

# North Carolina Total Retirement Plans 1Q 2020 Board of Trustees Report

Presented by: Michael McCann, Vice President, Key Account Management

On: May 28, 2020

As of: March 31, 2020

Report contains information up through the last business day of the period end.







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#### **Prudential Disclosures**

This is not a certified financial statement.

Assets and contributions reflect actual participant account balances and do not include forfeiture and / or expense account assets.

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Prudential's Book of Business averages are as of 3/31/2020.



### **Our Mission: Retirement Readiness**

56.27% of all active NC public servants are "retirement ready." 71.79% of all active NC public servants with a 401(k), 457 and/or 403(b) plan are "retirement ready." Retirement readiness is defined as the ability to replace 80% of pre-retirement income, beginning at age 62 and continuing throughout 30 years of retirement. The following sub-goals are being pursued at a Combined Plans level to help us achieve our top-level metric of 70% in 2020:

## 401(k), 457 and 403(b) Plans Combined Summary Goals:

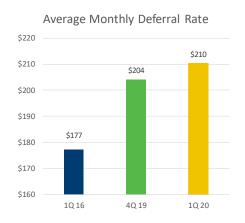
Sub Goal	As of 3/31/2020	Stretch Goal	% to Stretch Goal	Contractual Goal	% to Contractual Goal
Average Monthly Contributions	\$210.34	\$180.61	116.46%	\$173.19	121.45%
Active Participation Rate	33.69%	28.99%	116.21%	29.13%	115.65%
GoalMaker Utilization Among New Members	94.89%	93%	102.03%	80%	118.61%
GoalMaker Utilization Among All Members	67.15%	57%	117.81%	N/A	N/A

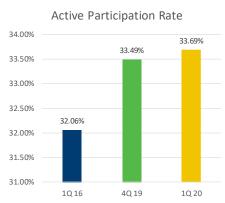
- 1 Employer adopted the 401(k) Plan from the period of January 1, 2020 through March 31, 2020
- 4 Employers adopted the 457 Plan from the period of January 1, 2020 through March 31, 2020
- 2 Employers adopted the 403(b) Plan from the period of January 1, 2020 through March 31, 2020

	As of 3/31/2020
Consolidated Total Plan Assets	\$11,101,031,966
Consolidated Unique Participant Count	288,454

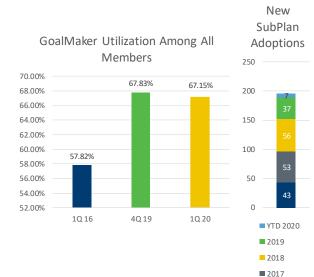


## **Driving Real Outcomes – Key Plan Health Growth 2016-2020**

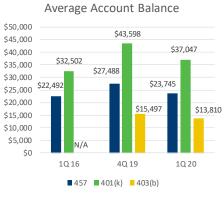


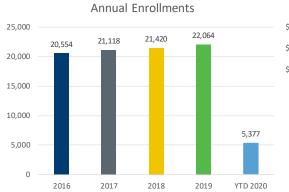


















## Asset Allocation By Fund – Combined 401(k) and 457 Plans

				# Participants Utilizing			# Participants Utilizing			# Participants Utilizing
Investment Option	Asset Class	3/31/2018	%	3/31/2018	3/31/2019	%	3/31/2019	3/31/2020	%	3/31/2020
North Carolina Stable Value Fund	Stable Value	\$2,550,268,963	22.64%	237,380	\$2,078,591,829	17.60%	166,284	\$2,217,840,417	20.01%	167,962
North Carolina Fixed Income Fund	Fixed Income	\$749,515,542	6.65%	197,861	\$1,632,673,289	13.83%	239,172	\$1,756,812,641	15.85%	249,883
North Carolina Fixed Income Index Fund	Fixed Income	\$532,015,806	4.72%	172,379	\$76,470,822	0.65%	31,588	\$96,630,738	0.87%	28,827
North Carolina Treasury Inflation Protected Securities	Fixed Income	\$0	0.00%	0	\$195,900,935	1.66%	66,849	\$245,688,993	2.22%	72,822
North Carolina Large Cap Core Fund	Large-Cap Stock	\$2,136,954,777	18.97%	262,531	\$1,858,634,313	15.74%	88,048	\$1,520,293,491	13.72%	81,125
North Carolina Large Cap Index Fund	Large-Cap Stock	\$1,614,915,335	14.34%	256,400	\$2,642,936,090	22.38%	265,323	\$2,386,875,952	21.54%	274,612
North Carolina Small Mid Cap Fund	Small-Cap Stock	\$1,025,355,034	9.10%	220,540	\$818,537,727	6.93%	230,720	\$655,945,114	5.92%	241,269
North Carolina Small/Mid Cap Index Fund	Small-Cap Stock	\$290,592,040	2.58%	23,614	\$309,300,157	2.62%	23,503	\$228,162,395	2.06%	22,897
North Carolina Global Equity Fund	Global/Intl Stock	\$1,051,619,077	9.34%	206,850	\$0	0.00%	0	\$0	0.00%	0
North Carolina International Fund	Global/Intl Stock	\$730,410,226	6.48%	225,328	\$1,736,318,075	14.70%	236,678	\$1,551,193,341	14.00%	247,010
North Carolina International Index Fund	Global/Intl Stock	\$76,731,546	0.68%	7,394	\$75,164,023	0.64%	7,461	\$62,997,441	0.57%	7,490
North Carolina Inflation Responsive Fund	Specialty	\$505,966,302	4.49%	201,446	\$384,828,204	3.26%	212,762	\$360,155,355	3.25%	224,547
Total Plan Assets		\$11,264,344,648	100.00%		\$11,809,355,464	100.00%		\$11,082,595,879	100.00%	

The total number of unique participants across the 401(k) and 457 Plans combined as of March 31, 2020 was 287,373.

