

# LAUSD Representative Meeting

Information and Discussion

# Meeting Goals

- Overall Plan Goals
- National Trends
- Compliance Summary
- Working with TSACG
- Worksite and Solicitation Rules
- Company Representation
- A discussion on increasing participation

# Plan Goals

- Provide first class plan to employees of LAUSD
  - Investment product alternatives
  - Financial assistance for participants (Service)
  - Financial education
- Increase participation
  - So that all employees will have a more secure retirement

No plan can succeed without participants

# National Trends

- IRS is auditing plans at a faster pace
- Employers are taking a closer look at the investment offerings to their employees
- Service level commitments are being evaluated
- Investment product fees are being slimmed down
- Living benefits are becoming a priority to some in government
- Why? State pensions are being squeezed

# Compliance Summary

- Contribution starts and changes
    - 7,363 transactions from 1/1/2012 until present
  - Distribution transactions
    - ART
      - Withdrawals 159
      - Loans 419
      - Exchanges and Transfers 918
- |       |       |
|-------|-------|
| Total | 1,496 |
|-------|-------|

# Compliance Summary (cont.)

- Distribution transactions

- Through Service Center

● Withdrawals	3,339
● Loans	1,682
● Exchanges and Transfers	1,735
● Rollover	1,382
● Purchase Service Credit	178
● Hardship	507

Total	8,824
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- Declines

- Of the transaction processed, 961 were declined – Many were resubmitted and approved. IGO is the theme of the day.

# Working with TSACG

- Our Goal is transactions turned around in 24 to 48 hours
  - Certain times of year, heavy volume delays to up to 4 day turnaround.
  - What can you do to help?
    - **USE ART!!!!!!!!!!!!!!!!!!!!!!**
- Also, have authorization already in our hands when you call to inquire.
  - Participant must be on the phone or have called to give permission. No Fax Authorizations honored.

# Working with TSACG

- Be concise when on call and try to be as efficient as possible. We want to help, so we need your help.
- If faxing transactions, separate fax for each transaction
- Include accurate information on TRRF, including email address. Make sure we can read what you write!
- April Young – Senior Program Consultant
  - What she can and cannot do for you.



# Worksite and Solicitation Rules

- No onsite solicitation!
  - Why? 4 reasons!
    - Safety
    - Safety
    - Safety
    - 496 representatives!

# Company Representation

- One Representative – How many companies?
  - Some represent **7**
  - Some represent **1**
- Discussion on why so many companies
  - Do you solicit all or just need to be on the list for servicing?

# Increasing Participation

- Let's look at the numbers

• Last Year's enrollment	2,000+
• Last Year's Retirement w/balances	1,675
• Hardships Processed	<u>507</u>
• Net increase/decrease	- 182

## Present Figures

FT Employees	Approx. 83,000
403(b) PPTS	21,375
PPT Rate	25.75%

457(b) New Enrollments	503
457(b) PPTS	2,225

# Increasing Participation-2012 Enrollments

Americo Financial Life and Annuity	6
Ameriprise Financial	18
AXA Equitable Life Insurance Company	94
CALSTERS	193
CALSTRS - 457	503
Great American Financial Resources	53
Horace Mann Insurance Company	33
Industrial Alliance Insurance	20
ING Life Insurance and Annuity Company	3
Life Insurance Company of the Southwest	486
Lincoln Financial Group	1
Mass Mutual Life Insurance Company	1
MetLife Resources	78
Midland National Life	346
North American Company for Life	288
Oppenheimer Funds	138
Paul Revere - John Alden	1
PlanMember Services	115
Reliastar Life Insurance Co	55
Security Benefit Group	13
TIAA-CREF	11
USAA Insurance Company	1
USAA Investments	19
VALIC	31

# Increasing Participation

## 300 Writing Representatives

### Increase to 35%

FT Employees	Approx. 83,000
403(b) PPTS	29,000
PPT Rate	35%

#### Effort Required to Increase to 35%

403(b) PPTS	29,000
Minus Present PPTS	21,375
Plus # Retirees	1,675
Target # Increase	9,300

Number of Weeks working	40
New Apps/Rep (9,300/300)	31
Apps per week per rep.	.775

### Increase to 40%

FT Employees	Approx. 83,000
403(b) PPTS	33,200
PPT Rate	40%

#### Effort Required to Increase to 40%

403(b) PPTS	33,200
Minus Present PPTS	21,375
Plus # Retirees	1,675
Target # Increase	13,500

Number of Weeks working	40
New Apps/Rep (13,500/300)	46
Apps per week per rep.	1.125

# Increasing Participation

## 200 Writing Representatives

### Increase to 35%

FT Employees	Approx. 83,000
403(b) PPTS	29,000
PPT Rate	35%

### Effort Required to Increase to 35%

403(b) PPTS	29,000
Minus Present PPTS	21,375
Plus # Retirees	1,675
Target # Increase	9,300

Number of Weeks working	40
New Apps/Rep (9,300/200)	46.5
Apps per week per rep.	1.2

### Increase to 40%

FT Employees	Approx. 83,000
403(b) PPTS	33,200
PPT Rate	40%

### Effort Required to Increase to 40%

403(b) PPTS	33,200
Minus Present PPTS	21,375
Plus # Retirees	1,675
Target # Increase	13,500

Number of Weeks working	40
New Apps/Rep (13,500/200)	67.5
Apps per week per rep.	1.7

# Methods of Increasing Participation

- You are in the marketing of 403(b), I am not.
- Suggestions
  - Each organization has potential referrals
  - Look at new participants as future long term clients
    - i.e. Don't just look for the big dollars
  - Be known as “The Expert” on all information retirement
  - Do not downplay the LAUSD 457(b) program
    - It is a great program, just like yours
  - Compete promoting your services, not faults of others
  - Find ways to work within the system, not ways around it.

# Focus Group - Representatives

- Take about 45 minutes to 1 hour
- Some selected by Companies
- Information from you to Retirement Committee
- Your sense of employee financial awareness
- Chance to voice opinions on recommended methods of enrollment
  - Taking into account what we have just discussed
- Looking for about 10 more volunteers