

North Carolina Supplemental Retirement Plans

Administrative Budgets

Fiscal Year 2015-16

September 17, 2015



North Carolina
Total Retirement Plans

401(k) & 457(b) Plans Budget Summary

Key Facts:

- Revenue Assumptions
 - For the purpose of budget forecasting, the plan's asset growth is assumed to be zero; The administrative fee is invested in the Plans' Stable Value portfolio and Revenue Projected includes an assumption of interest earned on those balances
 - As of 07.31.15:
 - \$8.08 billion in total assets – 401(k)
 - \$1.18 billion in total assets – 547(b)
 - 0.025% Asset-based administrative fee on the 401(k) and 457(b) Plans
 - Administrative Reimbursement Accounts balance:
\$5.4 million for 401(k) and 457(b) plans combined.
- Expenditure Assumptions
 - Full employment throughout Fiscal Year 2015
 - Benefit contribution rates
 - NC – 14.69%
 - Social Security/Medicare – 7.65%
 - State Health Plan - \$5,435
- Split expenditures based on plan asset size, unless it is an exclusive charge to one of the plans.
- DST's move to Atlantic Avenue will drive change to 2015/2016 cost allocation methods, which the Supplemental Retirement Plans will participate in.

Expansion Justification - 2015-16 Budget proposes an increase of \$181,245 for:

- Supplemental Retirement Plans participate in Departmental Expense Allocation.
- Updating Salary based on changes in divisions.
- Compensation Study.

Revenue and Fund Balance Projections

Based on the revenue assumptions detailed in the Key Facts section, the Table below contains the revenue as of July 31st, 2015.

Revenue Projections	NC 401(k)	NC 457(b)
Administrative Account Balance as of April 2015:	\$4,783,325	\$676,493
Estimated fee collected during the year based on assumptions:	\$1,750,000	\$250,000
Interest Earned	\$150,000	\$120,000
Total	\$6,683,325	\$1,046,493
Less Proposed Expenses	(\$1,987,173)	(\$353,903)
Projected Balance for June 2016	\$4,696,152	\$692,590

401(k) & 457(b) Budget proposal for FY 2015-2016

Changes from Total
FY 2014 - 2015

	Both Plans	401(k)	457(b)	BUDGET	Comments
Percentage of Allocation between the Plans :		85%	15%		
Personnel					
Salaries	\$ 908,428	\$ 772,164	\$ 136,264	\$ 37,883	
RSD Director	\$ 39,161	\$ 33,287	\$ 5,874		
Deputy Director SRP	\$ 99,858	\$ 84,879	\$ 14,979		
Operations Analyst SRP	\$ 46,640	\$ 39,644	\$ 6,996		
Communications Officer SRP	\$ 60,604	\$ 51,513	\$ 9,091		
Compliance Officer SRP	\$ 48,676	\$ 41,375	\$ 7,301		
Marketing Officer SRP	\$ 60,604	\$ 51,513	\$ 9,091		
Asst. Gen Counsel - SRP	\$ 86,000	\$ 73,100	\$ 12,900		
Gen Counsel - OST	\$ 7,547	\$ 6,415	\$ 1,132	\$ 1,925	Updated position allocation
Asst. Gen Counsel DST	\$ 28,600	\$ 24,310	\$ 4,290	\$ 10,477	Updated position allocation
Chief Finance Officer	\$ 10,838	\$ 9,212	\$ 1,626	\$ 4,106	Updated position allocation
Deputy Director, Accounting	\$ 14,300	\$ 12,155	\$ 2,145	\$ 4,225	Updated position allocation
Accounting Supervisor	\$ 11,175	\$ 9,499	\$ 1,676		
Admin Asst. SRP	\$ 26,393	\$ 22,434	\$ 3,959		
Executive Assistant RSD	\$ 6,600	\$ 5,610	\$ 990		
Retirement Communications & Content Manager	\$ 17,960	\$ 15,266	\$ 2,694		
Communications Specialist	\$ 4,478	\$ 3,806	\$ 672		
Procurement Specialist SRP	\$ 83,000	\$ 70,550	\$ 12,450	\$ 4,147	Updated position allocation
Chief Investment Officer	\$ 19,019	\$ 16,166	\$ 2,853	\$ 1,469	Updated position allocation
Portfolio Director	\$ 12,102	\$ 10,287	\$ 1,815	\$ 1,951	Updated position allocation
Portfolio Manager	\$ 24,875	\$ 21,143	\$ 3,731	\$ 9,583	Updated position allocation
New IMD/SRP Position	\$ 200,000	\$ 170,000	\$ 30,000		
Benefits	\$ 272,528	\$ 231,649	\$ 40,879	\$ 11,364	
RSD Director	\$ 11,748	\$ 9,986	\$ 1,762		
Deputy Director	\$ 29,957	\$ 25,464	\$ 4,494		
Operations Analyst	\$ 13,992	\$ 11,893	\$ 2,099		
Communications officer	\$ 18,181	\$ 15,454	\$ 2,727		
Compliance Officer	\$ 14,603	\$ 12,412	\$ 2,190		
Marketing Officer	\$ 18,181	\$ 15,454	\$ 2,727		
Asst. Gen Counsel - SRP	\$ 25,800	\$ 21,930	\$ 3,870		
Gen Counsel - OST	\$ 2,264	\$ 1,924	\$ 340	\$ 578	Updated position allocation
Asst. Gen Counsel DST	\$ 8,580	\$ 7,293	\$ 1,287	\$ 3,143	Updated position allocation
Chief Finance Officer	\$ 3,251	\$ 2,764	\$ 488	\$ 1,231	Updated position allocation
Deputy Director, Accounting	\$ 4,290	\$ 3,647	\$ 644	\$ 1,267	Updated position allocation
Accounting Supervisor	\$ 3,353	\$ 2,850	\$ 503		