The average monthly employee deferral from April 1, 2019 to March 31, 2020 was \$209.83 for the Combined 401(k) and 457 Plans.

The average active participation rate from April 1, 2019 to March 31, 2020 was 33.51% for the Combined 401(k) and 457 Plans.

The GoalMaker utilization among new members as of March 31, 2020 was 95.02% for the Combined 401(k) and 457 Plans.

The GoalMaker utilization among members as of March 31, 2020 was 67.16% for the Combined 401(k) and 457 Plans.





## Asset Allocation By Fund – 401(k) Plan

				# Participants Utilizing			# Participants Utilizing			# Participants Utilizing
Investment Option	Asset Class	3/31/2018	%	3/31/2018	3/31/2019	%	3/31/2019	3/31/2020	%	3/31/2020
North Carolina Stable Value Fund	Stable Value	\$2,146,372,172	21.73%	192,248	\$1,721,093,286	16.60%	135,066	\$1,843,021,429	18.94%	136,535
North Carolina Fixed Income Fund	Fixed Income	\$657,744,996	6.66%	161,990	\$1,468,444,422	14.16%	195,969	\$1,577,992,458	16.22%	204,811
North Carolina Fixed Income Index Fund	Fixed Income	\$475,550,794	4.82%	140,250	\$60,583,040	0.58%	28,645	\$77,588,871	0.80%	26,238
North Carolina Treasury Inflation Protected Securities	Fixed Income	\$0	0.00%	0	\$176,246,451	1.70%	54,337	\$218,686,198	2.25%	59,239
North Carolina Large Cap Core Fund	Large-Cap Stock	\$1,875,777,040	18.99%	215,768	\$1,608,229,514	15.51%	76,892	\$1,316,287,047	13.53%	70,876
North Carolina Large Cap Index Fund	Large-Cap Stock	\$1,433,019,238	14.51%	213,087	\$2,381,928,009	22.97%	220,151	\$2,149,233,031	22.09%	227,688
North Carolina Small Mid Cap Fund	Small-Cap Stock	\$872,870,406	8.84%	177,087	\$679,121,637	6.55%	185,599	\$551,394,994	5.67%	194,531
North Carolina Small/Mid Cap Index Fund	Small-Cap Stock	\$263,556,175	2.67%	21,881	\$277,555,330	2.68%	21,620	\$204,152,592	2.10%	20,967
North Carolina Global Equity Fund	Global/Intl Stock	\$974,027,004	9.86%	168,927	\$0	0.00%	0	\$0	0.00%	0
North Carolina International Fund	Global/Intl Stock	\$650,379,349	6.59%	182,196	\$1,580,163,345	15.24%	191,592	\$1,410,780,639	14.50%	200,302
North Carolina International Index Fund	Global/Intl Stock	\$59,782,296	0.61%	6,128	\$58,992,971	0.57%	6,191	\$49,588,608	0.51%	6,199
North Carolina Inflation Responsive Fund	Specialty	\$466,293,470	4.72%	164,353	\$355,163,277	3.43%	173,572	\$331,496,754	3.41%	183,344
Total Plan Assets		\$9,875,372,940	100.00%		\$10,367,521,280	100.00%		\$9,730,222,622	100.00%	

The total number of unique participants in the 401(k) Plan as of March 31, 2020 was 262,642.

The average monthly employee deferral from April 1, 2019 to March 31, 2020 was \$193.11 for the 401(k) Plan.

The average active participation rate from April 1, 2019 to March 31, 2020 was 30.11% for the 401(k) Plan.

The GoalMaker utilization among new members as of March 31, 2020 was 95.17% for the 401(k) Plan.

The GoalMaker utilization among members as of March 31, 2020 was 67.64% for the 401(k) Plan.





## **Asset Allocation By Fund – 457 Plan**

				# Participants Utilizing			# Participants Utilizing			# Participants Utilizing
Investment Option	Asset Class	3/31/2018	%	3/31/2018	3/31/2019	%	3/31/2019	3/31/2020	%	3/31/2020
North Carolina Stable Value Fund	Stable Value	\$403,896,791	29.08%	45,132	\$357,498,543	24.79%	31,218	\$374,818,988	27.72%	31,427
North Carolina Fixed Income Fund	Fixed Income	\$91,770,546	6.61%	35,871	\$164,228,867	11.39%	43,203	\$178,820,183	13.22%	45,072
North Carolina Fixed Income Index Fund	Fixed Income	\$56,465,012	4.07%	32,129	\$15,887,783	1.10%	2,943	\$19,041,867	1.41%	2,589
North Carolina Treasury Inflation Protected Securities	Fixed Income	\$0	0.00%	0	\$19,654,484	1.36%	12,512	\$27,002,795	2.00%	13,583
North Carolina Large Cap Core Fund	Large-Cap Stock	\$261,177,738	18.80%	46,763	\$250,404,799	17.37%	11,156	\$204,006,444	15.09%	10,249
North Carolina Large Cap Index Fund	Large-Cap Stock	\$181,896,097	13.10%	43,313	\$261,008,081	18.10%	45,172	\$237,642,922	17.57%	46,924
North Carolina Small Mid Cap Fund	Small-Cap Stock	\$152,484,628	10.98%	43,453	\$139,416,091	9.67%	45,121	\$104,550,120	7.73%	46,738
North Carolina Small/Mid Cap Index Fund	Small-Cap Stock	\$27,035,865	1.95%	1,733	\$31,744,828	2.20%	1,883	\$24,009,803	1.78%	1,930
North Carolina Global Equity Fund	Global/Intl Stock	\$77,592,073	5.59%	37,923	\$0	0.00%	0	\$0	0.00%	0
North Carolina International Fund	Global/Intl Stock	\$80,030,878	5.76%	43,132	\$156,154,730	10.83%	45,086	\$140,412,702	10.38%	46,708
North Carolina International Index Fund	Global/Intl Stock	\$16,949,249	1.22%	1,266	\$16,171,052	1.12%	1,270	\$13,408,833	0.99%	1,291
North Carolina Inflation Responsive Fund	Specialty	\$39,672,832	2.86%	37,093	\$29,664,927	2.06%	39,190	\$28,658,600	2.12%	41,203
Total Plan Assets		\$1,388,971,708	100.00%		\$1,441,834,183	100.00%		\$1,352,373,257	100.00%	

