

**SAN MATEO COUNTY
DEFERRED COMPENSATION COMMITTEE
AGENDA – MAY 14, 2015 (9:00 AM– 12:00 PM)
455 COUNTY CENTER, 4th Floor- Room 402)**

<u>COMMITTEE</u>	<u>SUPPORT</u>
Donna Vaillancourt, Chair Lillibeth Dames Joe Demee John Kovach Glenn Kulm Bridget Love Steve Perry Michael Wentworth David Whisman	Bill Tugaw Paul Hackleman Bob Gleason Lauren Penko Jay Castellano Marife Ramirez
	SST Benefits SST Benefits MassMutual MassMutual County Staff County Staff

CALL TO ORDER

PUBLIC COMMENT

ACTION/DECISION ITEMS

1. Review/Approve Minutes of February 19, 2015 Meeting
2. Review/Approve Annual Plan Review (Mass Mutual)
3. Discuss Quarterly Investment Review (MassMutual)
4. New Reflex Record-keeping System (MassMutual/SST Benefits)
 - Review/Approve Fund Line-up Changes
 - Review/Approve Administrative Expense Reimbursement
 - Review Summary of Key Enhancements
 - Review Transition Process – Meetings
 - Review Estimated Implementation Date
 - Discuss Rate for General Account



5. 2014-15 and 2015-16 Budgets (Benefits Staff)
 - Review Current Fund Balance
 - Review Future Estimate Budget Expenses
 - Review/Approve Additional Cost of Budget Items + Mass Mutual 8 bps
6. Education Sub-Committee (MassMutual)
 - Review / Approve Branding Options for Future Communications
 - Review Participant Communication for New Reflex Record-keeping System
 - Discussion of Future Communication – Sub-Committee Responsibility?
 - Review/Approve Draft Survey
7. Review Educational Programs for Participants in 2015 (MassMutual)
8. Discuss Educational Programs for Committee Members (SST)
9. §3121 (PST) Plan Review (SST Benefits)
 - Discuss 401(a) versus 457(b)
10. Discuss Status of Roth Conversions / Plan Document Language (MassMutual)
11. Meetings (SST Benefits)
 - Use of Tablets – Pricing / Recommendations

INFORMATIONAL ITEMS

12. Status Update - Financial Soundings (MassMutual)
13. Legislative Update (SST / MassMutual)
14. NAGDCA Attendance (Benefits Staff)
15. Other Issues

August 13, 2015

- Q2 investment review
- Review Q2 plan summary information
- Discussion of Survey Results

November 19, 2015

- Q3 investment review
- Education Policy
- Model Plan Document
- Annual consultant performance review
- Provider Performance Review
- NAGDCA Best Practices

February 18, 2016

- Investment Review Education
- Annual Investment Review (SST)
- Investment Policy Review
- General Fund and Fee Review
- Education Policy / Education for Committee and Participants
- Model Plan Document Review

May 19, 2016

- Q1 investment review
- Review Q1 plan summary information
- Finalize NAGDCA conference attendees
- Mass Mutual Annual Plan Review
- 3121 Plan 401(a) / 457(b)



San Mateo County
Deferred Compensation Plan
1st Quarter Highlights
As of March 31, 2015

Overview

- Q1 2015: Total plan Value: \$349,307,652.85
- Q4 2014: Total plan Value: \$341,783,806.24
- Q3 2014: Total plan Value: \$332,765,248.95
- Q2 2014: Total plan Value: \$332,756,699.90
- Q1 2014: Total plan Value: \$320,775,912.78

- Q1 2015: Total participants who have an account balance: 5,008
- Q4 2014: Total participants who have an account balance: 4,843
- Q3 2014: Total participants who have an account balance: 4,784
- Q2 2014: Total participants who have an account balance: 4,713
- Q1 2014: Total participants who have an account balance: 4,642

- Q1 2015: Total employees who are eligible to participate: 5,415
- Q4 2014: Total employees who are eligible to participate: 5,407
- Q3 2014: Total employees who are eligible to participate: 5,200
- Q2 2014: Total employees who are eligible to participate: 5,292
- Q1 2014: Total employees who are eligible to participate: 5,255

- Q1 2015: Total participants who are actively contributing: 3,112 (57%)
- Q4 2014: Total participants who are actively contributing: 2,881 (53%)
- Q3 2014: Total participants who are actively contributing: 2,901 (56%)
- Q2 2014: Total participants who are actively contributing: 2,845 (54%)
- Q1 2014: Total participants who are actively contributing: 2,809 (53%)

Pre-Tax Contributions

- Q1 2015 Total participants who contribute to Pre-Tax only: 2,376
- Q4 2014 Total participants who contribute to Pre-Tax only: 2,285
- Q3 2014 Total participants who contribute to Pre-Tax only: 2,325
- Q2 2014 Total participants who contribute to Pre-Tax only: 2,292
- Q1 2014 Total participants who contribute to Pre-Tax only: 2,291

- Q1 2015 Total bi-weekly Pre-Tax contribution: \$698,728.22 (March 20, 2015)
- Q4 2014 Total bi-weekly Pre-Tax contribution: \$556,246.62 (December 26, 2014)
- Q3 2014 Total bi-weekly Pre-Tax contribution: \$614,073.91 (September 19, 2014)
- Q2 2014 Total bi-weekly Pre-Tax contribution: \$637,392.16 (June 27, 2014)
- Q1 2014 Total bi-weekly Pre-Tax contribution: \$646,679.66 (March 21, 2014)

- Q1 2015 Average bi-weekly Pre-Tax contribution amount: \$294.08 (max is \$692.30)
- Q4 2014 Average bi-weekly Pre-Tax contribution amount: \$243.43 (max is \$673.07)
- Q3 2014 Average bi-weekly Pre-Tax contribution amount: \$264.12 (max is \$673.07)
- Q2 2014 Average bi-weekly Pre-Tax contribution amount: \$278.09 (max is \$673.07)
- Q1 2014 Average bi-weekly Pre-Tax contribution amount: \$282.27 (max is \$673.07)

Deferred Compensation Plan
1st Quarter Highlights
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Roth Contributions

- Q1 2015 Total participants who contribute to Roth only: 241
- Q4 2014 Total participants who contribute to Roth only: 200
- Q3 2014 Total participants who contribute to Roth only: 183
- Q2 2014 Total participants who contribute to Roth only: 170
- Q1 2014 Total participants who contribute to Roth only: 148

- Q1 2015 Total bi-weekly Roth contribution amount: \$44,395.82 (March 20, 2015)
- Q4 2014 Total bi-weekly Roth contribution amount: \$32,200.34 (December 26, 2014)
- Q3 2014 Total bi-weekly Roth contribution amount: \$23,637.79 (September 19, 2014)
- Q2 2014 Total bi-weekly Roth contribution amount: \$30,020.11 (June 27, 2014)
- Q1 2014 Total bi-weekly Roth contribution amount: \$26,594.81 (March 21, 2014)

- Q1 2015 Average bi-weekly Roth contribution amount: \$184.22
- Q4 2014 Average bi-weekly Roth contribution amount: \$161.00
- Q3 2014 Average bi-weekly Roth contribution amount: \$129.17
- Q2 2014 Average bi-weekly Roth contribution amount: \$176.59
- Q1 2014 Average bi-weekly Roth contribution amount: \$179.69

Participants who contribute to both Pre-Tax and Roth

- Q1 2015 Total participants who contribute to both Pre-Tax and Roth: 495
- Q4 2014 Total participants who contribute to both Pre-Tax and Roth: 396
- Q3 2014 Total participants who contribute to both Pre-Tax and Roth: 393
- Q2 2014 Total participants who contribute to both Pre-Tax and Roth: 383
- Q1 2014 Total participants who contribute to both Pre-Tax and Roth: 466

- Q1 2015 Total bi-weekly contribution amount: \$113,263.25 (March 20, 2015)
- Q4 2014 Total bi-weekly contribution amount: \$78,011.67 (December 26, 2014)
- Q3 2014 Total bi-weekly contribution amount: \$88,138.14 (September 19, 2014)
- Q2 2014 Total bi-weekly contribution amount: \$86,870.51 (June 27, 2014)
- Q1 2014 Total bi-weekly contribution amount: \$85,498.74 (March 21, 2014)

- Q1 2015 Average bi-weekly contribution amount by participant: \$228.81
- Q4 2014 Average bi-weekly contribution amount by participant: \$197.00
- Q3 2014 Average bi-weekly contribution amount by participant: \$224.27
- Q2 2014 Average bi-weekly contribution amount by participant: \$226.82
- Q1 2014 Average bi-weekly contribution amount by participant: \$183.47

Total Contributions

- Q1 2015 Total participants who contribute: 3,112
- Q4 2014 Total participants who contribute: 2,881
- Q3 2014 Total participants who contribute: 2,901
- Q2 2014 Total participants who contribute: 2,845
- Q1 2014 Total participants who contribute: 2,809

