

Compliance activities “at-a-glance”

April - June 2022



North Carolina
Total Retirement Plans
401k | 457



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Vendor contract management and performance standards monitoring



- Recordkeeper met all performance standards except for Participant Satisfaction Survey results.
- Custodian met all performance standards.
- 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.
- Staff continued checking for Communist Chinese Military Companies identified under Executive Order 14032.

Corporate governance update



- Staff conducted quarterly calls with proxy adviser, Glass Lewis; no material issues were identified.
- Proxy adviser continues providing email updates of revised recommendations.
- The Department maintains Standing Instructions; voting for certain ballots, which significantly reduced the need for manual voting.

Policy update



- Staff continued to review departmental policies. Staff reviewed and revised internal procedures.
- Staff completed tax documents for reclaims in several foreign markets.

Participant complaints and inquiries



- The Plans' recordkeeper received a total of four valid complaints. This is down from seven valid complaints in the first quarter.
- Complaints were associated with service center assistance.
- In 3Q 2021, staff responded to a complaint of an RMD processing mistake. Participant disagreed with response and appealed to the Office of Administrative Hearings. Judge ruled for SRP; participant appealed judge's decision. Awaiting next hearing.

Multi-employer plan management



- The recordkeeper continued to host webinars for employers on plan administration and compliance.
- Recordkeeper educated employers on payroll frequency and types of pay eligible for retirement plan contributions.
- The recordkeeper is assisting staff with the NC 403(b) Program discontinuation project, including maintaining a timeline and hosting NC 403(b) Program discontinuation webinars for employers and participants.