

Compliance activities “at-a-glance”

July-September 2020

Vendor contract management and performance standards monitoring



- Recordkeeper met all performance standards except for the speed to answer calls.
- Recordkeeper previously disclosed subplan transfer error in which participants changed employers, but recordkeeper did not send correct contribution rates to new employers. All employers have responded and participants made whole where applicable.
- Recordkeeper mailed 3Q statements to some invalid addresses. Corrective steps implemented.
- Custodian, investment consultant, and proxy adviser met their respective performance standards.

Investment guidelines daily monitoring



- All investment managers were compliant with their respective guidelines.
- No prohibited holdings were identified. We continued to review holdings each day during the quarter.
- Annual Final Divestment Lists were updated and published on August 30, 2020. SRP has no prohibited holdings.

Corporate governance update



- The staff conducted the annual due diligence meeting with the proxy adviser, Glass Lewis.
- Proxy adviser began providing daily email update of revised recommendations.
- The Department continued Standing Instructions voting for certain ballots which significantly reduced the need for manual voting.

Policy update



- The annual reviews of relevant policies and desktop guides are tracking to plan.
- Staff completed tax documents in several foreign markets.
- The IRS contacted SRP to conduct an audit of the NC 457 Plan for 2018. SRP staff submitted all requested documentation and participated in a interview with the IRS.

Complaints and inquiries



- During 3Q 2020, plans' recordkeeper received a total of 2 complaints. One complaint was related to privacy and one was related to accuracy of operations regarding In-Plan Roth conversions. Both have been resolved.

Multi-employer plan management



- The Employer Education Enhancement project addressed areas of payroll management, contribution submission, and plan compliance. New website is active, Employer Handbook revised, and fillable forms approved.

<https://ncplans.retirepru.com/employer.html>