Deferred Compensation Plan
1st Quarter Highlights
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- Q1 2015 Total bi-weekly contribution amount: \$856,387.29 (March 20, 2015)
- Q4 2014 Total bi-weekly contribution amount: \$666,458.63 (December 26, 2014)
- Q3 2014 Total bi-weekly contribution amount: \$725,849.84 (September 19, 2014)
- Q2 2014 Total bi-weekly contribution amount: \$754,282.78 (June 27, 2014)
- Q1 2014 Total bi-weekly contribution amount: \$758,773.21 (March 21, 2014)

- Q1 2015 Average bi-weekly contribution amount: \$275.19 (max is \$692.30)
- Q4 2014 Average bi-weekly contribution amount: \$231.33 (max is \$673.07)
- Q3 2014 Average bi-weekly contribution amount: \$250.21 (max is \$673.07)
- Q2 2014 Average bi-weekly contribution amount: \$265.13 (max is \$673.07)
- Q1 2014 Average bi-weekly contribution amount: \$270.12 (max is \$673.07)

- Q1 2015 Bi-weekly contribution by age (see below)

Age	less than \$10	\$10-\$24	\$25-\$49	\$50-\$74	\$75-\$99	\$100-\$200	More than \$200.00	TOTALS
<26	3	5	7	5	7	10	7	44
26-35	18	80	135	55	65	113	147	613
36-45	9	67	135	115	71	201	310	908
46-55	7	33	95	105	68	213	403	924
56-66	2	16	53	37	37	102	335	582
Over 66	0	1	0	4	2	8	26	41
	39	202	425	321	250	647	1,228	3,112

- Q4 2014 Bi-weekly contribution by age (see below)

Age	less than \$10	\$10-\$24	\$25-\$49	\$50-\$74	\$75-\$99	\$100-\$200	More than \$200.00	TOTALS
<26	4	7	7	4	6	10	8	46
26-35	21	83	103	57	48	118	125	555
36-45	13	68	132	109	63	193	265	843
46-55	7	30	95	112	55	195	370	864
56-66	5	15	48	38	35	111	287	539
Over 66	0	1	0	4	3	7	19	34
	50	204	385	324	210	634	1,074	2,881

- Q3 2014 Bi-weekly contribution by age (see below)

Age	less than \$10	\$10-\$24	\$25-\$49	\$50-\$74	\$75-\$99	\$100-\$200	More than \$200.00	TOTALS
<26	3	4	6	2	4	10	8	37
26-35	20	78	110	57	45	112	132	554
36-45	13	66	125	107	64	194	281	850
46-55	7	33	98	112	60	191	389	890
56-66	5	15	46	30	27	98	311	532
Over 66	0	0	0	5	2	7	24	38
	48	196	385	313	202	612	1,145	2,901

**Deferred Compensation Plan
1st Quarter Highlights
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➤ Q2 2014 Bi-weekly contribution by age (see below)

Age	less than \$10	\$10-\$24	\$25-\$49	\$50-\$74	\$75-\$99	\$100-\$200	More than \$200.00	TOTALS
<26	2	4	5	3	5	12	8	39
26-35	18	72	99	59	39	99	126	512
36-45	12	67	127	106	57	191	292	852
46-55	6	27	93	108	61	196	385	876
56-66	5	15	44	30	26	89	322	531
Over 66	0	0	0	4	2	8	21	35
	43	185	368	310	190	595	1,154	2,845

➤ Q1 2014 Bi-weekly contribution by age (see below)

Age	less than \$10	\$10-\$24	\$25-\$49	\$50-\$74	\$75-\$99	\$100-\$200	More than \$200.00	TOTALS
<26	2	5	6	3	4	11	6	37
26-35	17	67	99	61	36	91	123	494
36-45	10	65	123	105	57	188	296	844
46-55	5	31	90	116	57	195	376	870
56-66	5	14	43	30	24	93	319	528
Over 66	1	0	1	5	2	7	20	36
	40	182	362	320	180	585	1,140	2,809

Number of participants and percentage of all participants actively deferring who are deferring at or above \$692.30 (biweekly rate to max out in 2015)

- Q1 2015 – 352 out of 3,195 or 11%
- Q4 2014 - 337 out of 3,224 or 10.45% deferred the maximum (\$17,500 and over, including those on 50+ and pre-retirement catch)
- Q3 2014 - 330 out of 2,999 or 11% are on track to reach the maximum by year-end (as of the 9/19/14 payroll total contributions are at least \$12,788.33)

***Loan Program**

- Q1 2015 Number of outstanding loans: 801
- Q4 2014 Number of outstanding loans: 805
- Q3 2014 Number of outstanding loans: 784
- Q2 2014 Number of outstanding loans: 770
- Q1 2014 Number of outstanding loans: 837

- Q1 2015 Amount of outstanding loans: \$6,894,996.79
- Q4 2014 Amount of outstanding loans: \$6,703,273.84
- Q3 2014 Amount of outstanding loans: \$6,574,811.30
- Q2 2014 Amount of outstanding loans: \$6,379,029.05
- Q1 2014 Amount of outstanding loans: \$6,635,863.63

Deferred Compensation Plan
1st Quarter Highlights
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- Q1 2015 Average loan amount: \$8,607.99
- Q4 2014 Average loan amount: \$8,327.05
- Q3 2014 Average loan amount: \$8,386.24
- Q2 2014 Average loan amount: \$8,284.45
- Q1 2014 Average loan amount: \$7,928.15

* Loan Program statistics reported above no longer includes deemed distribution. Loan balance on Quarterly Plan Summary does include deemed distribution.

Hardship Withdrawals

- Q1 2015: 4 requests (2 approved; 2 denied) 1 participant was denied and subsequently granted approval when resubmitted during the same quarter, no carryover from previous quarter.
- Q4 2014: 8 requests (7 approved; 1 denied) 1 carryover from previous quarter and 1 denied and subsequently granted approval when resubmitted during the same quarter.
- Q3 2014: 5 requests (2 approved; 3 denied) no carryover from previous quarter.
- Q2 2014: 10 requests (5 approved; 5 denied) 4 participants were denied and subsequently granted approval when resubmitted during the same quarter; no carryover from previous quarter.
- Q1 2014: 11 requests (5 approved; 6 denied) 2 participants were denied and subsequently granted approval when resubmitted during the same quarter; 2 carryovers from previous qtr.

Employee Meetings

- Q1 2015: 112 individual in person participant meetings; 10 educational seminars with approx. 84 total participants, approx. 105 participant service calls
- Q4 2014: 79 individual in person participant meetings; 13 educational seminars with approx. 79 total participants, approx. 185 participant service calls
- Q3 2014: 54 individual in person participant meetings; 7 educational seminars with approx. 72 total participants, approx. 122 participant service calls
- Q2 2014: 71 individual in person participant meetings; 13 educational seminars with approx. 59 total participants, approx. 196 participant service calls
- Q1 2014: 93 individual in person participant meetings; 11 educational seminars with approx. 49 total participants, approx. 175 participant service calls

Morningstar

- Q1 2015: 57 unique users
- Q4 2014: 54 unique users
- Q3 2014: 49 unique users
- Q2 2014: 36 unique users
- Q1 2014: 36 unique users

Financial Planning Services

- Q1 2015: 3 inquiry; 3 meeting; 1 client
- Q4 2014: 3 inquiry; 2 meeting; 1 client
- Q3 2014: 2 inquiry; 3 meeting (1 meeting from previous quarter inquiry); 0 client
- Q2 2014: 4 inquiry; 3 meeting; 1 client
- Q1 2014: 0 inquiry; 0 meeting; 0 client

San Mateo County
1st Quarter 2015 Hardships

Date Into PI	IGO Date	Group Number	Participant Name	Hardship Reason	Amount Requested	Account Balance	Committee Recommend	Amount Approved	Plan Manager	Decision Date	Notes
3/12	3/12	150018	Participant 1	Imminent Foreclosure	\$7,850.00	\$70,761.90	Approved	\$7,850.00	Silvio DiGrande	3/12	
3/12	3/12	150018	Participant 2	Funeral Expenses	\$2,000.00	\$5,957.17	Approved	\$1,403.00	Silvio DiGrande	3/12	
3/24	3/30	150018	Participant 3	Sudden and Unexpected	\$20,000.00	\$40,353.12	Denied	\$0.00	Silvio DiGrande	3/30	Requested supporting documentation was not provided.
3/3	3/6	150018	Participant 2	Funeral Expenses	\$2,000.00	\$6,097.26	Denied	\$0.00	Silvio DiGrande	3/6	Incomplete application.