The total number of unique participants in the 457 Plan as of March 31, 2020 was 56,955.

The average monthly employee deferral from April 1, 2019 to March 31, 2020 was \$156.97 for the 457 Plan.

The average active participation rate from April 1, 2019 to March 31, 2020 was 10.59% for the 457 Plan.

The GoalMaker utilization among new members as of March 31, 2020 was 94.27% for the 457 Plan.

The GoalMaker utilization among members as of March 31, 2020 was 70.61% for the 457 Plan.





## Asset Allocation By Fund – 403(b) Plan

				# Participants Utilizing			# Participants Utilizing			# Participants Utilizing
Investment Option	Asset Class	3/31/2018	%	3/31/2018	3/31/2019	%	3/31/2019	3/31/2020	%	3/31/2020
Metropolitan West Total Return Bond Fund Plan Class	Fixed Income	\$1,128,300	8.10%	1,042	\$2,520,549	15.05%	1,077	\$3,087,950	16.75%	1,126
Vanguard Short-Term Bond Index Fund Admiral Shares	Fixed Income	\$2,257,987	16.21%	885	\$1,691,120	10.10%	566	\$2,078,708	11.28%	604
Vanguard Short-Term Inflation-Protected Securities Index Fund Admiral Shares	Fixed Income	\$0	0.00%	0	\$178,413	1.07%	266	\$260,371	1.41%	303
Vanguard Total Bond Market Index Fund Admiral Shares	Fixed Income	\$1,291,658	9.27%	1,030	\$827,421	4.94%	323	\$1,159,194	6.29%	320
T. Rowe Price Blue Chip Growth Fund I Class	Large-Cap Stock	\$974,725	7.00%	863	\$641,768	3.83%	164	\$716,015	3.88%	170
Vanguard 500 Index Fund Admiral Shares	Large-Cap Stock	\$2,686,213	19.28%	1,173	\$4,594,271	27.44%	1,209	\$4,927,955	26.73%	1,273
Vanguard Windsor II Fund Admiral Shares	Large-Cap Stock	\$978,440	7.02%	1,062	\$548,961	3.28%	339	\$562,713	3.05%	339
Vanguard Extended Market Index Fund Admiral Shares	Mid-Cap Stock	\$934,653	6.71%	366	\$1,108,346	6.62%	367	\$1,069,557	5.80%	367
DFA U.S. Small Cap Portfolio Institutional Class	Small-Cap Stock	\$1,079,908	7.75%	994	\$1,024,636	6.12%	1,022	\$940,446	5.10%	1,080
PIMCO Inflation Response Multi-Asset Fund Institutional	Specialty	\$736,296	5.28%	820	\$0	0.00%	0	\$0	0.00%	0
Principal Diversified Real Asset Fund Class R-6	Specialty	\$0	0.00%	0	\$661,387	3.95%	842	\$640,354	3.47%	897
Baillie Gifford International Alpha Fund Class K	International Stock	\$0	0.00%	0	\$2,665,301	15.92%	1,059	\$2,673,662	14.50%	1,110
MFS Institutional International Equity Fund	International Stock	\$1,702,929	12.22%	1,038	\$0	0.00%	0	\$0	0.00%	0
Vanguard Total International Stock Index Fund Admiral Shares	International Stock	\$161,940	1.16%	66	\$280,845	1.68%	79	\$319,162	1.73%	92
Total Plan Assets		\$13,933,049	100.00%		\$16,743,018	100.00%		\$18,436,086	100.00%	

The total number of unique participants in the 403(b) Plan as of March 31, 2020 was 1,335.

The average monthly employee deferral from April 1, 2019 to March 31, 2020 was \$271.54 for the 403(b) Plan.

The average active participation rate from April 1, 2019 to March 31, 2020 was 1.06% for the 403(b) Plan.

The GoalMaker utilization among new members as of March 31, 2020 was 62.50% for the 403(b) Plan.

The GoalMaker utilization among members as of March 31, 2020 was 60.07% for the 403(b) Plan.

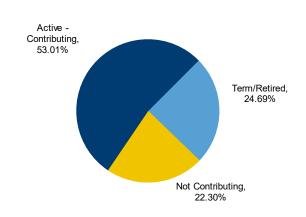




401(k) Plan Percentage Gain										
	Assets (3/31/2019)	Contributions	Distributions	Earnings	Assets (3/31/2020)	Percentage Gain				
NC 401(k) Plan	\$10,367,521,280	\$625,534,732	\$610,929,097	-\$660,734,612	\$9,730,222,622	-6.28%				

401(k) Plan									
	1Q 2019	1Q 2020	Difference #	Difference %					
Members with an Account Balance	256,201	262,642	6,441	2.51%					
Average Account Balance	\$40,466	\$37,047	-\$3,419	-8.45%					
Median Account Balance	\$12,554	\$11,098	-\$1,456	-11.60%					

#### 401(k) Member Breakdown





Member breakdown reflects status on recordkeeping system updated from limited indicative data received from employers which may cause the active status to be inflated.

