

# MINUTES

## **Louisiana Deferred Compensation Commission Meeting June 17, 2014**

The Monthly Meeting of the Louisiana Deferred Compensation Commission was held on Tuesday, June 17, 2014 in the offices of the Plan Administrator, 2237 South Acadian Thruway, Suite 702, Baton Rouge, Louisiana 70808.

### **Members Present**

Emery Bares, Chairman, Designee of the Commissioner of Insurance  
Virginia Burton, Secretary, Participant Member  
Lela Folse, Designee of the State Treasurer  
Andrea Hubbard, Designee of the Commissioner of Administration  
Len Riviere, Designee of Commissioner of Financial Institutions

### **Not Present**

Whit Kling, Vice-Chairman, Participant Member  
Troy Searles, Participant Member

### **Others Present**

Lindsey Hunter, Louisiana Attorney General's Office  
Connie Stevens, Director, Client Relations and Plan Counseling, Baton Rouge GWF  
Jo Ann Carrigan, Lead Office Coordinator, Baton Rouge GWF

### **Call to Order**

Chairman Bares called the meeting to order at 10:01 a.m.

### **Approval of Commission Meeting Minutes of May 20, 2014**

The minutes of May 20, 2014 were reviewed. Ms. Burton motioned for acceptance of the minutes. Ms. Hubbard seconded the motion. The Commission unanimously approved the minutes.

### **Acceptance of Hardship Committee Report of June 11, 2014**

Mr. Riviere motioned for acceptance of the Hardship Committee Report of June 11, 2014. Ms. Burton seconded the motion. The Commission unanimously approved the report.

**Public Comments:** There was no one from the public in attendance.

## **Minutes**

### **Louisiana Deferred Compensation Meeting**

**June 17, 2014**

**Page 2 of 4**

#### **Administrator's Report**

**Plan Summary** as of May 31, 2014 was presented by Ms. Stevens. Assets as of May 31, 2014: \$1.395 Billion. Asset change YTD: \$28.29 Million. Contributions YTD: \$40.52 Million. Distributions YTD: \$44.64 Million. Ms. Stevens reported that distributions were 10% more than contributions YTD. The Net Investment gain YTD was: \$32.41 Million.

**Participation by Asset Class and Investment Option:** Ms. Stevens shared that TD Ameritrade provided a list of participants participating in Self-Directed Brokerage accounts. As a result, K1 reports previously received in the Baton Rouge office with no specific individuals noted, were forwarded to the appropriate parties.

**Unallocated Plan Asset Report-May 2014:** Ms. Stevens reviewed the Unallocated Plan Asset Report for the month of May. The cash balance on hand as of April 30, 2014 was \$3.913 Million. The ending balance as of May 31, 2014 was \$3.490 Million. Deductions in the month of May included recordkeeping fees paid to Great-West Life & Annuity and The Department of Justice (quarterly fee).

Year-To-Date additions to the UPA include: Participant Recoveries, Mutual Fund fees (revenue from existing mutual funds), interest and miscellaneous items related to corrections. Deductions are all "normal" for the five-month period. Mr. Lindberg of Wilshire will be in attendance at the July 2014 Commission Meeting to discuss/offer recommendations related to UPA incoming revenue.

#### **Loan Automation Update**

Ms. Stevens reported that procedures are in place to transition from loan coupon remittance payment to payroll deduction remittance effective July 1, 2014. Some employers have elected to opt out of the loan provision option. Participants from these agencies requesting loans will be sent a memo explaining that their employer has opted not to offer loans as a result of this change in remittance procedure. The Commission requested that a memo also be sent to the payroll department whenever a loan application is rejected as a result of the employer's decision not to participate. Ms. Hunter spoke with one agency who expressed concern that they were being "forced" to set up payroll deduction of loan remittances. Ms. Hunter assured the agency that they did not have to set up payroll deduction but if they did not, participants from the agency would not be able to take advantage of the loan provision as procedures must comply with the Plan Document. Ms. Folse will keep the State Treasurer aware of procedural changes related to loan remittance.