Investment Return and Risk Report

as of 3/31/2015

Fund Name	Short-Term Performance				Long-Term Performance						5 Yr Risk/Return Data					Prospectus			
	Qtr	%Rank	1 Yr	%Rank	3 Yr	%Rank	5 Yr	%Rank	10 Yr	%Rank	Beta	Alpha	R-Sq	St Dev	Sharpe Ratio	Gross Expense Ratio	Net Expense Ratio	Reflex Revenue	Mstar Rating

Performance data shown represents past performance and is no guarantee of future results. Investment return and principal value fluctuate, and shares when redeemed may be more or less than their original cost. Current performance may be higher or lower than quoted. For most recent month - end performance, visit www.massmutual.com/serve

Current and Remaining Fund
 Remaining Fund/Cheaper share class
 Current and Removing
 Consideration

US OE Large Value																				
RMFGX	American Funds American Mutual R6	0.15	46	10.83	12	15.00	43	13.37	23	8.02	17	0.76	2.64	94.21	10.49	1.25	0.30	0.30	0.00	4
HDBGVX	Hartford Dividend and Growth R6	-0.05	55	9.40	30	14.70	50	12.48	46	8.10	15	0.93	-0.23	98.22	12.55	1.00	0.64	0.64	0.00	4
	Benchmark 1: Russell 1000 Value TR USD	-0.72		9.33		16.44		13.75		7.21				13.43	1.03					
	Benchmark 2: US OE Large Value	0.18		7.86		14.42		12.25		6.72		0.98	-1.29	99.10	13.26	0.92	1.62	1.15		3
US OE Large Blend																				
ITHVX	Hartford Capital Appreciation R6	3.45	6	10.56	55	17.51	9	11.71	77	8.25	18	1.14	-4.32	91.08	15.71	0.78	0.70	0.70	0.00	3
VTSMX	Vanguard Total Stock Mkt Idx Inv	1.76	29	12.17	32	16.24	27	14.62	16	8.44	15	1.02	-0.37	99.84	13.48	1.08	0.17	0.17	0.00	4
VFINX	Vanguard 500 Index Inv	0.91	55	12.56	23	15.93	32	14.29	23	7.89	27	0.98	-0.14	99.75	12.97	1.09	0.17	0.17	0.00	4
RFNFX	American Funds Fundamental Invs R5	1.67	32	10.58	55	15.49	43	13.14	50	9.13	7	1.01	-1.51	97.43	13.50	0.98	0.35	0.35	0.05	4
PRILX	Parnassus Core Equity Institutional	-0.73	92	12.90	18	17.94	6	13.91	31	10.51	1	0.87	1.08	91.85	11.92	1.15	0.69	0.69	0.10	4
	SSgA S&p 500 Index	0.93		12.69		16.10		14.46		8.04							0.03	0.03	N/A	
	Benchmark 1: Russell 1000 TR USD	1.59		12.73		16.45		14.73		8.34				13.20	1.11					
	Benchmark 2: US OE Large Blend	1.13		10.34		14.87		12.97		7.32		1.01	-2.00	99.74	13.32	0.95	1.68	1.14		3
US OE Large Growth																				
RGAGX	American Funds Growth Fund of Amer R6	3.47	46	12.31	61	17.13	15	13.71	54	8.83	38	0.99	-1.46	95.99	13.46	1.02	0.33	0.33	0.00	3
MBCZX	MassMutual Select Blue Chip Growth I	5.05	19	16.03	24	17.11	15	16.47	8	9.07	32	1.10	-0.57	94.85	15.11	1.08	0.70	0.70	0.00	4
RGAFX	American Funds Growth Fund of Amer R5	3.45	46	12.26	62	17.07	16	13.66	55	8.93	36	0.99	-1.50	95.99	13.46	1.02	0.38	0.38	0.05	4
FKGRX	Franklin Growth A	3.31	49	16.01	24	15.61	40	13.62	57	9.32	27	0.96	-1.13	97.04	12.97	1.05	0.90	0.90	0.50	3
	Benchmark 1: Russell 1000 Growth TR USD	3.84		16.09		16.34		15.63		9.36				13.38	1.15					
	Benchmark 2: US OE Large Growth	3.45		13.30		15.06		13.86		8.48		1.05	-2.49	98.57	14.18	0.97	1.43	1.22		3
US OE Mid-Cap Value																				
AMDVX	American Century Mid Cap Value R6	1.59	76	14.07	9	17.80	27	14.91	26	10.56	6	0.82	1.76	96.32	11.85	1.23	0.66	0.66	0.00	5
ARTQX	Artisan Mid Cap Value Investor	2.03	68	1.77	94	12.72	89	13.07	71	9.38	26	0.91	-1.16	92.88	13.46	0.98	1.19	1.19	0.35	3
	Benchmark 1: Russell Mid Cap Value TR USD	2.42		11.70		18.60		15.84		9.61				14.25	1.10					
	Benchmark 2: US OE Mid-Cap Value	2.58		8.89		16.30		13.69		8.43		1.02	-2.02	98.35	14.61	0.96	1.73	1.27		3
US OE Mid-Cap Blend																				
VIMSX	Vanguard Mid Cap Index Inv	4.23	41	14.72	7	17.76	23	15.91	14	9.84	20	1.01	-0.36	99.70	14.78	1.07	0.24	0.24	0.00	4
	SSgA S&P Mid Cap Index	5.28		12.13		16.97		15.67		10.06							0.05	0.05	N/A	
	Benchmark 1: Russell Mid Cap TR USD	3.95		13.68		18.10		16.16		10.02				14.60	1.10					
	Benchmark 2: US OE Mid-Cap Blend	3.29		8.76		15.68		13.75		8.40		1.04	-2.76	99.12	15.22	0.91	1.87	1.24		3

Investment Return and Risk Report

as of 3/31/2015

Fund Name	Short-Term Performance				Long-Term Performance						5 Yr Risk/Return Data					Prospectus				
	Qtr	%Rank	1 Yr	%Rank	3 Yr	%Rank	5 Yr	%Rank	10 Yr	%Rank	Beta	Alpha	R-Sq	St Dev	Sharpe Ratio	Gross Expense Ratio	Net Expense Ratio	Reflex Revenue	Mstar Rating	
Performance data shown represents past performance and is no guarantee of future results. Investment return and principal value fluctuate, and shares when redeemed may be more or less than their original cost. Current performance may be higher or lower than quoted. For most recent month - end performance, visit www.massmutual.com/serve																				
US OE Mid-Cap Growth																				
MEFZX	MassMutual Select Mid Cap Gr Eq II I	6.81	21	16.83	7	18.46	7	16.90	11	11.11	14	0.94	1.30	97.69	14.50	1.15	0.75	0.75	0.00	5
PEEAX	Prudential Jennison Mid Cap Growth A	6.11	35	14.53	22	14.46	54	14.57	48	11.29	11	0.86	0.35	96.81	13.39	1.08	1.05	1.05	0.50	3
	<i>Benchmark 1: Russell Mid Cap Growth TR USD</i>	5.38		15.56		17.41		16.43		10.19				15.26	1.07					
	<i>Benchmark 2: US OE Mid-Cap Growth</i>	5.35		11.20		14.95		14.47		9.17		1.00	-1.95	98.89	15.30	0.94	2.11	1.34		3
US OE Small Value																				
DFS VX	DFA US Small Cap Value I	2.44	57	4.74	57	17.46	8	14.72	12	8.50	34	1.11	0.85	97.69	19.70	0.79	0.53	0.53	0.00	4
	<i>Benchmark 1: Russell 2000 Value TR USD</i>	1.98		4.43		14.79		12.54		7.53				17.49	0.76					
	<i>Benchmark 2: US OE Small Value</i>	2.28		3.94		14.29		12.55		7.92		0.95	0.86	98.51	16.75	0.81	2.09	1.38		3
US OE Small Blend																				
NAESX	Vanguard Small Cap Index Inv	4.75	26	9.66	21	17.40	23	15.65	23	9.93	12	0.95	1.61	98.58	16.93	0.94	0.24	0.24	0.00	4
LSMAX	Columbia Small Cap Core A	1.79	86	0.32	87	11.69	88	12.26	77	7.99	62	0.97	-1.66	96.39	17.59	0.74	1.38	1.38	0.50	2
	SSgA Russell Small Cap Index	4.34		8.41		16.46		14.74		8.72							0.06	0.06	N/A	
	<i>Benchmark 1: Russell 2000 TR USD</i>	4.32		8.21		16.27		14.57		8.82				17.76	0.85					
	<i>Benchmark 2: US OE Small Blend</i>	3.60		6.03		14.88		13.72		8.30		0.96	-0.28	99.08	17.08	0.83	1.74	1.28		3
US OE Small Growth																				
BSCFX	Baron Small Cap Retail	5.64	51	8.49	52	15.48	47	15.02	52	8.73	67	0.84	0.98	93.05	15.94	0.96	1.30	1.30	0.40	3
RYPFX	Royce Pennsylvania Mutual Svc	1.08	98	-0.24	94	11.20	93	11.33	93	7.91	81	0.90	-3.19	94.42	16.97	0.71	1.26	1.26	0.35	2
VISCX	Invesco Small Cap Discovery Y	8.23	11	11.02	26	16.49	29	15.07	51	10.08	26	0.89	0.32	95.63	16.61	0.93	1.07	1.07	0.25	3
	<i>Benchmark 1: Russell 2000 Growth TR USD</i>	6.63		12.06		17.74		16.58		10.02				18.31	0.93					
	<i>Benchmark 2: US OE Small Growth</i>	5.78		8.06		15.21		15.12		9.20		0.94	-0.89	98.94	17.23	0.87	1.86	1.39		3
US OE Real Estate																				
CSDIX	Cohen & Steers Real Estate Securities I	5.64	4	27.61	3	15.91	2	16.13	8	9.44	37	0.98	0.47	99.04	15.95	1.02	0.96	0.96	0.10	4
IARIX	Invesco Real Estate R5	3.57	83	22.82	65	13.10	52	14.54	71	9.85	26	0.94	-0.37	99.24	15.26	0.96	0.88	0.88	0.35	4
	<i>Benchmark 1: S&P United States REIT TR USD</i>	4.74		24.10		14.18		15.86		9.60				16.13	0.99					
	<i>Benchmark 2: US OE Real Estate</i>	4.38		22.53		13.07		15.05		8.76		0.94	-0.14	99.62	15.14	0.98	1.69	1.32		3
US OE Utilities																				
MMUKX	MFS® Utilities R5	0.94	1	7.20	38	14.08	21	13.66	28	11.77	4	0.65	4.93	43.29	11.78	1.14	0.64	0.64	0.00	5
MMUF X	MFS® Utilities A	0.86	5	6.82	47	13.70	29	13.43	34	11.66	4	0.65	4.72	43.38	11.79	1.13	0.97	0.97	0.40	3
	<i>Benchmark 1: S&P 1500 Utilities TR</i>	-5.00		10.48		12.97		13.24		8.85				11.91	1.10					
	<i>Benchmark 2: US OE Utilities</i>	-2.30		6.79		12.51		11.94		8.45		0.79	1.64	79.86	10.51	1.14	1.31	1.29		3

