



**North Carolina**  
Total Retirement Plans



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STATE TREASURER OF NORTH CAROLINA  
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## MEMORANDUM

TO: Supplemental Retirement Plans Board of Trustees

FROM: Jeff Hancock

DATE: 5/26/2022

RE: Empower Contract Extension – Board of Trustees Summary

Per our request, Michael McCann of Empower has provided “Proposed Terms” for extending the NCSRP-Empower Contract. The proposed terms extend the contract for 5 years through 12/31/2028 with three one-year options to extend. The terms are below.

### 1. **Fee Reduction**

Empower is willing to reduce the annual recordkeeping fee from the current \$26 per account (reduced effective Q3 2021) to \$25 per account. This represents an estimated annual fee concession of approximately **\$333,000** per year.

In exchange for this price reduction, NCSRP would execute a 5-year contract extension (1/1/2024 through 12/31/2028) with three one-year options to extend.

NCSRP deems this the best direction for the Plans and Plan members at this point. This will allow us to experience the Empower platform and service model while maintaining the ability to terminate the contract without cause with a 90-day notification period.