



# NEWS FROM

## Councilman Dennis P. Zine

Third Council District, City Hall, Room 450, Los Angeles, CA 90012

**For Immediate Release**

**September 8, 2004**

**Contact: Jennifer Forkish**

**(213) 276-2093**

### **ZINE ASKS COUNCIL TO ASSERT JURISDICTION OVER DEFERRED COMP BOARD DECISION**

*(Los Angeles)*- Personnel Committee Chairman, Councilman Dennis P. Zine, introduced a motion yesterday asking the Los Angeles City Council to assert jurisdiction over the Board of Deferred Compensation Administration's (Board) decision to terminate the City's contract with Great-West Retirement Services in favor of using another provider, Nationwide.

The Board's August 17th decision sparked major concerns from city employees who would incur a 20-25% fee increase with the change from Great-West to Nationwide. The Board members who voted in support of Nationwide justified their decision by claiming that additional fees would fund more services. However city employees were never notified that a change in providers was even a possibility, or what types of services would be provided.

"My office received a number of phone calls from a variety of city employees who felt that the decision to change providers had been shoved down their throats," said Zine. "Once I reviewed the facts and discovered that employees had not even been notified of the pending changes to their plan, I felt compelled to take action."

Currently Great-West assists voluntary city employees by investing their money in individually selected investment plans. Each payday, employees contribute a predetermined amount of money directly from their paychecks to fund their investments. These plans allow participants a chance to invest tax-deferred dollars for retirement.

"The Board of Deferred Compensation Administration's goal is to represent the will of the city employees who are members," said Zine. "The employees strong opposition to this change makes me think the Board action needs to be reviewed."

On September 14, the Los Angeles City Council will decide if they want to assert jurisdiction over the Board's decision to change providers. Should the Council vote in support of this measure, they will have 21 calendar days to decide if a veto is warranted. Should the Council assert jurisdiction, the Personnel Committee will hold a special meeting on Wednesday, September 29. The final vote on the matter would be held on Tuesday, October 5 during the regular meeting of the Los Angeles City Council.

The Deferred Compensation Fund has over \$1.8 billion in assets.

###