Investment Return and Risk Report

as of 3/31/2015

Fund Name	Short-Term Performance				Long-Term Performance						5 Yr Risk/Return Data					Prospectus				
	Qtr	%Rank	1 Yr	%Rank	3 Yr	%Rank	5 Yr	%Rank	10 Yr	%Rank	Beta	Alpha	R-Sq	St Dev	Sharpe Ratio	Gross Expense Ratio	Net Expense Ratio	Reflex Revenue	Mstar Rating	
US OE Health																				
HGHTX	Hartford Healthcare R5																			
	9.56	60	29.47	70	29.78	38	21.81	36	14.03	43	1.12	-1.02	90.98	13.49	1.53	1.05	1.05	0.25	3	
	Benchmark 1: S&P 1500 Health Care TR		7.12		26.85		27.06		20.48		11.75			11.46	1.69					
	Benchmark 2: US OE Health		10.71		32.38		30.30		22.35		14.24		1.11	0.15	87.50	13.58	1.59	1.47	1.43	3
US OE Foreign Large Growth																				
REGX	American Funds Europacific Growth R6																			
	5.97	28	2.80	34	9.95	19	7.11	43	7.54	11	0.96	1.48	97.16	15.54	0.52	0.49	0.49	0.00	3	
	Benchmark 1: MSCI ACWI Ex USA Growth NR USD		4.79		1.71		7.14		5.75		5.95			15.93	0.43					
	Benchmark 2: US OE Foreign Large Growth		5.07		1.36		8.23		6.79		5.77		0.98	0.75	98.25	15.81	0.47	1.67	1.38	3
US OE Foreign Large Blend																				
MOSZX	MassMutual Select Overseas I																			
	5.67	23	-0.17	36	9.26	24	7.09	17	6.16	23	1.02	2.15	95.07	17.00	0.48	0.93	0.93	0.00	4	
VGTSX	Vanguard Total Intl Stock Index Inv																			
	4.03	72	-1.14	51	6.55	75	4.83	76	5.21	39	1.02	-0.05	98.61	16.76	0.36	0.22	0.22	0.00	3	
	Benchmark 1: MSCI ACWI Ex USA NR USD		3.49		-1.01		6.40		4.82		5.46			16.26	0.37					
	Benchmark 2: US OE Foreign Large Blend		4.70		-0.76		7.86		5.68		5.00		0.99	0.82	98.08	16.19	0.41	1.70	1.28	3
US OE Diversified Emerging Mkts																				
ODVIX	Oppenheimer Developing Markets I																			
	-1.23	85	-3.95	72	2.79	22	4.76	10	11.09	1	0.93	3.04	92.42	17.51	0.35	0.87	0.86	0.00	4	
ODVYX	Oppenheimer Developing Markets Y																			
	-1.28	86	-4.12	74	2.62	23	4.77	9	11.26	1	0.93	3.05	92.42	17.51	0.35	1.08	1.07	0.30	5	
	Benchmark 1: MSCI EM NR USD		2.24		0.44		0.31		1.75		8.48			18.08	0.18					
	Benchmark 2: US OE Diversified Emerging Mkts		1.13		-1.18		0.63		1.45		7.59		0.94	-0.38	97.45	17.22	0.16	2.61	1.60	3
US OE World Stock																				
RWIGX	American Funds Capital World Gr&Inc R6																			
	2.74	53	5.42	41	13.01	21	9.94	46	8.04	21	0.97	1.17	96.39	14.17	0.74	0.44	0.44	0.00	3	
	Benchmark 1: MSCI ACWI NR USD		2.31		5.42		10.75		8.99		6.44			14.40	0.67					
	Benchmark 2: US OE World Stock		2.82		4.19		10.89		9.45		6.63		0.96	0.33	98.83	13.92	0.69	2.58	1.39	3
US OE Conservative Allocation																				
TWSCX	American Century Strat Allc: Cnsrv Inv																			
	1.41	63	5.69	18	6.96	31	7.51	25	5.71	29	1.09	0.21	97.02	6.35	1.16	1.00	1.00	0.35	4	
	Benchmark 1: Morningstar Moderately Cons Target Risk		1.03		3.46		5.90		6.69		5.89			5.73	1.15					
	Benchmark 2: US OE Conservative Allocation		1.47		3.65		5.87		6.53		5.13		0.97	-0.45	98.13	5.63	1.06	1.63	1.24	3
US OE Moderate Allocation																				
TWSMX	American Century Strat Allc: Mod Inv																			
	2.16	36	7.23	33	9.28	55	9.30	41	6.82	26	0.81	1.32	98.55	9.14	1.01	1.06	1.06	0.35	4	
OAKBX	Oakmark Equity & Income I																			
	0.91	84	6.02	60	10.65	26	9.00	49	8.18	6	0.83	0.90	90.61	9.78	0.93	0.74	0.74	0.25	4	
	Benchmark 1: Morningstar Moderately Aggr Target Risk		1.81		4.80		10.06		9.72		7.33			11.27	0.88					
	Benchmark 2: US OE Moderate Allocation		1.81		6.19		9.45		8.97		6.26		0.77	0.88	99.11	8.67	0.97	3.62	1.26	3
US OE Aggressive Allocation																				
TWSAX	American Century Strat Allc: Agrsv Inv																			
	3.19	14	8.55	16	10.93	47	10.62	22	7.45	11	0.84	1.33	98.14	11.42	0.94	1.14	1.14	0.35	4	
	Benchmark 1: Morningstar Aggressive Target Risk		2.19		5.39		11.67		10.83		7.63			13.46	0.83					
	Benchmark 2: US OE Aggressive Allocation		2.32		6.42		10.74		9.70		6.24		0.83	0.22	99.45	11.21	0.85	2.24	1.38	3

Performance data shown represents past performance and is no guarantee of future results. Investment return and principal value fluctuate, and shares when redeemed may be more or less than their original cost. Current performance may be higher or lower than quoted. For most recent month - end performance, visit www.massmutual.com/serve

