

- 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 July 1, 2007 through December 31, 2007

## Attachments

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None

## Detailed Report

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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 General Manager is responsible for administering the plans. The General Manager has delegated authority to the Benefits and Employee Services Manager to act 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 General Manager 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 once since July 1, 2007. The following summarizes major actions of the Deferred Compensation Advisory Committee:

- a. Continued negotiations with Great-West to implement revenue sharing strategies and reduce originally proposed participant fees.
- b. Continued negotiations with Great-West to replace current investment advice service provider, with inclusion of managed accounts, as recommended by the Deferred Compensation Advisory Committee.
- c. Monitored investment performance, as well as plan fees to ensure appropriateness.
- d. Provided input and monitored Great-West's and CalPERS' education programs.

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

### Plan Amendment

On December 11, 2007 a Board Letter was submitted and the Board approved amending the 401(k) and 457 Plan Documents to broaden permissible distributions and tax-free rollovers as permitted under the federal Pension Protection Act of 2006. Amendments to repeal obsolete plan provisions were also approved.

### Asset/Activity Summary

The following summarizes investment and transfer activities in the plans.

Plan Statistics	401(k) Plan (as of 6/30/07)	401(k) Plan (as of 12/31/2007)	457 Plan (as of 6/30/2007)	457 Plan (as of 6/30/2007)
Current Number of Participants (includes retiree accounts)	1,987	2,072	1,352	1,445
Active Employees Eligible to Participate	1,836	1,860	1,975	1,955
Active Employees Contributing	1,633	1,642	863	840
Percentage of Contributing Participants	89%	88%	44%	43%

Plan Statistics	401(k) Plan	457 Plan
New Enrollments since July 1, 2007	58	59
Plan Assets as of December 31, 2007	\$180,342,462	\$59,997,836
Employee Contributions from July 1, 2007 to December 31, 2007	\$7,600,933	\$3,705,168
Employer Matching Contributions from July 1, 2007 to December 31, 2007	\$3,726,985	N/A
Number of loans processed	90	54
Employee payroll loan payments from July 1, 2007 to December 31, 2007	\$978,767	\$175,135
Total disbursements from July 1, 2007 to December 31, 2007	\$4,206,002	\$2,281,069
Service Credit Transfers from Plan Disbursed amounts	11 \$971,282	9 \$436,507