## **Minutes**

### **Louisiana Deferred Compensation Meeting**

**June 17, 2014**

**Page 3 of 4**

#### **Plan Document Update**

Ms. Hunter reported that changes to the Plan Document in the form of, “Notice of Intent,” must be submitted to the fiscal office by July 10<sup>th</sup>. Ms. Stevens and Ms. Hunter suggested that one additional edit to the edits previously discussed was needed to the Document related to “Plan-To-Plan Transfers to the Plan.” Ms. Burton motioned to remove the statement “...or other property acceptable to the Administrator” from the text as the Plan only accepts cash. Mr. Riviere seconded the motion. The Commission unanimously approved the motion. The changes will become effective in October, 2014. ROTH 457B will become available in January, 2015.

#### **Marketing Report**

Ms. Stevens reviewed the Marketing Report for the month of May, 2014. There were 234 new applications received during the month of May averaging \$2,796 per application. There were 111 increases and restarts in May at an average of \$6,099 per request. The majority of activity during the month of May came from the following agencies: St John Parish Sheriff’s Office, Tangipahoa Parish Sheriff’s Office, St Tammany Parish Sheriff’s Office, DCFS, DOTD and Terrebonne Parish Sheriff’s Office. The St John Parish Sheriff’s Office has just joined the Plan and added a “match” for its participants. The Vermilion Parish Sheriff’s Office will begin offering a “match” for its participants effective July 1, 2014.

**Louisiana House Bill 171:** LA House Bill 171 passed requiring that school boards and governing authorities of charter schools offer LA Deferred Compensation as an option to their employees. Ms. Hunter presented a draft of a letter to be sent to the 66 school boards alerting them to this option. Ms. Burton suggested that the letter also reference the LA Deferred Compensation Plan website. Ms. Stevens will include a one-page flyer entitled, “Benefits of the 457B” with the letter. The letter will be mailed out prior to the next Commission meeting. A list of charter schools will be forwarded to TRSL to determine which charter schools are government entities and which are corporate entities. Ms. Hubbard stated that effective July 1st, there will be no more State-run Recovery School Districts. Schools in the Recovery School Districts will become charter schools.

**Minutes**  
**Louisiana Deferred Compensation Meeting**  
**June 17, 2014**  
**Page 4 of 4**

**Other Business**

**Participant Member Vacancy:** Mr. Searles resigned his position as Participant Member effective May 20, 2014. Ms. Stevens presented a list of individuals available to take Mr. Searles' position on the Commission which included: Carl Berthelot, Ken DeJean, current members of the Nominating Committee, Amy Mathews from the State Treasurer's Office and Susan Pappan, current member of the Hardship Committee. The person chosen will serve out a year of Mr. Searles' term (June 30, 2015). There will be an election in the Spring of 2015 to fill the remaining two years of Mr. Searles' term in addition to Ms. Burton's 3-year term which will expire in June, 2015. The person chosen to fill Mr. Searles' position through June of 2015, may run for the position in the Spring of 2015 election. Ballots were distributed and Commission members voted to select Susan Pappan to fill the vacant position. Ms. Stevens stated that she would notify all candidates of the results.

**Files in the Baton Rouge Office:** Files to be retained have been identified and will be scrubbed by the Baton Rouge office staff. Iron Mountain has been notified of additional shredding assistance needed and a quote has been received at a rate of \$62.50 per 65-gallon bin plus mileage charges. Mr. Riviere motioned to use the UPA to pay the shredding costs with Iron Mountain up to \$500. Ms. Hubbard seconded the motion. The Commission unanimously approved the motion.

**Change of date-July Commission Meeting:** The previously scheduled July 15, 2014 meeting was changed to Tuesday, July 22, 2014.

**Adjournment**

With there being no further items of business to come before the Commission, Chairman Emery Bares declared the meeting adjourned at 10:39 a.m.

---

Virginia Burton, Secretary