



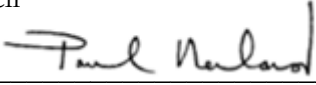
Inter Office Memo

DEPARTMENT OF
PERSONNEL SERVICES

ITEM 7

DATE: August 29, 2013

TO: Deferred Compensation Management Council

FROM: Paul Nerland, Personnel Services Manager 

SUBJECT: Update on Changes to the Plan's Fee Structure and Investment Lineup

Background

At their October 5, 2012 meeting, the DCMC approved a standard fee to all participants of 0.23% (0.0575% per quarter), as well as extensive changes to the Plan's investment lineup.

Issue

Fee Structure Changes

It was discovered that the existing service agreement with Great-West did not allow the Plan to charge a flat fee or return revenue-sharing to participants. Staff worked with County Counsel and Great-West to amend the existing service agreement; the amendment was approved by the Board of Supervisors on June 18, 2013. Prior to the Board date, the DCMC directed Staff to notify Plan participants of the proposed changes. Staff prepared an educational mailer which was then sent to all 4,000+ Plan participants. In addition, Staff prepared and presented an educational session, which was attended by over 60 Plan participants.

The fee structure changes will begin with the start of the 2nd Quarter of the 2013-2014 fiscal year (October 1, 2013). Participants will see the changes in their January 2014 quarterly statement.

Fund changes

In order to implement changes to our existing BlackRock collective trust lineup, Staff worked with County Counsel and BlackRock to draft an amendment to our existing agreement. In addition, Staff worked with County Counsel and Great-West to draft an agreement to provide the GW target-date collective trusts to participants. Both agreements were approved by the Board of Supervisors on July 9th. Staff prepared an educational mailer which was sent to all 4,000+ Plan participants and has planned two educational sessions for Plan participants on August 22nd and August 27th. A recorded version of the educational session is being prepared and will be placed on the website for use by participants. The changes to the investment lineup will be effective on September 27, 2013.