




Inter Office Memo

DEPARTMENT OF
PERSONNEL SERVICES

DATE: January 23, 2013

TO: Deferred Compensation Management Council

FROM: Paul Nerland, Personnel Services Manager 

SUBJECT: Proposed Amendment to the Services Agreement with Great-West Retirement Services

Background

At the October 5, 2012 meeting the DCMC approved a change in the way the Deferred Compensation Plan (the "Plan") collects revenue to pay for administrative expenses. Instead of collecting revenue sharing fees paid by the mutual funds and other investments, a set administrative fee of 0.23% will be collected from all participants. All revenue sharing fee collected by the Plan will now be returned to participants.

Issue

Upon further review of the current agreement with Great-West Retirement Services ("Great-West"), it became apparent that the agreement must be amended to accomplish this change. The current agreement states that expenses, including fees paid to Great-West, are to be paid from revenue paid by the mutual fund companies to the Plan. It is recommended that this language be replaced with language stating that 0.23% will be collected from each participant as agreed by the DCMC in October. Since this change requires an amendment to the current services agreement, it must go to the Board of Supervisors for final approval.

Recommended Action

Staff is seeking approval of the proposed changes to the current services agreement subject to final Counsel review and Board approval.

This action will allow for the implementation of the more transparent and equitable fee structure while remaining in compliance with our agreement with Great-West.