Distributions do not include Deemed Distributions or Loan Defaults/Offsets.

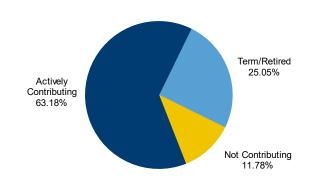


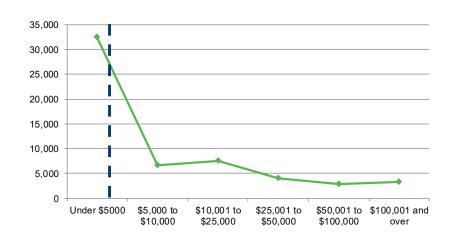


457 Plan Percentage Gain									
	Assets (3/31/2019)	Contributions	Distributions	Earnings	Assets (3/31/2020)	Percentage Gain			
NC 457 Plan	\$1,441,834,183	\$84,935,412	\$87,117,884	-\$87,278,454	\$1,352,373,257	-6.06%			

457 Plan									
	1Q 2019	1Q 2020	Difference #	Difference %					
Members with an Account Balance	55,531	56,955	1,424	2.56%					
Average Account Balance	\$25,964	\$23,745	-\$2,219	-8.55%					
Median Account Balance	\$3,593	\$3,416	-\$177	-4.92%					

#### **457 Member Breakdown**





Member breakdown reflects status on recordkeeping system updated from limited indicative data received from employers which may cause the active status to be inflated.

Distributions do not include Deemed Distributions or Loan Defaults/Offsets.

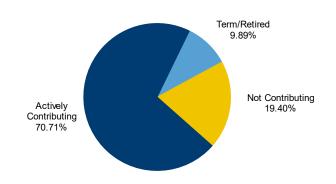


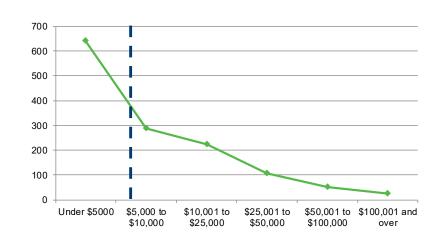


403(b) Plan Percentage Gain									
	Assets (3/31/2019)	Contributions	Distributions	Earnings	Assets (3/31/2020)	Percentage Gain			
NC 403(b) Plan	\$16,743,018	\$3,736,964	\$800,842	-\$1,243,054	\$18,436,086	-6.32%			

403(b) Plan									
1Q2019 1Q2020 Difference # Difference 9									
Members with an Account Balance	1,264	1,335	71	5.62%					
Average Account Balance	\$13,246	\$13,810	\$564	4.26%					
Median Account Balance	\$5,183	\$5,327	\$144	2.78%					

#### 403(b) Member Breakdown





Member breakdown reflects status on recordkeeping system updated from limited indicative data received from employers which may cause the active status to be inflated.

Distributions do not include Deemed Distributions or Loan Defaults/Offsets.





401(k) Plan Quarterly Enrollments & Contribution Changes								
	1Q 2017	1Q 2018	1Q 2018 % of Change	1Q 2019	1Q 2019 % of Change	1Q 2020	1Q 2020 % of Change	
Enrollments	4,024	3,755	-7.16%	4,250	13.18%	4,338	2.07%	
% of New Hires Enrolled in Plan	38.57%	39.85%	3.22%	52.35%	31.36%	49.39%	-5.65%	
GoalMaker Elections	3,535	3,528	-0.20%	3,991	13.12%	4,074	2.08%	
Contribution Changes								
Deferral Decreases	5,384	3,493	-54.14%	2,476	-29.12%	4,282	72.94%	
Deferral Increases	7,634	9,421	18.97%	7,540	-19.97%	8,479	12.45%	
Pre-tax Participation Rate	21.16%	21.09%	-0.33%	21.20%	0.54%	21.53%	1.56%	
Roth Participation Rate	8.29%	8.49%	2.36%	8.84%	4.12%	9.22%	4.25%	
Voluntary (Employee & Roth) Participation Rate	27.15%	27.14%	-0.04%	27.43%	1.05%	27.95%	1.93%	

401(k) Plan Quarterly Enrollments & Contribution Change Method								
	1Q 2017	1Q 2018	1Q 2019	1Q 2020				
Method of Enrollment								
Paper Form	75.51%	78.62%	77.47%	67.09%				
Pseudo Enrollment	16.77%	18.08%	17.88%	27.44%				
Internet	7.72%	3.30%	4.64%	5.47%				
Method of Contribution Change								
Internet	99.31%	99.74%	96.14%	97.57%				
Paper Form	0.31%	0.08%	3.60%	2.35%				
Participant Service Center	0.03%	0.01%	0.13%	0.00%				
VRU	0.35%	0.17%	0.13%	0.08%				

Participation rates for YTD and quarter are based on the population actively contributing for the time period reported.

As a result, the participation results will vary.





