	6,106	--	--
Completed assessment and viewed results	5,433	89%	89%
Viewed dashboard after completing assessment	4,714	87%	82%

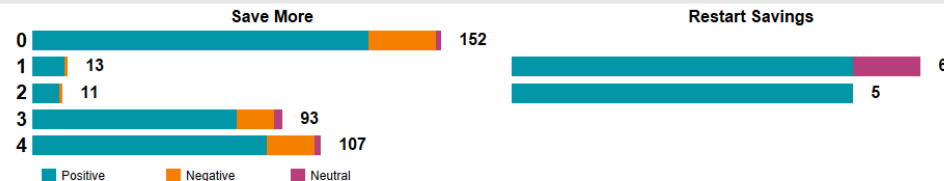




# Personalized Financial Wellness Messaging Summary Q1 2023



### Action details: total actions after email open



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

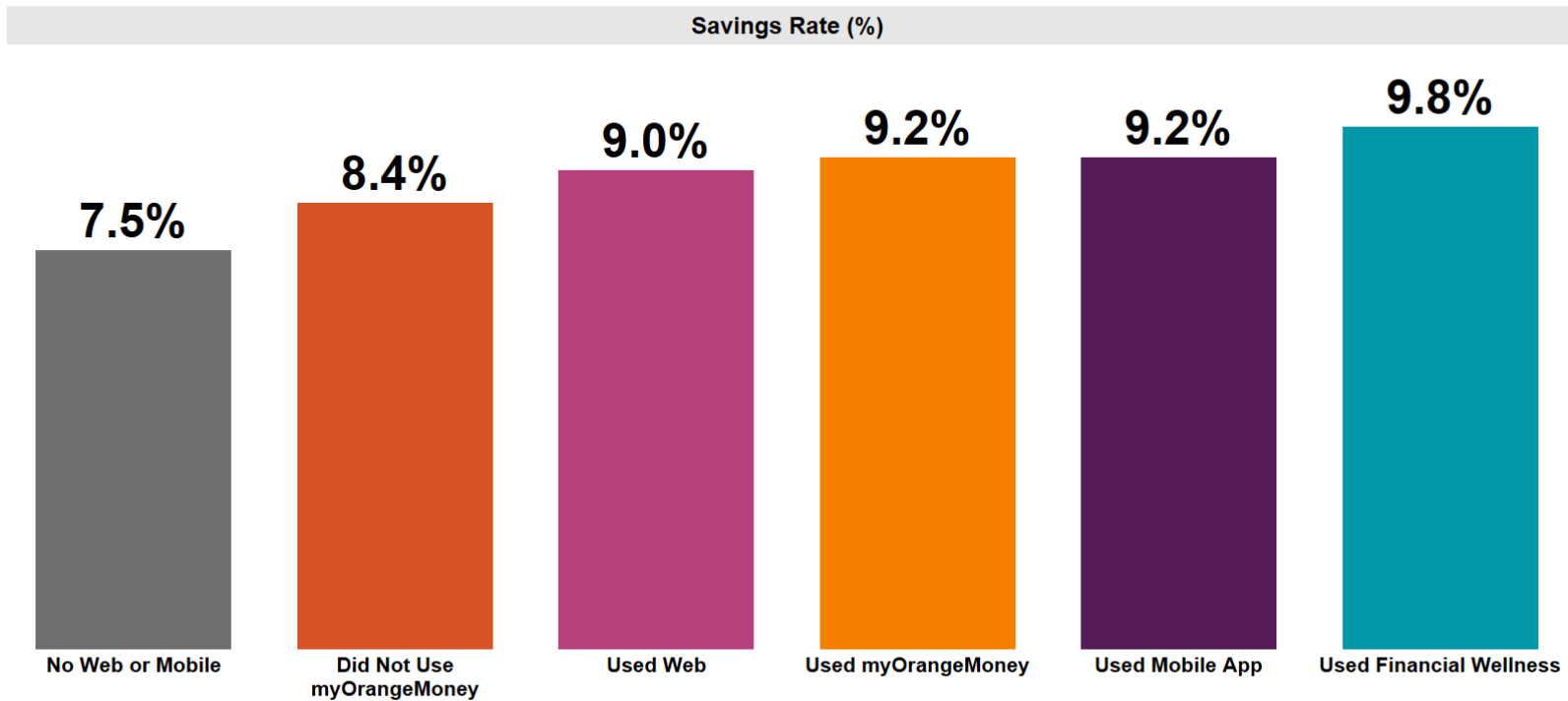
- Save More** \$40,828 of additional contributions per year. (78 participants increased their savings rate by 0.5% on average)
- Restart Savings** \$20,974 of additional contributions per year. (4 participants increased their savings rate by 5.3% on average)