Investment Return and Risk Report

as of 3/31/2015

Fund Name	Short-Term Performance				Long-Term Performance						5 Yr Risk/Return Data					Prospectus				
	Qtr	%Rank	1 Yr	%Rank	3 Yr	%Rank	5 Yr	%Rank	10 Yr	%Rank	Beta	Alpha	R-Sq	St Dev	Sharpe Ratio	Gross Expense Ratio	Net Expense Ratio	Reflex Revenue	Mstar Rating	
Performance data shown represents past performance and is no guarantee of future results. Investment return and principal value fluctuate, and shares when redeemed may be more or less than their original cost. Current performance may be higher or lower than quoted. For most recent month - end performance, visit www.massmutual.com/serve																				
US OE Retirement Income																				
VTINX	Vanguard Target Retirement Income Inv	1.75	36	5.71	11	5.79	22	6.70	13	5.62	4	0.78	1.56	95.02	4.29	1.52	0.16	0.16	0.00	5
	<i>Benchmark 1: Morningstar Lifetime Moderate Income</i>	1.06		3.29		5.02		6.49		5.84				5.37	1.19					
	<i>Benchmark 2: US OE Retirement Income</i>	1.64		4.22		4.87		5.56		4.26		0.93	-0.11	96.09	5.10	1.14	1.80	0.94		3
US OE Target Date 2011-2015																				
VTXVX	Vanguard Target Retirement 2015 Inv	2.03	41	6.84	2	8.49	11	8.56	7	6.26	5	1.01	0.18	97.79	7.72	1.10	0.16	0.16	0.00	5
	<i>Benchmark 1: Morningstar Lifetime Moderate 2015</i>	1.36		4.55		7.10		8.27		6.89				7.54	1.08					
	<i>Benchmark 2: US OE Target Date 2011-2015</i>	1.83		4.76		7.01		7.10		4.52		1.00	-1.32	98.29	7.61	0.90	3.13	0.93		3
US OE Target Date 2021-2025																				
VTTVX	Vanguard Target Retirement 2025 Inv	2.24	56	7.65	4	10.35	14	9.78	17	6.58	14	0.97	0.39	98.76	9.99	0.98	0.17	0.17	0.00	4
	<i>Benchmark 1: Morningstar Lifetime Moderate 2025</i>	1.66		5.29		9.20		9.65		7.42				10.24	0.95					
	<i>Benchmark 2: US OE Target Date 2021-2025</i>	2.24		5.79		8.80		8.77		5.75		0.98	-0.97	99.11	10.10	0.85	2.27	0.95		3
US OE Target Date 2031-2035																				
VTTHX	Vanguard Target Retirement 2035 Inv	2.35	68	7.92	14	11.85	16	10.76	16	6.96	19	0.97	0.37	99.27	12.17	0.90	0.18	0.18	0.00	4
	<i>Benchmark 1: Morningstar Lifetime Moderate 2035</i>	1.99		5.56		11.04		10.66		7.80				12.48	0.87					
	<i>Benchmark 2: US OE Target Date 2031-2035</i>	2.56		6.46		10.30		9.79		6.22		0.96	-0.65	99.38	11.99	0.81	2.40	0.98		3
US OE Target Date 2041-2045																				
VTIVX	Vanguard Target Retirement 2045 Inv	2.41	77	7.92	23	12.31	19	11.06	19	7.26	17	0.95	0.78	99.15	12.50	0.90	0.18	0.18	0.00	4
	<i>Benchmark 1: Morningstar Lifetime Moderate 2045</i>	2.14		5.26		11.26		10.69		7.90				13.05	0.84					
	<i>Benchmark 2: US OE Target Date 2041-2045</i>	2.72		6.76		10.99		10.22		6.68		0.98	-0.44	99.31	12.82	0.80	2.79	0.99		3
US OE Target Date 2051+																				
VFFVX	Vanguard Target Retirement 2055 Inv	2.38	79	7.89	24	12.32	25									0.18	0.18	0.00	4	
	<i>Benchmark 1: Morningstar Lifetime Moderate 2055</i>	2.19		4.84		10.96		10.40		7.84				13.21	0.81					
	<i>Benchmark 2: US OE Target Date 2051+</i>	2.75		6.89		11.47		10.15				0.96	0.19	99.21	12.71	0.82	9.57	0.98		3
US OE Intermediate-Term Bond																				
MSBZX	MassMutual Select Strategic Bond I	1.97	12	6.38	6	4.15	23	5.35	22	4.82	47	0.95	1.12	75.86	3.05	1.70	0.64	0.48	0.00	4
PTRAX	PIMCO Total Return Admin	2.15	6	5.38	35	3.77	37	4.72	48	5.99	7	1.04	0.17	61.69	3.70	1.25	0.71	0.71	0.25	4
	<i>Benchmark 1: Barclays US Agg Bond TR USD</i>	1.61		5.72		3.10		4.41		4.93				2.80	1.53					
	<i>Benchmark 2: US OE Intermediate-Term Bond</i>	1.54		4.75		3.44		4.62		4.64		0.89	0.65	82.31	2.74	1.63	1.08	0.88		3
US OE Inflation-Protected Bond																				
MIPZX	MassMutual Premier Infl-Prot and Inc I	1.56	12	2.96	12	0.62	6	4.23	6	4.06	36	1.00	-0.07	99.22	5.28	0.80	0.61	0.48	0.00	5
PRTNX	PIMCO Real Return A	1.46	23	2.36	31	0.48	12	3.97	15	4.43	14	1.09	-0.68	96.69	5.84	0.68	0.87	0.85	0.40	3
	<i>Benchmark 1: Barclays US Treasury US TIPS TR USD</i>	1.42		3.11		0.63		4.29		4.55				5.25	0.81					
	<i>Benchmark 2: US OE Inflation-Protected Bond</i>	1.10		1.30		-0.18		3.23		3.66		0.88	-0.54	98.35	4.67	0.69	0.95	0.82		3

Investment Return and Risk Report

as of 3/31/2015

Fund Name	Short-Term Performance				Long-Term Performance						5 Yr Risk/Return Data					Prospectus				
	Qtr	%Rank	1 Yr	%Rank	3 Yr	%Rank	5 Yr	%Rank	10 Yr	%Rank	Beta	Alpha	R-Sq	St Dev	Sharpe Ratio	Gross Expense Ratio	Net Expense Ratio	Reflex Revenue	Mstar Rating	
Performance data shown represents past performance and is no guarantee of future results. Investment return and principal value fluctuate, and shares when redeemed may be more or less than their original cost. Current performance may be higher or lower than quoted. For most recent month - end performance, visit www.massmutual.com/serve																				
US OE World Bond																				
GOBIX	Legg Mason BW Global Opportunities Bd I	-0.53	49	1.26	29	3.57	24	6.42	9			0.72	5.99	56.18	6.72	0.95	0.72	0.72	0.15	5
OIBIX	Oppenheimer International Bond I	0.78	27	0.32	36	1.83	46	2.86	49	5.58	19	0.88	2.56	65.04	7.63	0.40	0.56	0.56	0.00	3
	<i>Benchmark 1: Citi WGBI NonUSD USD</i>	-4.36		-9.82		-3.32		0.38		2.51					7.01	0.08				
	<i>Benchmark 2: US OE World Bond</i>	-0.53		-1.05		1.58		3.24		4.15		0.63	2.59	79.21	4.95	0.59	1.48	1.07		3
US OE Multisector Bond																				
LSBDX	Loomis Sayles Bond Instl	-1.03	98	0.70	85	5.84	22	7.24	19	7.34	8	0.84	3.29	12.49	6.41	1.11	0.63	0.63	0.20	4
	<i>Benchmark 1: Barclays US Universal TR USD</i>	1.73		5.33		3.49		4.75		5.15					2.71	1.70				
	<i>Benchmark 2: US OE Multisector Bond</i>	1.43		2.62		4.78		6.07		5.95		0.80	1.81	28.64	4.05	1.36	1.47	1.11		3

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COUNTY OF SAN MATEO DEFERRED COMPENSATION PLAN



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COUNTY OF SAN MATEO



Enhancements are coming to the County of San Mateo Deferred Compensation Plan

We are excited to announce that we will be making some enhancements to the County of San Mateo Deferred Compensation Plan (the "Plan"). First, we are modifying the fee structure of the Plan using a process called "fee leveling." Simply put, fee leveling means a more equitable sharing of fees between all plan participants. Along with fee leveling, you will benefit from having lower cost funds available in the plan's investment line-up. Many existing investment options will remain, but at a lower expense, and some investments will be changed to improve the overall investment offering. You will receive more detailed information about the new fee leveling process and fund line-up enhancements in the coming weeks. In the meantime, here are some highlights of the Plan upgrade that you should be aware of.

In order to implement the fee leveling process, the Plan will move to a new MassMutual recordkeeping system. With this system upgrade, you will take advantage of:

- Website enhancements, including access to new interactive educational tools, online seminars, and the RetireSmartSM Ready Tool which helps you determine your retirement readiness
- A more comprehensive account statement, including an annual statement that helps track your retirement readiness
- Continued access to a local representative, Lauren Penko, MassMutual's Retirement Education Specialist, who will be available to assist you with retirement planning
- Competitive interest rate for the General Interest Account ("GIA")* of at least 3.40% thru December 31, 2015
- Investment option and share class changes implemented on _____

In order to enable these enhancements, we will be moving the assets from the old recordkeeping system to a new recordkeeping system. There will be a required "blackout" period wherein access to Plan assets will be frozen. This "blackout" period may last for up to a week, though every effort will be made to expedite the asset transfer.

Please note this important information:

Blackout Period – The "blackout" period, will begin at 1:00 p.m. PDT on _____, and is scheduled to end _____. During this time, you will be unable to perform any financial transactions, including, but not limited to: new loans, asset transfers and account withdrawals. Your account will be invested during the blackout period except during the time your assets are transferred to the new recordkeeping system at MassMutual.

Post-Blackout Period – You will be able to access automated account services. More information will follow on accessing your account.

October 2015 – Your first enhanced quarterly statement of account from MassMutual's new program will be sent to you in mid-October and will reflect the changes to your account.

>> **Stay tuned for more information**

Over the next two months, you will receive the following information via mail:

- **Plan Enhancement Brochure** – more detailed information on the plan changes, including the new fee levelization process and a “mapping” guide which outlines changes to investments
- **Blackout Reminder Postcard** – a reminder that the blackout period will start on _____
- **Account Access Postcard** – a notification that the blackout period has ended and you can now create your account online at www.retiresmart.com

If you are currently receiving periodic installment payments from the Plan, your payments will continue, but the timing of your payment may change. Please watch your mail for additional information regarding your payments.