457 Plan Quarterly Enrollments & Contribution Changes								
	1Q 2017	1Q 2018	1Q 2018 % of Change	1Q 2019	1Q 2019 % of Change	1Q 2020	1Q 2020 % of Change	
Enrollments	1,363	1,356	-0.51%	1,230	-9.29%	1,018	-17.24%	
% of New Hires Enrolled in Plan	25.49%	20.05%	-21.33%	20.95%	4.47%	15.69%	-25.11%	
GoalMaker Elections	1,263	1,281	1.43%	1,219	-4.84%	920	-24.53%	
Contribution Changes								
Deferral Decreases	3,680	708	-80.76%	664	-6.21%	951	43.22%	
Deferral Increases	1,706	1,728	1.29%	1,785	3.30%	1,688	-5.43%	
Pre-tax Participation Rate	10.00%	9.35%	-6.50%	9.03%	-3.46%	8.68%	-3.82%	
Roth Participation Rate	1.52%	1.71%	12.50%	1.99%	16.16%	2.26%	13.87%	
Voluntary (Employee & Roth) Participation Rate	10.62%	10.24%	-3.58%	10.05%	-1.87%	9.82%	-2.23%	

457 Plan Quarterly Enrollments & Contribution Change Method								
	1Q 2017	1Q 2018	1Q 2019	1Q 2020				
Method of Enrollment								
Paper Form	86.14%	85.00%	85.25%	83.84%				
Pseudo Enrollment	2.13%	3.60%	7.83%	8.38%				
Internet	11.74%	11.40%	6.91%	7.78%				
Method of Contribution Change								
Internet	99.76%	99.95%	97.21%	98.01%				
Paper Form	0.18%	0.00%	2.63%	1.94%				
Participant Service Center	0.00%	0.05%	0.09%	0.00%				
VRU	0.06%	0.00%	0.07%	0.06%				

Participation rates for YTD and quarter are based on the population actively contributing for the time period reported.

As a result, the participation results will vary.





403(b) Plan Quarterly Enrollments & Contribution Changes								
	February to March 2017	1Q 2018	1Q 2018 % of Change	1Q 2019	1Q 2019 % of Change	1Q 2020	1Q 2020 % of Change	
Enrollments	2	25	1150.00%	38	52.00%	21	-44.74%	
% of New Hires Enrolled in Plan	0.14%	15.24%	11073.78%	2.49%	-83.69%	1.25%	-49.83%	
GoalMaker Elections	1	17	1600.00%	18	5.88%	14	-22.22%	
Contribution Changes								
Deferral Decreases	0	21	100.00%	19	-9.52%	27	42.11%	
Deferral Increases	0	34	100.00%	40	17.65%	44	10.00%	
Pre-tax Participation Rate	1.20%	1.05%	-12.89%	0.83%	-20.59%	0.78%	-6.01%	
Roth Participation Rate	0.29%	0.27%	-7.45%	0.25%	-8.05%	0.28%	12.65%	
Voluntary (Employee & Roth) Participation Rate	1.40%	1.24%	-11.10%	0.99%	-20.11%	0.95%	-4.72%	

403(b) Plan Quarterly Enrollments & Contribution Change Method										
	February to March 2017	1Q 2018	1Q 2019	1Q 2020						
Method of Enrollment	Method of Enrollment									
Paper Form	100.00%	50.00%	86.84%	90.48%						
Pseudo Enrollment	0.00%	50.00%	13.16%	9.52%						
Internet	0.00%	0.00%	0.00%	0.00%						
lethod of Contribution Change										
Internet	92.00%	0.00%	100.00%	100.00%						
Paper Form	0.00%	100.00%	0.00%	0.00%						
Participant Service Center	0.00%	0.00%	0.00%	0.00%						
VRU	8.00%	0.00%	0.00%	0.00%						

Participation rates for YTD and quarter are based on the population actively contributing for the time period reported.

As a result, the participation results will vary.





401(k) Contributions							
	1Q 2017	1Q 2018	1Q 2018 Change %	1Q 2019	1Q 2019 Change %	1Q 2020	1Q 2020 Change %
Employee Contributions	\$57,625,052	\$60,309,379	4.66%	\$59,468,379	-1.39%	\$68,324,733	14.89%
Roth	\$11,157,798	\$13,199,331	18.30%	\$13,814,593	4.66%	\$17,240,551	24.80%
Total Employee Contributions	\$68,782,850	\$73,508,710	6.87%	\$73,282,972	-0.31%	\$85,565,284	16.76%
Employer Contributions	\$48,115,881	\$50,313,657	4.57%	\$53,363,586	6.06%	\$57,823,880	8.36%
QNEC	N/A	N/A	N/A	N/A	N/A	\$34,752	100.00%
Rollovers	\$14,992,583	\$17,384,649	15.95%	\$10,913,226	-37.22%	\$16,775,599	53.72%
Total Contributions	\$131,891,314	\$141,207,016	7.06%	\$137,559,783	-2.58%	\$160,199,514	16.46%
Average Voluntary Contributions	\$192	\$207	8.07%	\$195	-5.84%	\$218	12.06%
Average Roth Contributions	\$101	\$115	13.57%	\$114	-0.45%	\$135	18.12%
Average Employee Contributions	\$179	\$196	9.22%	\$187	-4.57%	\$212	13.46%

Average contributions for YTD and the quarter are based on the population actively contributing for the time period reported.

As a result, the average contribution amounts will vary.





