

## **MINUTES**

### **Louisiana Deferred Compensation Commission Meeting March 19, 2013**

The Monthly Meeting of the Louisiana Deferred Compensation Commission was held on Tuesday, March 19, 2013, 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  
Andrea Hubbard, Designee of the Commissioner of Administration  
Len Riviere, Designee of Commissioner of Financial Institutions  
Troy Searles, Participant Member

#### **Members Absent**

Lela Folsie, Designee of the State Treasurer  
Whit Kling, Vice-Chairman, Participant Member

#### **Others Present**

Richard McGimsey, Director, Civil Division, Louisiana Dept. of Justice  
Connie Stevens, Director, Client Relations and Plan Consultants, 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 February 19, 2013**

The minutes of February 19, 2013 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 March 1, 2013**

Mr. Riviere motioned for acceptance of the Hardship Committee Report March 1, 2013. Ms. Burton seconded the motion. The Commission unanimously approved the report.

**Minutes**  
**Louisiana Deferred Compensation Meeting**  
**March 19, 2013**  
**Page 2 of 4**

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

**Administrator's Report**

**Plan Summary** as of February 28, 2013, 2013 was presented by Ms. Stevens. Assets as of February 28, 2013: \$1.243.86 Billion. Asset change YTD: \$33.08 Million. Contributions YTD: \$17.15 Million. Distributions YTD: \$15.09 Million. Net Investment gain YTD: \$31.02 Million. Ms. Stevens pointed out that distributions are at a record level due to retirement of participants, Purchase of Service requests and layoffs due to privatization of medical centers/hospitals in the state. Participants who do not continue state employment (hired by private entity), are no longer eligible to participate in the Plan which could lead to additional increases in distribution requests 30 days after termination of state employment. Great-West Financial representatives are reaching out to participants to educate them on alternatives to removing funds from the Plan, including providing a flyer entitled, "Stay in the Plan." At the April meeting, Ms. Stevens will provide data related to the number of participants who may be affected by the privatization of hospitals.

**Participation by Asset Class and Investment Option February, 2013** report was reviewed by Ms. Stevens. The report reflected the most populated funds by number of participants in this order: Stable Value, T. Rowe Price Growth Stock Fund, American Funds Capital World Growth, Perkins Small Cap Value, Artisan Mid Cap, Invesco Real Estate and PIMCO.

**Unallocated Plan Assets:** Ms. Stevens presented UPA Account activity for February, 2013. Beginning balance: \$3.01 Million; Ending balance as of February 28, 2013 was \$3.688 Million including interest of \$8,221 and a payment to Wells Fargo (\$3,000) for the annual trustee fee.

**Automation of Payrolls Update:** Ms. Stevens reported that progress is being made in converting non-automated payrolls to automated payrolls. As of March 18, 2013, there are 201 non-automated payrolls. All non-automated payrolls received a memo from the Commission (signed by Mr. Bares) instructing them to convert to automated payroll procedures by year-end. The letter has prompted multiple payroll departments to begin the process of setting up automation of payroll. Three instructional webinars are scheduled for March 26, 27, 28, 2013 to inform payroll personnel on how to automate procedures.

## **Minutes**

### **Louisiana Deferred Compensation Meeting**

**March 19, 2013**

**Page 3 of 4**

#### **Float Income**

Mr. Searles referenced an article from Pensions and Investments magazine regarding lawsuits related to some record keepers' (Fidelity) use of float income. Mr. Searles brought the article to the attention of the Commission to assure that Great-West Financial is addressing this issue. Float income is defined in the article as money earned from interest-bearing accounts used temporarily by 401(k) plans before plan assets are disbursed when participants move assets among investment options. Great-West Financial does not earn float income. Ms. Stevens referred to Item F, "Bank Credit Disclosure" from the Plan contract in addition to bank account information to address this issue. Bank records are provided on an annual basis to the Plan's financial auditors.

#### **Managed Accounts**

Managed Accounts was placed on the agenda by Mr. Searles. Mr. Searles chose to defer the topic to appear as an agenda item at a later date.

#### **Roth 457**

Ms. Hubbard reported that State Payroll and Great-West technical personnel have met to discuss requirements in adding the Roth 457 "wage type" to payroll files. Ms. Stevens stated that there are still outstanding technical issues left to address before Roth 457 can be offered. This topic will be added to the April Commission Meeting agenda.

#### **Marketing Report**

There were 175 new applications received during the month of February averaging \$7,146 per application. There were 207 increases and restarts at an average of \$8,156 per request. The Year to Date average annual contribution total is \$10,736. New enrollments came primarily from St Mary Parish Sheriff, Bossier Parish Sheriff, Capital Area Transit, OYS and DEQ. There is an established "Group Meeting" goal of 1300 per year for Registered Representatives that is tracked weekly. Year to date, the representatives are at 101% of the goal.

#### **Other Business**

**Board Policy for Commission Members:** Mr. McGimsey reported that Ms. Hunter is still researching this issue and will present her findings at the April Commission Meeting.

**Minutes**  
**Louisiana Deferred Compensation Meeting**  
**March 19, 2013**  
**Page 4 of 4**

**Site Visit:** The Site Visit to Great-West corporate offices in Colorado has been scheduled for May 7-9, 2013.

**NAGDCA:** The 2013 NAGDCA Annual Conference is scheduled for September 8-11, 2013 in Louisville, KY. The Conference consists of fewer days than in the past -- ending on Wednesday instead of Thursday. Mr. McGimsey requested consideration by the Commission to financially sponsor Ms. Hunter to attend the visit. This topic will be addressed at a later time.

**Participant Member Election Update:** Mr. Kling was elected to the Participant Member position. Mr. Kling was nominated in January, 2013 and no one else submitted paperwork to run against him.

**Commission Meeting Materials:** Mr. Searles requested that Commission Meeting materials be sent to each Commission member the Monday before the meeting so that they may be reviewed prior to the actual meeting. Ms. Stevens affirmed that this change in procedure would be made immediately.

**Adjournment**

With there being no further items of business to come before the Commission, Chairman Emery Bares declared the meeting adjourned at 10:51 p.m.

---

Virginia Burton, Secretary