>> **Questions?**

- **MassMutual Customer Service** –
 - **Prior to** _____ – To process a transaction or get account help, call **1-800-528-9009** Monday through Friday from 5:00 a.m. to 5:00 p.m. PDT
 - **After** _____ – To get information regarding the transition or account help, call **1-877-**
- **Contact your local Retirement Education Specialist** – You may also contact your MassMutual Retirement Education Specialist, Lauren Penko, to schedule an individual meeting. Contact her at (650) 207-4415 or lpenko@massmutual.com.
- **Employee meetings** – We will hold educational meetings at the at the following times and locations:

We are committed to making this process as simple and seamless for you as possible. Please don't hesitate to contact us. We look forward to working with you and helping you plan for your retirement.

The General Investment Account ("GIA") invests in MassMutual's general investment account and is not a separate investment account or mutual fund. Participants are generally guaranteed preservation of principal and a stated rate of return and the book value of participants' accounts invested in the GIA are available for participant initiated transitions while the MassMutual group variable annuity contract (the "Investment Agreement") is active. If the Investment Agreement is fully or partially terminated, participants will receive the liquidation value of their investment in the GIA instead of the book value, determined in accordance with a formula contained in the Investment Agreement. The liquidation value may be more or less than the book value of a participant's investment in the GIA. Guarantees are based on the claims-paying ability of the issuer.

MassMutual Financial Group is a marketing name for Massachusetts Mutual Life Insurance Company (MassMutual) (of which Retirement Services is a division) and its affiliated companies and sales representatives.

C: 00000-00

County of San Mateo Deferred Compensation Plan Satisfaction Survey

The County of San Mateo Deferred Compensation Committee is conducting this confidential survey in an effort to learn more about how we can help you prepare for retirement. Your feedback is important to us. There are twenty-one survey questions and this should take around 5 minutes to complete. Thank you.

1. Do you currently participate in The County of San Mateo Deferred Compensation Plan?

- Yes
- No

2. If you answered No to question 1 above, please tell us why you do not participate in the retirement plan. (check all that apply)

- I didn't know we had a plan
- Not sure if I am eligible for the plan
- I don't understand how to enroll in the plan
- I don't understand how the plan works
- I don't like the plan features
- I haven't gotten around to it
- I don't understand the investment options
- I don't like the investment options
- I save for retirement in some other way
- My SamCERA pension will be enough
- Retirement is a long time away for me
- I can't afford to participate right now
- I don't think it is important
- Other: _____

3. What can be done to eliminate these reasons?

4. During the past year, have you attended education meetings during the facilitated by MassMutual's Retirement Education Specialist? (check all that apply)

- Yes – group presentation
- Yes – 1 on 1
- No

5. If you answered Yes to question 4, how satisfied were you with the meeting?

- Very satisfied
- Satisfied
- Neutral
- Unsatisfied

6. If you answered question 5, we welcome any additional feedback you have regarding the meeting:_____

7. If you have not attended an education session, what was the main reason you didn't attend? (check all that apply)

- Date
- Time
- Location
- Topic
- I didn't know there were meetings
- Other _____

8. What retirement education topics are you interested in learning more about? (check all that apply)

- How the plan works
- Am I saving enough?
- Basic rules of investing
- Understanding the plan's investment choices
- Online tools and resources
- Pre-retirement planning
- Other _____

9. How do you prefer to learn about the topics you selected above? (check all that apply)

- On-site group meetings
- Individual meeting with a MassMutual representative
- Printed education materials
- San Mateo County intranet site/newsletter
- Online webcast presentation
- MassMutual website
- Phone representative
- Other _____

10. Do you use the customized County of San Mateo web portal offered thru MassMutual to access plan information? The web address is www.viewmyretirement.com/sanmateocounty

- Yes
- No

11. If you answered Yes to question 10, how satisfied are you with the resources available?

- Very satisfied
- Satisfied
- Neutral
- Unsatisfied

12. If you answered No to question 10, why haven't you accessed the www.viewmyretirement.com/sanmateocounty custom web portal?

- I don't use the internet often
- I don't check my account frequently
- I didn't know we had access to this portal
- I log into my account using another site
- Other _____

13. Have you called MassMutual and spoken with a phone representative for assistance?

- Yes
- No

14. If you answered Yes to question 13, how satisfied were you with the help you received from the MassMutual phone representative?

- Very satisfied
- Satisfied
- Neutral
- Unsatisfied

15. If you answered question 14, we welcome any additional feedback you have regarding the MassMutual phone representative:

16. Do you currently use the MassMutual General Account (GIA) to save for retirement?

- Yes
- No

17. If you answered Yes to question 16, how satisfied are you with the GIA account rate of 3.4%?

- Very satisfied
- Satisfied
- Neutral
- Unsatisfied

18. Overall, how satisfied are you with the investment selections in the Plan?

- Very satisfied
- Satisfied
- Neutral
- Unsatisfied

19. Are there specific investments or investment categories you would like to see represented that aren't available in the Plan?

20. Please share any other comments/suggestions you have to help us improve the County of San Mateo Deferred Compensation program going forward:

21. If you would like MassMutual to contact you to provide more information about the Deferred Compensation Plan, please provide your name, phone number and email address: _____

ABOUT YOU

We are asking you to answer six questions about yourself in an effort to provide more focused service. These questions are completely optional.

1. What is your gender?

- Male
- Female

2. What is your age?

- Under 25
- 25 to 34
- 35 to 44
- 45 to 54
- 55 to 65
- Over 65

3. What department do you work in?

- Agriculture, Weights and Measures
- Assessor, County Clerk-Recorder & Chief Elections Officer
- Board of Supervisors
- Child Support Services
- Controller
- Coroner
- County Counsel
- County Managers Office Clerk of the Board
- County of San Mateo
- Court
- District Attorney
- Fire Protection Services
- Health System
- Housing (Department of Housing)
- Human Resources Department
- Human Services Agency
- Information Services Department
- Parks Department
- Planning and Building
- Probation
- Public Works
- SamCERA (Retirement)
- San Mateo County Library
- Sherriff's Office
- Tax Collector/Treasurer/Revenue

4. How long have you been part of The County of San Mateo Deferred Compensation Plan?

- < 1 year
- 1 to < 5 years
- 5 to < 10 years
- 10 years or more

- Don't participate

5. Do you currently contribute from your paycheck to The County of San Mateo Deferred Compensation Plan?

- Yes
- No

6. In how many years do you plan to retire?

- Next 1-4 years
- Next 5-10 years
- Next 10-15 years
- Next 15-20 years
- Over 20 years from now
- Don't know



COUNTY OF SAN MATEO

2015 PARTICIPANT EDUCATION PLAN

Prepared by:

Lauren Penko

Retirement Education Specialist
MassMutual Financial Group

RetireSMARTSM



We'll help you get there:

County of San Mateo



Save

- \$243.43 /pay average pre-tax contribution
- \$161.00/pay average Roth post-tax contribution
- \$197.00/pay average for both
- 10% participants contributing the maximum



Consolidate

- Less than 5 years with the plan



Sign Up

- 53% eligible employees participating (2,881)
- 47% non-participating



Allocate

- 38.2% in Fixed Account
- 11.3% in asset allocation/balanced funds (all data as of 12/31/14)



We'll help you get there:

C: 35255-00

2014 Education Results

# Participant Interactions	# of Group Seminars	# of Participate Actions	Action Ratio*	# of Rollovers
617	44	231	54%	23

Locations Visited:

- County Center (Public Works, Human Resources, County Courts, Sherrif Department, County Counsel)
- Adult Probation Office; East Palo Alto and South San Francisco
- Health Services, Alameda De Las Pulgas and Gateway Drive
- San Mateo Medical Center and Hospital
- Juvenile Probation; Paul Scannell Drive
- Quarry Road
- By request

*Action Ratio include, roll-in, diversification, deferral increases and only include accounts that are actionable



We'll help you get there:

3

C: 35255-00

NAGDCA Best Practices

- Group Meetings
 - *Attendance is Key. Approach group education strategically, by participating in events where employees are likely or mandated to attend*
 - *Web-Ex*
 - *New Hire*
 - *Retirement Seminars*
 - *Department Meetings*
- Personalized Counseling
 - *Departments: Focus on high concentration of participants*
 - *All Hours All Shifts*
- Web-Base Information
 - *Email*
 - *County Website*
 - *MassMutual Participant Website*



We'll help you get there:

4

C: 35255-00

2015 RetireSMARTSM Campaign Components

Save



- Increase deferral rate
- Catch up contribution

Consolidate



- Roll into one plan
- Make it simple: one statement, one website, one point of contact

Sign Up



- Importance of an early start
- Benefits of retirement plans
- Never too late

Allocate



- Check your investment mix
- Diversify



We'll help you get there:

