



Administrative Code: Proposed Rules for SRP

Supplemental Retirement Board of Trustees

March 11, 2021



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



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Administrative Procedures Act (APA)

- The APA regulates agencies' discretion in the implementation of their statutory authority
- The APA restricts:
 1. Agencies' ability to act without a rule; and
 2. The scope of the state's regulatory regime
- The APA establishes a process for agencies to adopt rules:
 1. Adoption of draft rules
 2. Publication and comment period
 3. Adoption of final rules
 4. Consideration by Rules Review Commission
 5. Effective date

Rulemaking for SRP

- NCGS § 135-91(c) allows the Board and the Department to establish rules
- SRP currently has rules for the administrative fees charged to participants
 - Draft rules adopted by the Board and the Department in December 2018
 - Final rules adopted by the Board and the Department in April 2019
 - Rules effective on July 1, 2019
 - 2.5 basis points for the NC 401(k) and NC 457 Plans (waived for 2019 and 2020)
 - 5.0 basis points for the NC 403(b) Program

Proposal from Staff

- Codify certain plan provisions and policies as rules of the Board and Department (*i.e.*, include the provisions and policies in the NC Administrative Code)
- Provide additional process and transparency for participants and employers on the plans' features and requirements that affect them most directly
- Topics covered by the proposed rules
 1. Definitions of participants and employers
 2. Requirements of participating employers
 3. Participant and employer contributions
 4. Distributions
 5. Loans
 6. Beneficiaries
 7. Domestic relations orders
 8. Investments and participants' accounts

Process: Proposed Rules

- May 27, 2021: Board and Department approve proposed rules
- June 10, 2021: Deadline to submit proposed rules for publication in July 1, 2021, issue of *North Carolina Register*
- July 1, 2021: Proposed rules published in *North Carolina Register*, posted on Department's website, and sent to interested parties
- July 16, 2021: Earliest date to hold public hearing (if requested)
- August 30, 2021: End of public comment period

Process: Final Rules

- August 31-September 19, 2021: Board meeting to consider comments and adopt final rules. Board and Department adopt final rules.
- September 20, 2021: Deadline to submit final rules to Rules Review Commission (RRC) for consideration at October 21, 2021 meeting
- October 21, 2021: Final rules are reviewed and approved by RRC
- November 1, 2021: Earliest effective date of rules

Timeline is subject to feedback from Office of Administrative Hearings, Rules Review Commission, public, and others.

Questions



Thank you



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