



# SACRAMENTO CITY UNIFIED SCHOOL DISTRICT BOARD OF EDUCATION

Agenda Item #9.1d

**Meeting Date:** November 21, 2013

**Subject:** **Approve Suspension of the Hartford 457 Plan and Close and Map Savant Group 457 Plan Assets to Either of the Existing CalPERS or Valic 457 Plans**

- Information Item Only
- Approval on Consent Agenda
- Conference (for discussion only)
- Conference/First Reading (Action Anticipated: November 21, 2013)
- Conference/Action
- Action
- Public Hearing

**Division:** Business Services

**Recommendation:** To suspend Hartford 457 Plan to any new enrollments and fully close out the Savant Group 457 Plan and map current participants' assets to either of the District's existing CalPERS or Valic 457 Plans.

**Background/Rationale:**

The Hartford was sold or is being administered by Mass Mutual which presents difficulties in guidance and servicing for the ten participants of the plan.

The Savant Plan is being closed due to:

- Fiduciary Liability to District
- Excessive costs to the Participants
- Lack of investments responsibility for advisors

Savant was installed in the in District 2001 and has proven not to meet the current needs of the employer, participants, or the newly installed MidAmerica TPA based on the RFP of September 14, 2012.

This represents an estimated \$30,000 annual reduction in fees, significant reduction in administrative burden and district time, improved technology, enhanced transparency, greater investment control and choice, local professional education and support while still retaining access to professional money managers for participants or if they prefer a self-directed low cost, high quality list of funds to select from.

**Financial Considerations:** Lower cost for participants, less fiduciary liability for the district and less cost for district oversight.

**Documents Attached:** None

**Estimated Time of Presentation:** N/A

**Submitted by:** Ken A. Forrest, Chief Business Officer  
Gail S. Richardson, Director, Risk Management

**Approved by:** Jonathan P. Raymond, Superintendent