Total FY 2014-2015 Budget			Changes from Total FY 2014 - 2015			Comments
	Both Plans	401(k)	457(b)	BUDGET		
Percentage of Allocation between the Plans :		85%	15%			
Admin Asst.	\$ 7,918	\$ 6,730	\$ 1,188			
Executive Assistant RSD	\$ 1,980	\$ 1,683	\$ 297			
Retirement Communications & Content Manager	\$ 5,388	\$ 4,580	\$ 808			
Communications Specialist	\$ 1,343	\$ 1,142	\$ 201			
Procurement Specialist	\$ 24,900	\$ 21,165	\$ 3,735	\$ 1,244	Updated position allocation	
Chief Investment Officer	\$ 5,706	\$ 4,850	\$ 856	\$ 441	Updated position allocation	
Portfolio Director	\$ 3,631	\$ 3,086	\$ 545	\$ 586	Updated position allocation	
Portfolio Manager	\$ 7,462	\$ 6,343	\$ 1,119	\$ 2,874	Updated position allocation	
New IMD/SRP Position	\$ 60,000	\$ 51,000	\$ 9,000			
Subtotal	\$ 1,180,957	\$ 1,003,813	\$ 177,143	\$ 49,247		
Services						
<u>Departmental Allocation</u>						
General Administration	\$ 53,565	\$ 45,432	\$ 8,133	\$ 17,599	Updated per departmental allocations	
Information Technology	\$ 107,617	\$ 91,277	\$ 16,340	\$ 55,442	Updated per departmental allocations	
Financial Operations Division	\$ 25,288	\$ 21,448	\$ 3,840	\$ 8,957	Updated per departmental allocations	
Audit	\$ 124,000	\$ 103,000	\$ 21,000			
Investment Consultant	\$ 375,000	\$ 318,750	\$ 56,250			
Legal	\$ 60,000	\$ 51,000	\$ 9,000			
Other Contracts	\$ 100,000	\$ 85,000	\$ 15,000			
Proxy Voting Service	\$ 25,000	\$ 21,250	\$ 3,750			
Fee Benchmarking Services	\$ 30,000	\$ 25,500	\$ 4,500			
Subtotal	\$ 900,470	\$ 762,658	\$ 137,813	\$ 81,998		
Office Rent & Electricity	\$ 50,000	\$ 42,500	\$ 7,500			
Board Reimbursement	\$ 5,000	\$ 4,250	\$ 750			
Phone/Internet	\$ 15,000	\$ 12,750	\$ 2,250			
Supplies	\$ 15,000	\$ 12,750	\$ 2,250			
Subtotal	\$ 85,000	\$ 72,250	\$ 12,750			
Other						
Annual Benefits Statement	\$ 75,000	\$ 63,750	\$ 11,250			
NAGDCA Conference Registration	\$ 9,000	\$ 7,650	\$ 1,350			
NAGDCA Fees	\$ 650	\$ 553	\$ 98			
Compensation Study	\$ 50,000	\$ 42,500	\$ 7,500	\$ 50,000		
Travel & Sustenance	\$ 40,000	\$ 34,000	\$ 6,000			
Subtotal	\$ 174,650	\$ 148,453	\$ 26,198	\$ 50,000		
Total Staffing Expenditure	\$ 1,180,957	\$ 1,003,813	\$ 177,143			
Total Expenditures	\$ 2,341,077	\$ 1,987,173	\$ 353,903	\$ 181,245		