

Compliance activities “at-a-glance”

April-June, 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 the following performance standards: Retirement Readiness, Call Center Speed to Answer, and Administrative Quality.
- Custodian failed to meet performance standard of submitting daily unit values within required time constraint.
- 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.
- Presidential Executive Order 13959 regarding Communist Chinese Military Companies was revoked; replacement EO 14032 restricts CCMCs as of August 2, 2021.

Corporate governance update



- Staff conducted quarterly calls 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 reduces the need for manual voting.
- The contract with Glass Lewis was renewed for another year.

Policy update



- The annual reviews of relevant policies and desktop guides are continuing as scheduled; some may transition to Board-approved policies.
- Staff completed tax documents for reclaims in several foreign markets.

Participant complaints and inquiries



- The plans' recordkeeper received a total of seven complaints, three of which were invalid. (This is down from 13 in the first quarter.) Complaints were associated with contribution submittals, rollovers, distributions, service center assistance, and processing delays.

Multi-employer plan management



- The recordkeeper continued webinars for employers on plan administration and compliance.
- Staff and the recordkeeper discussed educating employers on payroll frequency.
- Staff and the recordkeeper reviewed forms for improvements.