5

C: 35255-00

2015: Proposed goals and tactics

- Increase plan participation
 - Sign-up campaign: custom mailer to those not participating
 - On-site 1 on 1 meetings at County Departments
 - Group Education seminars Enrollment and Roth Option overview
 - Department outreach for onsite education and enrollment
 - Eligibility data from County to target non-participants
- Increase deferrals
 - Save campaign: custom mailer to those currently deferring
 - Promotion of National Save for Retirement Week (NS4RW)
 - On-site 1 on 1 meetings at County Departments
 - Group Education Seminars on “Benefits of Increasing Deferred Amounts” & “Catch Up Options”



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6

C: 35255-00

2015: Proposed goals and tactics

- Consolidation
 - Consolidate campaign: target participants in plan 5 years or less with no rollover assets on record
 - Discuss consolidation options in enrollment education meetings, new hire orientations and individual sessions
 - Provide education during onsite 1 on 1 meetings and introduce rollover service concierge team
- Diversification
 - Allocate campaign: target anyone not eligible for Consolidate campaign with 4 or fewer investments (excludes asset allocation and target date options)
 - “A Balanced Approach to Investing” education seminars Countywide
- Education meetings:
 - Monthly seminars on suggested topics
 - Group & 1 on 1 focused on department outreach working with payroll contacts to help



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7

C: 35255-00

Other Considerations

- High number of EE eligible to retire (1,115)
- Significant number of new hires (347)
- Key Departments (high concentration of EE)
 - Health Systems
 - Human Services Agency
 - Probation
 - Sheriff's Office
 - Public Works
 - Information Services Department
 - County Library
 - Assessor-County Clerk



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8

C: 35255-00

2015 Participant Communication Calendar

<p>January '15</p> <ul style="list-style-type: none"> <input type="checkbox"/> On-site 1:1 <input type="checkbox"/> Q4 '14 statements <p style="text-align: center;">On-site meetings</p>	<p>February '15</p> <ul style="list-style-type: none"> <input type="checkbox"/> On-site 1:1 <input type="checkbox"/> Group Education: Retirement Options Basics <input type="checkbox"/> Financial Soundings Reports <p style="text-align: center;">On-site meetings</p>	<p>March '15</p> <ul style="list-style-type: none"> <input type="checkbox"/> On-site 1:1 <input type="checkbox"/> Group Education: Asset Allocation <p style="text-align: center;">On-site meetings</p>
<p>April '15</p> <ul style="list-style-type: none"> <input type="checkbox"/> On-site 1:1 Meetings <input type="checkbox"/> Q1 '15 statements <input type="checkbox"/> Group Education: Enrollment Overview & Benefits of Increasing Financial Soundings Reports <p style="text-align: center;">On-site meetings</p>	<p>May '15</p> <ul style="list-style-type: none"> <input type="checkbox"/> On-site 1:1 Meetings <input type="checkbox"/> Group Education: Understanding Roth 457 (b) Option <p style="text-align: center;">On-site meetings</p>	<p>June '15</p> <ul style="list-style-type: none"> <input type="checkbox"/> On-site 1:1 Meetings <input type="checkbox"/> Group Education: Morningstar and Online Guidance <p style="text-align: center;">On-site meetings</p>



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9

C: 35255-00

2015 Participant Communication Calendar

<p>July '15</p> <ul style="list-style-type: none"> <input type="checkbox"/> On-site 1:1 <input type="checkbox"/> Transition Campaign: Mail/Email/Group/1:1 Meetings <input type="checkbox"/> Q2 '15 statements <p style="text-align: center;">On-site meetings</p>	<p>August '15</p> <ul style="list-style-type: none"> <input type="checkbox"/> On-site 1:1 <input type="checkbox"/> Transition Campaign: Email/Mail/Group Seminars/1:1 <p style="text-align: center;">On-site meetings</p>	<p>September '15</p> <ul style="list-style-type: none"> <input type="checkbox"/> On-site 1:1 <input type="checkbox"/> Group Education: Enrollment 457 and Roth <p style="text-align: center;">On-site meetings</p>
<p>October '15</p> <ul style="list-style-type: none"> <input type="checkbox"/> On-site 1:1 <input type="checkbox"/> County Benefits Fair 2 Day Event- open enrollment <input type="checkbox"/> Group Education: Benefits of Increasing <input type="checkbox"/> Education: National Save for Retirement Week (NS4RW) <input type="checkbox"/> Q3 '15 statements <p style="text-align: center;">On-site meetings</p>	<p>November '15</p> <ul style="list-style-type: none"> <input type="checkbox"/> On-site 1:1 <input type="checkbox"/> 2016 IRS Limits Email <input type="checkbox"/> Group Education: Retirement Income Options <p style="text-align: center;">On-site meetings</p>	<p>December '15</p> <ul style="list-style-type: none"> <input type="checkbox"/> On-site 1:1 <input type="checkbox"/> Group Education: Catch Up Provisions <p style="text-align: center;">On-site meetings</p>



We'll help you get there:

10

C: 35255-00



We'll help you get there.®

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**COUNTY OF SAN MATEO
DEFERRED COMPENSATION
BUDGET**

	RECOMMENDED		
	2015-16	2016-17 (f)	2017-18 (f)
BEGINNING FUND BALANCE (a)	318,000	310,776	303,552
REVENUES			
Provider Reimbursement (b)	70,000	70,000	70,000
Excess from Financial Soundings (c)	-	-	-
REVENUES, TOTAL	70,000	70,000	70,000
EXPENDITURES			
Consultant Services	40,000	40,000	40,000
NAGDCA Membership Dues	600	600	600
NAGDCA Conference	15,000	15,000	15,000
Staffing (d)	21,624	21,624	21,624
EXPENDITURES, TOTAL	77,224	77,224	77,224
ANNUAL SURPLUS/(DEFICIT)	(7,224)	(7,224)	(7,224)
ENDING FUND BALANCE (e)	310,776	303,552	296,328

(a) Based on balance as of 3/31/15 (c)

(b) 2 basis points

(c) TBD

(d) 0.20 Fiscal Office Specialist

(e) I recommend a fund balance policy to manage the balance.

(f) Uses 2015-16 dollars; no assumed growth assets, earnings or costs

2018-19 (f)	2019-20 (f)
296,328	289,104

70,000	70,000
-	-

70,000	70,000
--------	--------

40,000	40,000
600	600
15,000	15,000
21,624	21,624

77,224	77,224
--------	--------

(7,224)	(7,224)
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289,104	281,880
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Message from the Consultants

Supplemental retirement plans play a vital role in helping employees secure sufficient income for their future retirement. As a result, it is increasingly important for plan sponsors to find ways to improve employee participation in 457, 401(k) and 403(b) plans.

Surveys show participation in public sector supplemental retirement plans typically averages 50% of eligible workers. This percentage is even less when looking at specific segments of the employee population – such as lower income workers, women and minorities.

Incorporating automatic enrollment into your plan design can drastically improve employee participation. Although this is common practice in private sector 401(k) plans, public sector employers face several roadblocks to adopting auto enrollment in their plans (see article on page 3).

Your SST consultant is available to help you evaluate auto enrollment for your plan. We can also help you identify and work through any roadblocks that may exist.

Sincerely,

*Bill Tagawa, Paul Hachleman & Mindy Harris
SST Benefits Consulting*

Revenue Sharing Arrangements

Who pays for your supplemental retirement plan?



Regulations issued by the Department of Labor (DOL) require full disclosure to plan sponsors and participants of all fees and costs associated with their retirement plans. Although these rules do not apply to state and local government employers, they are considered best practice to ensure fiduciary responsibilities are met. This includes ensuring all fiduciaries understand and agree with the plan's revenue sharing arrangements.

Retail mutual funds included in the investment menu pay varying reimbursements to the plan, generally as a percentage of assets invested with their funds. This is to compensate the plan for providing record-keeping services that would otherwise be handled directly by the mutual fund company.

These reimbursements, or revenue sharing arrangements, cover plan costs. This approach may result in little or no fees directly assessed participants by the plan or plan administrator.

Over the past few years, many plans have begun replacing retail investment products with institutional funds and separate accounts. These options normally do not provide reimbursements as they are not designed for individual investors and do not have embedded costs for record keeping. As a result of this change, there is growing fiduciary concern about potential inequities within a plan that includes retail as well as institutional investments.

For example, consider a plan that uses revenue sharing arrangements to cover all plan costs; 50% of participant accounts are held in retail mutual funds and 50% in institutional or separate accounts. Participants who only hold accounts in the non-reimbursement options are in the plan for free, while those investing in retail funds are covering the entire cost.

To address the above, plan sponsors and providers are beginning to look at a different approach to cover administrative costs that provides more equity for all participants. For example, participants who are holding accounts in mutual funds that provide reimbursements would be refunded the amount of reimbursement (e.g., 15 basis points) back to their account on a quarterly basis. Then the plan sponsor/ administrator would charge the total cost of the plan to all participants on a more uniform basis. This may be handled as a quarterly asset based fee and/or flat fee on a tiered scale based on individual participant assets.

Currently there is no guidance from the DOL on this fiduciary issue. However, employers need to understand how cost is allocated and consider action based on the best interest of all participants.

