



**Contra
Costa
County**

To: Board of Supervisors
From: Dianne Dinsmore, Human Resources Director
Date: July 9, 2019

Subject: Contract with Great-West Trust Company, LLC for the Collective Investment Trust for the 457 Deferred Compensation Plan

RECOMMENDATION(S):

APPROVE and AUTHORIZE the County Administrator, or Designee, to execute a contract with Great-West Trust Company, LLC for the Collective Investment Trust for the 457 Deferred Compensation Plan to provide the Great-West Stable Value Fund as the stable value investment option, subject to approval as to form by County Counsel.

FISCAL IMPACT:

The contract is funded by fees charged to participant 457 Deferred Compensation Plan accounts. There is no fiscal impact beyond overhead administrative support costs, which are partially offset through the Contra Costa County Deferred Compensation Plan (I.R.C. § 457) ("the Plan").

BACKGROUND:

On June 11, 2019, the Board of Supervisors approved and authorized entry into a contract with Great-West Life and & Annuity Insurance Company, d/b/a Empower Retirement ("Empower"), to provide administrative services for the Plan for the period July 29, 2019 through July 31, 2022. At the same time, the Board of Supervisors also authorized entering into related contracts, including a trust agreement with Great-West Trust Company, LLC

☒ APPROVE

☐ OTHER

☒ RECOMMENDATION OF CNTY ADMINISTRATOR

☐ RECOMMENDATION OF BOARD COMMITTEE

Action of Board On: **07/09/2019** ☒ APPROVED AS RECOMMENDED ☐ OTHER

Clerks Notes:

VOTE OF SUPERVISORS

AYE: Candace Andersen, District II
Supervisor
Diane Burgis, District III
Supervisor
Karen Mitchoff, District IV
Supervisor
Federal D. Glover, District V
Supervisor

ABSENT: John Gioia, District I
Supervisor

I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.

ATTESTED: July 9, 2019

David Twa, County Administrator and Clerk of the Board of Supervisors

By: Laura Cassell, Deputy

Contact: Ann Elliott
925-335-1747

and a Personal Choice Retirement Account Plan Application and Agreement with Charles Schwab & Co. Inc. These three contracts relate to the County's transition to the new recordkeeper and the services associated with that transition.

BACKGROUND: (CONT'D)

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The final contract required for the July 2019 transition of services is the Collective Investment Trust Participation Agreement ("Participation Agreement") with Great-West Trust Company, LLC ("Participation Agreement") "Great-West". The Participation Agreement appoints Great-West as the Trustee for the Great-West Stable Value Fund.

The Great-West Stable Value Fund is one investment option under the Plan. It is a capital preservation investment in the form of an investment fund. The Stable Value Fund maintained by Great-West has two objectives: 1) to seek to provide safety of principal; and 2) consistency of returns with minimal volatility, while maintaining a stable credited rate of interest. Great-West has retained one of its affiliates, Great-West Capital Management, LLC, as Great-West's investment adviser with respect to the Great-West Stable Value Fund.

Investments in the Stable Value Fund are insured by Empower through a separate funding agreement between Empower and Great-West providing "wrap" coverage. Empower is a solid insurance company with a track record of high credit ratings. Their current ratings are as follows:

A.M. Best	A+: next to top rating & superior ability to meet ongoing obligations
Moody's	Aa3: high quality and subject to very low credit risk
S&P	AA: very strong capacity to meet financial commitments

Empower's agreed upon annual administrative fee of \$18, which is charged to participants, is contingent upon the County's use of the Great-West Stable Value Fund as the sole stable value option in the Plan. By executing the Participation Agreement with Great-West, the County will designate the Great-West Stable Value Fund as the stable value investment option for the Plan, and will authorize Great-West to perform all authorized acts set forth in the Declaration of Trust

CONSEQUENCE OF NEGATIVE ACTION:

Without the Participation Agreement, there will be no Stable Value fund option available to Plan Participants and the \$18 annual fee per participant would increase significantly.