457 Contributions							
	1Q 2017	1Q 2018	1Q 2018 Change %	1Q 2019	1Q 2019 Change %	1Q 2020	1Q 2020 Change %
Employee Contributions	\$14,829,691	\$14,841,736	0.08%	\$13,073,629	-11.91%	\$15,196,907	16.24%
Roth	\$1,214,939	\$1,791,984	47.50%	\$1,784,233	-0.43%	\$2,654,308	48.76%
Total Employee Contributions	\$16,044,630	\$16,633,720	3.67%	\$14,857,862	-10.68%	\$17,851,215	20.15%
Employer Contributions	\$470,987	\$719,061	52.67%	\$817,793	13.73%	\$972,134	18.87%
QNEC	N/A	N/A	N/A	N/A	N/A	\$3,285	100.00%
Rollovers	\$2,553,919	\$3,362,547	31.66%	\$1,640,982	-51.20%	\$1,761,071	7.32%
Total Contributions	\$19,069,536	\$20,715,328	8.63%	\$17,316,638	-16.41%	\$20,587,705	18.89%
Average Voluntary Contributions	\$144	\$163	13.38%	\$141	-13.45%	\$163	15.38%
Average Roth Contributions	\$120	\$134	11.69%	\$110	-18.05%	\$136	23.67%
Average Employee Contributions	\$147	\$166	12.99%	\$138	-17.07%	\$169	22.63%

Average contributions for YTD and the quarter are based on the population actively contributing for the time period reported.

As a result, the average contribution amounts will vary.





403(b) Contributions							
	February to March	1Q 2018	1Q 2018	1Q 2019	1Q 2019	1Q 2020	1Q 2020
	2017		Change %		Change %		Change %
Employee Contributions	\$281,306	\$503,833	79.10%	\$447,971	-11.09%	\$502,556	12.18%
Roth	\$43,631	\$77,085	76.67%	\$78,283	1.55%	\$117,257	49.79%
Total Employee Contributions	\$324,937	\$580,918	78.78%	\$526,254	-9.41%	\$619,813	17.78%
Employer Contributions	\$0	\$100	100.00%	\$250	150.00%	\$450	80.00%
QNEC	N/A	N/A	N/A	\$0	N/A	\$0	0.00%
Rollovers	\$0	\$259,655	100.00%	\$134,783	-48.09%	\$436,810	224.08%
Total Contributions	\$324,937	\$840,673	158.72%	\$661,287	-21.34%	\$1,057,074	59.85%
Average Voluntary Contributions	\$7,018	\$331	-95.28%	\$210	-36.56%	\$291	38.55%
Average Roth Contributions	\$3,673	\$161	-95.63%	\$159	-0.92%	\$215	34.97%
Average Employee Contributions	\$6,753	\$306	-95.47%	\$205	-33.02%	\$284	38.67%

Average contributions for YTD and the quarter are based on the population actively contributing for the time period reported.

As a result, the average contribution amounts will vary.





## **401(k) GoalMaker Participation**

	3/31/2017	3/31/2018	3/31/2019	3/31/2020
Total Plan Assets in GoalMaker	\$4,107,685,123	\$4,722,269,956	\$5,047,548,677	\$4,856,820,984
Total # of Participants in GoalMaker	151,047	159,925	168,542	177,639
Year to Date % of New Enrollments with Goalmaker Election	88.07%	93.95%	94.04%	93.96%
Total Participation Rate	61.34%	63.68%	65.79%	67.64%
Prudential's Book of Business GoalMaker Average Participation Rate*	49.98%	50.42%	50.59%	51.86%
Total % of Assets	46.11%	47.82%	48.69%	49.91%

Participant Age Range	Conservative	Moderate	Aggressive	Total
Less than 25	1,374	3,737	1,577	6,688
Age 25-34	8,361	19,783	10,680	38,824
Age 35-44	8,787	21,560	13,191	43,538
Age 45-54	9,344	23,027	11,986	44,357
Age 55-64	9,593	17,650	6,103	33,346
Age 65+	3,974	5,305	1,607	10,886
Total	41,433	91,062	45,144	177,639

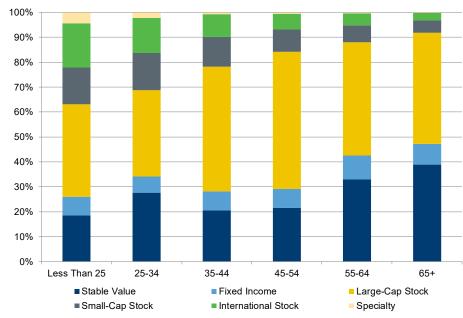
Participant Age Range	Conservative	Moderate	Aggressive	Total
Less than 25	\$2,929,371	\$8,161,941	\$5,010,900	\$16,102,212
Age 25-34	\$54,426,809	\$136,722,448	\$127,302,831	\$318,452,087
Age 35-44	\$120,407,705	\$372,635,232	\$399,647,253	\$892,690,190
Age 45-54	\$260,422,791	\$715,817,217	\$598,567,217	\$1,574,807,225
Age 55-64	\$387,466,511	\$701,884,783	\$335,901,578	\$1,425,252,872
Age 65+	\$221,874,143	\$291,826,143	\$115,816,111	\$629,516,397
Total	\$1,047,527,330	\$2,227,047,763	\$1,582,245,890	\$4,856,820,984

<sup>\*</sup>Prudential's Defined Contribution book of business averages.