# Digital Engagement Savings Report Q1 2023

## Engagement Outcomes - Savings Rate



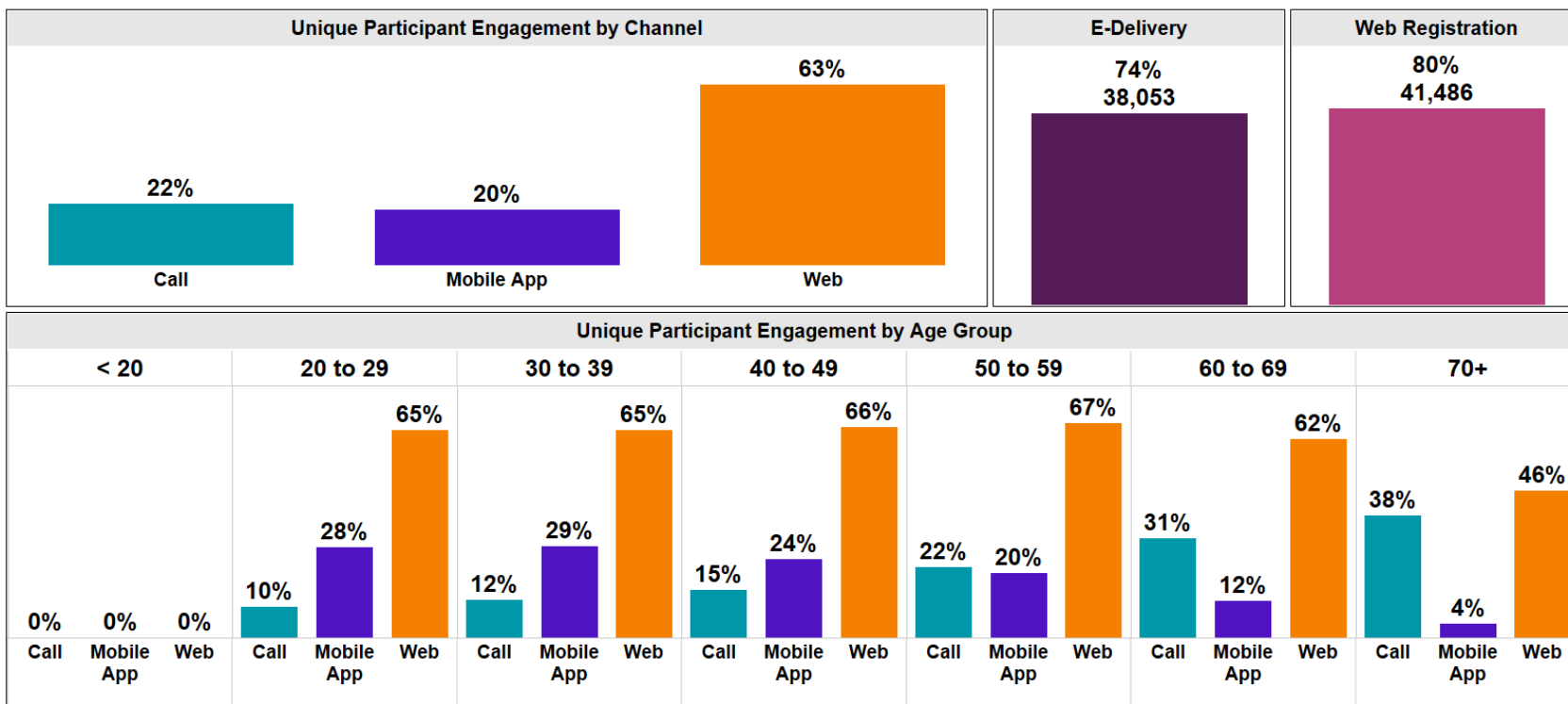
Data as of 3/31/2023



# Digital Engagement Usage Q1 2023

## Engagement

74% of plan participants have engaged (used web, mobile, or called) over the past 12 months  
63% of plan participants have digitally engaged over the past 12 months



Data as of 3/31/2023