

Compliance activities “at-a-glance”

January-March, 2021



North Carolina
Total Retirement Plans
401k|457|403b



Dale R. Foxwell, CPA
STATE TREASURER OF NORTH CAROLINA
DALE R. FOXWELL, CPA

Vendor contract management and performance standards monitoring



- Recordkeeper failed to meet performance standards on several occasions, including Retirement Readiness, Call Center Speed to Answer, and Administrative Quality
- Custodian met all performance standards
- Investment consultant met all performance standards
- Proxy adviser met all performance standards

Investment guidelines daily monitoring



- All investment managers were compliant with their respective guidelines
- Staff continued to review portfolio holdings each day during the quarter
- Staff found no prohibited holdings from the Divestment Lists or from Presidential Executive Order 13959 regarding Communist Chinese Military Companies

Corporate governance update



- Staff conducted the quarterly call with proxy adviser, Glass Lewis; no material issues were identified
- Proxy adviser continues providing daily email update of revised recommendations
- The Department maintains Standing Instructions voting for certain ballots which significantly reduced the need for manual voting
- After Stable Value Fund custodian change, Staff transferred proxy voting for Stable Value Fund to Glass Lewis.

Policy update



- The annual reviews of relevant policies and desktop guides are ongoing and tracking to plan
- Staff completed tax documents for reclaims in several foreign markets
- The IRS informed staff that no changes were necessary to the NC 457 Plan and closed the NC 457 Plan audit on 2/8/2021

Participant complaints and inquiries



- The plans' recordkeeper received a total of thirteen complaints, two of which were invalid. Complaints were associated with contribution submittals, rollovers, distributions, service center assistance, and processing delays

Multi-employer plan management



- The recordkeeper conducted a webinar for employers on plan administration and compliance
- Staff and the recordkeeper discussed educating employers on payroll frequency
- Staff and the recordkeeper continue to review possible plan improvements