## 401(k) Asset Allocation by Age Group – Assets for Participants Not in GoalMaker *As of March 31, 2020*

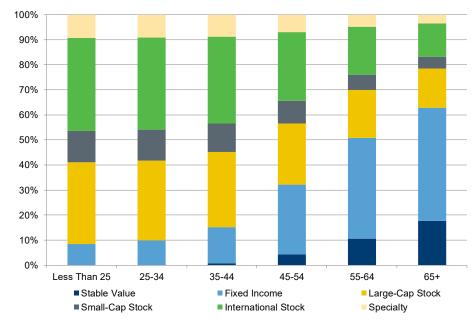


Asset Class	Less Than 25	25-34	35-44	45-54	55-64	65+	Total
Stable Value	\$183,466	\$10,469,375	\$68,667,090	\$280,987,266	\$523,539,356	\$622,096,617	\$1,505,943,169
Fixed Income	\$72,658	\$2,423,415	\$25,293,279	\$101,564,605	\$153,750,785	\$133,993,904	\$417,098,646
Large-Cap Stock	\$367,297	\$13,169,474	\$167,689,882	\$719,057,544	\$721,652,729	\$712,913,295	\$2,334,850,221
Small-Cap Stock	\$145,826	\$5,653,639	\$40,122,311	\$118,223,067	\$108,057,055	\$79,650,057	\$351,851,956
International Stock	\$174,647	\$5,307,835	\$30,121,267	\$81,992,047	\$75,663,796	\$48,180,892	\$241,440,485
Specialty	\$43,877	\$847,166	\$2,579,908	\$6,923,500	\$7,462,461	\$4,360,250	\$22,217,162
Total Assets	\$987,771	\$37,870,903	\$334,473,736	\$1,308,748,030	\$1,590,126,183	\$1,601,195,015	\$4,873,401,639
% Assets	0.02%	0.78%	6.86%	26.85%	32.63%	32.86%	100.00%
Total Participants	240	3,206	10,845	26,058	24,632	20,022	85,003
Average Account Balance	\$4,116	\$11,813	\$30,841	\$50,224	\$64,555	\$79,972	\$57,332





## 401(k) Asset Allocation by Age Group – Assets for Participants in GoalMaker *As of March 31, 2020*

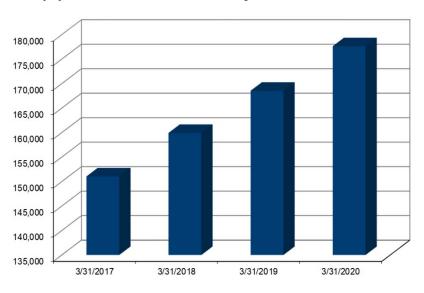


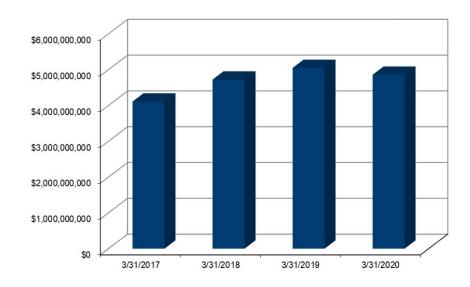
Asset Class	Less Than 25	25-34	35-44	45-54	55-64	65+	Total
Stable Value	\$9,169	\$340,677	\$6,549,012	\$66,956,022	\$151,762,857	\$111,460,523	\$337,078,260
Fixed Income	\$1,348,933	\$31,043,850	\$128,626,485	\$439,374,403	\$572,991,956	\$283,783,254	\$1,457,168,881
Large-Cap Stock	\$5,246,227	\$101,775,125	\$268,195,615	\$385,115,685	\$271,102,282	\$99,234,923	\$1,130,669,857
Small-Cap Stock	\$2,024,707	\$39,245,745	\$102,165,942	\$143,304,696	\$88,065,859	\$28,888,683	\$403,695,631
International Stock	\$5,974,833	\$116,725,059	\$309,058,085	\$431,139,815	\$271,828,841	\$84,202,129	\$1,218,928,762
Specialty	\$1,498,343	\$29,321,631	\$78,095,051	\$108,916,604	\$69,501,078	\$21,946,886	\$309,279,592
Total Assets	\$16,102,212	\$318,452,087	\$892,690,190	\$1,574,807,225	\$1,425,252,872	\$629,516,397	\$4,856,820,984
% Assets	0.33%	6.56%	18.38%	32.42%	29.35%	12.96%	100.00%
Total Participants	6,688	38,824	43,538	44,357	33,346	10,886	177,639
Average Account Balance	\$2,408	\$8,202	\$20,504	\$35,503	\$42,741	\$57,828	\$27,341



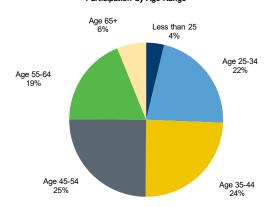


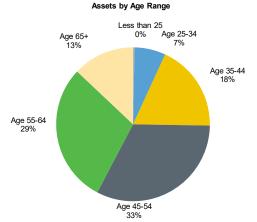
## **401(k) GoalMaker Participation**





#### Participation by Age Range









## **457 GoalMaker Participation**

	3/31/2017	3/31/2018	3/31/2019	3/31/2020
Total Plan Assets in GoalMaker	\$326,837,162	\$387,781,164	\$430,475,546	\$428,351,734
Total # of Participants in GoalMaker	34,261	36,412	38,354	40,215
Year to Date % of New Enrollments with Goalmaker Election	92.87%	94.47%	93.63%	92.93%
Total Participation Rate	64.79%	67.10%	69.07%	70.61%
Prudential's Book of Business GoalMaker Average Participation Rate*	49.98%	50.42%	50.59%	51.86%
Total % of Assets	25.69%	27.92%	29.86%	31.67%

