

Priority: Accountability **Lead Agency:** County Management
Program Offer Type: Existing Operating **Program Contact:** Mindy Harris
Related Programs:
Program Characteristics:

Executive Summary

This program administers Multnomah County's Deferred Compensation program.

Program Description

This program administers the County's IRC §457 deferred compensation program. The unit reconciles and reports employee contributions to the providers each pay period, negotiates investment service contracts with the providers and amends retirement plans as necessary to reflect changes in legislation. The unit analyzes investment performance and determines how and when to implement changes that will maximize the benefits for employees. In partnership with the providers, this unit provides education to employees to ensure that they are informed and can make educated decisions about their retirement savings.

Program Justification

This program is linked to the accountability priority by providing Multnomah County employees an additional means to save for their retirement, which adds to the County's ability to attract and retain qualified staff. The deferred compensation plan is comprised of three separate providers which offer a variety of investment choices to fit each individual's needs. Participants defer tax free dollars into the plan and choose their own investment portfolio. The County's administrative expenses are paid by the investment providers and the County has fiduciary liability and responsibility for the accuracy of each participant's account. The deferred comp unit ensures accuracy by reconciling and remitting deductions each pay period, by following strict internal controls, and by ensuring compliance with IRS regulations. Multnomah County has received several awards recognizing our educational program and outreach efforts to increase participation and help employees prepare for retirement. Due to our efforts, our plan exceeds the national average in terms of rate of participation and average account balance.

Performance Measures

Measure Type	Primary Measure	Previous Year Actual (FY05-06)	Current Year Purchased (FY06-07)	Current Year Estimate (FY06-07)	Next Year Offer (FY07-08)
Output	Number of educational opportunities for employees.	6	6	6	6
Outcome	Percent of employees contributing to plans.	34.0%	37.0%	38.7%	39.0%
Quality	Average account balance.	0	43,000	43,000	44,000

Performance Measure - Description

The percent of employees participating in the plan will measure the effectiveness and quality of the educational opportunities offered. The national average for participation is 29%.

The national average account balance is \$9,500. The County's average account balance is \$43,000. The average account balance measures the quality of the investment options and overall attractiveness of the plan as a voluntary employee benefit.

Legal/Contractual Obligation

The deferred compensation plan is mandated by contractual agreement with the investment providers and IRS rules governing 457 plans.

Revenue/Expense Detail

	Proposed General Fund	Proposed Other Funds	Proposed General Fund	Proposed Other Funds
	2007	2007	2008	2008
Program Expenses				
Personnel	\$67,657	\$0	\$55,578	\$0
Contracts	\$7,500	\$0	\$10,000	\$0
Materials & Supplies	\$2,800	\$0	\$3,400	\$0
Internal Services	\$3,731	\$0	\$3,656	\$0
Subtotal: Direct Exps:	\$81,688	\$0	\$72,634	\$0
Administration	\$5,679	\$188	\$3,622	\$674
Program Support	\$854	\$0	\$575	\$0
Subtotal: Other Exps:	\$6,533	\$188	\$4,197	\$674
Total GF/non-GF:	\$88,221	\$188	\$76,831	\$674
Program Total:	\$88,409		\$77,505	
Program FTE	0.71	0.00	0.67	0.00
Program Revenues				
Other / Miscellaneous	\$72,824	\$0	\$76,465	\$0
Program Revenue for Admin	\$147	\$0	\$674	\$0
Total Revenue:	\$72,971	\$0	\$77,139	\$0

Explanation of Revenues

The investment providers' contracts require that they reimburse the county for all administrative costs associated with providing the Plan to employees. The contracts also specify service performance levels with financial penalties if the performance standards are not met. Reimbursements are made on a quarterly basis.

Significant Program Changes

Last year this program was: #72008, Retirement Programs

This program was formerly part of the Retirement Programs comprised of PERS, deferred comp and tax reporting. For FY 2008 this program stands alone and PERS and tax reporting moves under Payroll.