

## ● **Report on 401(k) and 457 Plans**

### **Summary**

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This report summarizes the activities related to the 401(k) and 457 plans for the period January 1, 2005 through June 30, 2005

### **Attachments**

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None.

### **Detailed Report**

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#### **Background**

Metropolitan employees may participate in both 457 and 401(k) deferred compensation plans. Metropolitan has offered the 457 plan since February 1977 and the 401(k) plan since May 1985. The board has requested semi-annual reports on the plans, including activities and status of the plan.

Pursuant to the Administrative Code, the Chief Executive Officer (CEO) is responsible for administering the plans. The CEO has delegated the Benefits and Employee Services Manager as the Plan Administrator. The Treasurer serves as Trustee for the plans. In addition, a Deferred Compensation Advisory Committee provides oversight of the plans and advises the CEO on plan activities.

#### **Deferred Compensation Advisory Committee**

The Deferred Compensation Advisory Committee is responsible for meeting on a quarterly basis to discuss administrative issues concerning the plans, including plan regulations, recommendations and amendments to plan documents. The Committee is chaired by the Chief Financial Officer and includes:

- AFSCME Local 1902 representative
- Management and Professional Employees' Association representative
- Supervisors' Association representative
- Association of Confidential Employees representative
- General Counsel representative
- Plan Trustee (Treasurer)
- Plan Administrator (Benefits and Employee Services Manager)

The Deferred Compensation Advisory Committee met twice since January 1, 2005. The following summarizes major actions of the Deferred Compensation Advisory Committee:

- a. Recommended placing Core investment option Aim Small Cap Growth Fund on a "watch list" and to evaluate appropriate replacement funds.
- b. Discussed possible replacement of portfolio advisory service providers and inclusion of managed accounts.
- c. Provided input to Great-West and monitored Great-West's education Program.
- d. Reviewed performance of each of the available funds.

## Board Report (Report on 401(k) and 457 Plans)

### Plan Changes/Amendments/Internal Audit

On March 8, 2005 a Board Letter was submitted and the Board approved amending the 457 Plan Document to revise the effective dates of Plan enrollment, deduction changes and revocations to be consistent with recent changes in tax law. Corresponding changes to the Peoplesoft Self-Service System were implemented.

On April 14, 2005 an internal audit of the 401(k) and 457 Plans' processes and controls including a review of Great-West's SAS 70 was initiated, results are pending.

### Asset/Activity Summary

The following summarizes investment and transfer activities in the plans.

As of June 30, 2005	401(k) Plan	457 Plan
Current Number of Participants (includes retiree accounts)	1,931	1,280
Active Employees Contributing	1,676	942
Percentage of Contributing Participants	88%	49.5%
New Enrollments since January 1, 2005	72	43 (includes mandatory Social Security alternative enrollees)
Plan Assets as of June 30, 2005	\$119,613,271	\$45,340,395
Employee Contributions from January 1, 2005 to June 30, 2005	\$6,351,944	\$3,005,378
Employer Matching Contributions from January 1, 2005 to June 30, 2005	\$3,039,686	N/A
Number of loans processed	57	26
Employee payroll loan payments from January 1, 2005 to June 30, 2005	\$652,993	\$41,110
Total disbursements from January 1, 2005 to June 30, 2005	\$12,649,792	\$3,260,069
Service Credit Transfers from Plan Disbursed amounts	149 \$10,403,432	42 \$1,262,946