The “Washington Insider” offers news about recent legislative and regulatory developments that may be of interest to state and local government plan sponsors

Washington Insider

DOL Releases Proposed Fiduciary Rule.

On April 14, 2015, the Department of Labor (DOL) issued a [proposed rule](#) to re-define a fiduciary. According to the DOL press release, this rule is designed to “protect 401(k) and IRA investors by mitigating the effect of conflicts of interest in the retirement investment marketplace.” The proposed definition will require retirement advisers “to put their clients’ best interests before their own profits. Those who wish to receive payments from companies selling products they recommend and forms of compensation that create conflicts of interest will need to rely on one of several proposed prohibited transaction exemptions.”

The [proposed rule](#) only impacts employer sponsored retirement plans subject to ERISA and IRAs. As such, public sector employers are not subject to these regulations. However, the current definition of a fiduciary is generally followed by state and local government plans and public sector plan sponsors should carefully review the proposed rule to determine if fiduciary roles and responsibilities should be updated based on this new guidance.

Congressman Announces Retirement Action Plan

Congressman Joseph Crowley (D-NY) recently [introduced](#) a retirement action plan to improve American’s workers ability to achieve financial security in retirement. Congressman Crowley’s “[Building Better Savings, Building Brighter Futures](#)” plan includes ways to encourage personal saving, expand employer-provided retirement plans, and strengthen Social Security. This plan, likely to be introduced in one or more bills, includes: 1) creating USAccounts that begin at a child’s birth with a \$500 investment from the federal government; 2) making President Obama’s myRA proposal permanent; and 3) establishing universal pension accounts, called “Secure, Accessible, Valuable, Efficient Universal Pension” accounts (SAVE UPs), funded by employers and employees.

Senate Finance Committee Working Group.

March 11, 2015, a [press release](#) was issued by Senate Finance Committee Chairman Orrin Hatch (R-UT) and Ranking Member Ron Wyden (D-OR) seeking input from the public on topics being reviewed by the Committee’s tax reform working groups. Five separate working groups have been formed to find ways to revamp the federal tax code. The Savings and Investing Group, co-chaired by Senator Mike Crapo (R-ID) and Senator Sherrod Brown (D-OH), will be looking at ways to address retirement security. Recommendations resulting from this effort are expected to be released by the working groups by the end of May.

EBRI 2015 Retirement Confidence Survey

In April, the Employee Benefit Research Institute (EBRI) released its [2015 Retirement Confidence Survey](#). This is the 25th year this survey has been conducted, “making it the longest-running survey of its kind in the nation.” The results again showed an increase in the percentage of workers confident about having enough money for a comfortable retirement: “Twenty-two percent are now very confident (up from 13 percent in 2013 and 18 percent in 2014), while 36 percent are somewhat confident. Twenty-four percent are not at all confident (statistically unchanged from 28 percent in 2013 and 24 percent in 2014).”

Reminder from the IRS to Maintain Documentation

The Department of Treasury recently issued [informational guidance](#) to retirement plan sponsors to remind them of the importance of maintaining documentation for hardships and plan loans. This is an important reminder, particularly for plans that outsource these functions to record-keepers and third party administrators. As identified in this document “even if you use a third party administrator (TPA) to handle participant transactions, you’re still ultimately responsible for the proper administration of your retirement plan.”

Automatic Enrollment in the Public Sector

Do you need to improve employee participation in your supplemental retirement plan?

What is your plan’s participation rate? Is there something more that can (and should) be done to motivate employees to enroll in their supplemental retirement plan – 457(b), 403(b) and/or 401(k) – and help them recognize its importance in helping to provide financial security in retirement?

In the private sector, automatic enrollment is becoming the design of choice to address this issue. Studies show that this approach drastically improves plan participation rates as employees are forced to take action to “opt out” of the plan instead of requiring action to “opt in”. A default deferral rate and default investment is set for employees who are automatically enrolled and, in some cases, the employer also establishes an auto-escalation timetable for increasing deferrals on a periodic bases.

In the public sector this practice is much slower to be adopted. One of the main reasons is the conflict with state’s garnishment laws that appear to prevent this plan design. According to a recent survey from the National Association of Government Defined Contribution Administrators ([NAGDCA](#)), only 11 states have laws that would permit an automatic enrollment approach in public sector defined contribution plans.

Anti-garnishment laws are only one of the issues, however. A second concern is the perception some government leaders have that automatic enrollment would be too much of a burden on workers, especially those with modest wages. Often the primary retirement benefits (defined benefit plans) in the public sector are funded with both employer contributions and mandatory employee contributions.

Although employees can opt-out, plan sponsors worry that installing an automatic enrollment design in the supplemental plan would appear to some as another mandatory deduction from earnings.

A third concern is the influence of labor in the workforce as they continue to debate if this makes sense for their membership. As with employers, labor officials are concerned that the benefits of automatic enrollment may not be readily apparent by the workforce and instead be unhappy as to what some may see as a mandatory deduction from pay.

An additional issue for some public sector plan sponsors is the administrative challenges that may exist when implementing an automatic enrollment design. For employers that offer more than one bundled plan with multiple record keepers, additional default decisions must be made by plan fiduciaries as to which bundled plan provider would receive the automatic enrollments.

Although there are complications with this plan design in the public sector that may not exist in the private sector, the benefits of using this approach to improve employee participation cannot be ignored. Over the past several years there have been many changes within the structure of primary retirement benefits within state and local governments that make the supplemental plan even more important.

For instance, the primary defined benefits are being reduced and cost of living adjustments to retirees are being lowered or eliminated. What this means for state and local government workers is that they must make up the reductions to their potential retirement income with personal savings and investments. Employers should consider taking a more proactive approach to motivate employees to take personal responsible for their financial futures by participating in their supplemental retirement plans.

For more information:

[Using Automatic Enrollment in Local Government Retirement Plans to Increase Savings](#)
Issue Brief from the **Center for State and Local Government Excellence**

[Public Sector Defined Contribution Plan Survey Report](#)
Published March 2015 by the National Association of Government Defined Contribution Administrators (NAGDCA)

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COUNTY OF SAN MATEO
Human Resources



Date: May 11, 2015

Committee Meeting Date: May 14, 2015

Special Notice / Hearing: None

Vote Required: Majority

To: Deferred Compensation Committee

From: Jay Castellano, Interim Benefits Manager

Subject: 2015-16 Deferred Compensation Administrative Budget

RECOMMENDATION:

Approve the 2015-16 administrative budget for the Deferred Compensation Trust Fund.

BACKGROUND:

The Deferred Compensation Trust Fund is a special fund that captures 1) revenues from the provider's administrative reimbursements and 2) administrative expenses for the Deferred Compensation program and the Deferred Compensation Committee.

The assets of the Deferred Compensation Trust Fund are maintained and accounted for separate from the County's General Fund, the Employee Benefits Trust Fund and all other County funds. These assets are considered to be plan assets—managed by the Deferred Compensation Committee on behalf of the plan participants.

DISCUSSION:

2015-16 Beginning Fund Balance—The budgeted beginning fund balance of \$318,000 is based on the actual fund balance as of March 31, 2015. It consists of the March 31 fund balance of \$248,000 plus an estimated \$70,000 for MassMutual's 2014-15 administrative reimbursement. The administrative reimbursement will be received by June 30, 2015, and it will equal 0.02% of plan assets (approximately \$350,000,000).

2015-16 Revenues—The \$70,000 revenue budget conservatively assumes that plan assets will remain constant throughout 2015-16. The 0.02% administrative reimbursement rate is codified in the County's contract with MassMutual through 2016.

In addition, another 0.02% has been managed by MassMutual to pay for costs associated with Financial Soundings. The Financial Soundings participation has been

lower than originally budgeted, and, consequently, costs have been lower than anticipated. MassMutual is in the process of accounting for the Financial Soundings savings and will transfer those savings back to the County. Those savings will be accounted for in the Deferred Compensation Fund by the end of this fiscal year.

2015-16 Expenditures—Budgeted plan expenses for consultant services and for NAGDCA remain the same as in prior years. Newly proposed for 2015-16 is charging 0.20 Fiscal Office Specialist to the plan. Even given the Committee's high standard of fiduciary duty, this new expense is recommended as an appropriate use of plan assets.

This position provides all administrative support to the program and to the committee. On the County side (versus the MassMutual side), this position is the primary point of contact for plan participants and for provider relations. This position handles transactions, the scheduling of educational sessions and all logistics for the Committee's meetings. The allocation of 0.20 FTE (full-time equivalent) represents a conservative estimate based on staff's time spent on the deferred compensation program during the past six months.

Ending Fund Balance—Despite the new recommended expense of \$21,624 (0.20 Fiscal Office Specialist), the Deferred Compensation Fund's fund balance is projected to remain stable and well-funded at approximately 400% of operating appropriations. The 400% level far exceeds the County's reserve and fund balance policies (2% and 2%, respectively), which, according to the County's budget director, are not applicable to the Deferred Compensation Fund.