Participant Age Range	Conservative	Moderate	Aggressive	Total
Less than 25	232	690	342	1,264
Age 25-34	2,030	4,658	2,676	9,364
Age 35-44	2,291	4,943	2,946	10,180
Age 45-54	2,688	5,391	2,770	10,849
Age 55-64	2,333	3,343	1,207	6,883
Age 65+	687	738	250	1,675
Total	10,261	19,763	10,191	40,215

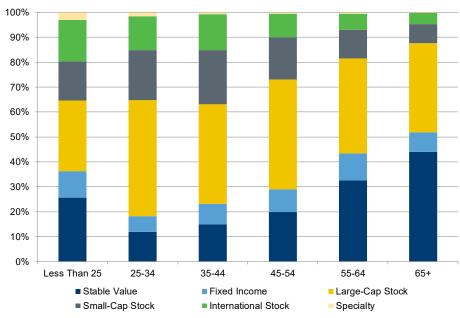
Participant Age Range	Conservative	Moderate	Aggressive	Total
Less than 25	\$158,658	\$569,321	\$407,732	\$1,135,711
Age 25-34	\$3,287,948	\$10,159,589	\$9,671,937	\$23,119,474
Age 35-44	\$7,654,387	\$24,734,774	\$24,418,303	\$56,807,464
Age 45-54	\$20,758,036	\$54,656,234	\$41,169,237	\$116,583,507
Age 55-64	\$41,613,367	\$66,942,205	\$30,941,667	\$139,497,239
Age 65+	\$31,967,009	\$42,849,123	\$16,392,207	\$91,208,339
Total	\$105,439,405	\$199,911,246	\$123,001,083	\$428,351,734

<sup>\*</sup>Prudential's Defined Contribution book of business averages.





## 457 Asset Allocation by Age Group – Assets for Participants Not in GoalMaker *As of March 31, 2020*

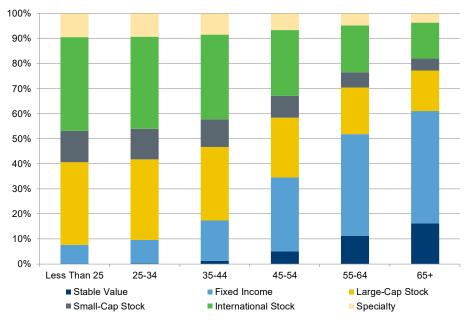


Asset Class	Less Than 25	25-34	35-44	45-54	55-64	65+	Total
Stable Value	\$21,153	\$483,883	\$4,196,551	\$25,066,757	\$82,606,849	\$225,348,325	\$337,723,518
Fixed Income	\$8,651	\$258,858	\$2,372,382	\$11,583,343	\$27,004,667	\$40,345,770	\$81,573,672
Large-Cap Stock	\$23,355	\$1,897,972	\$11,294,922	\$55,720,010	\$96,753,923	\$182,962,594	\$348,652,775
Small-Cap Stock	\$12,940	\$819,224	\$6,143,210	\$21,465,457	\$28,707,079	\$39,090,700	\$96,238,610
International Stock	\$13,657	\$554,878	\$4,090,148	\$11,846,848	\$16,583,494	\$23,071,386	\$56,160,411
Specialty	\$2,520	\$63,188	\$225,122	\$819,265	\$1,242,639	\$1,319,802	\$3,672,536
Total Assets	\$82,275	\$4,078,003	\$28,322,335	\$126,501,680	\$252,898,652	\$512,138,577	\$924,021,523
% Assets	0.01%	0.44%	3.07%	13.69%	27.37%	55.42%	100.00%
Total Participants	41	609	2,039	4,180	4,855	5,016	16,740
Average Account Balance	\$2,007	\$6,696	\$13,890	\$30,264	\$52,090	\$102,101	\$55,198





## 457 Asset Allocation by Age Group – Assets for Participants in GoalMaker *As of March 31, 2020*

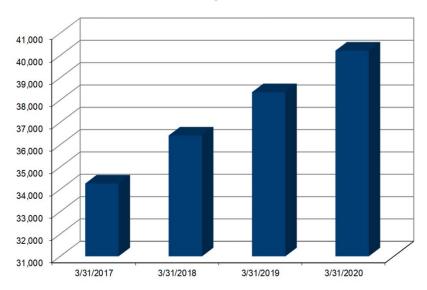


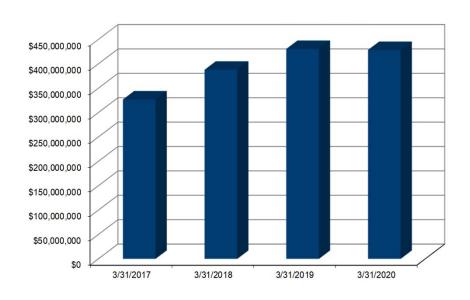
Asset Class	Less Than 25	25-34	35-44	45-54	55-64	65+	Total
Stable Value	\$159	\$35,220	\$636,904	\$5,870,699	\$15,755,184	\$14,797,304	\$37,095,469
Fixed Income	\$85,625	\$2,182,998	\$9,224,745	\$34,426,940	\$56,525,862	\$40,845,001	\$143,291,173
Large-Cap Stock	\$374,734	\$7,423,561	\$16,623,254	\$27,746,155	\$26,057,568	\$14,771,319	\$92,996,590
Small-Cap Stock	\$142,645	\$2,836,852	\$6,315,973	\$10,194,428	\$8,456,781	\$4,374,634	\$32,321,312
International Stock	\$425,272	\$8,496,610	\$19,161,402	\$30,558,411	\$26,026,194	\$12,993,235	\$97,661,124
Specialty	\$107,276	\$2,144,233	\$4,845,186	\$7,786,873	\$6,675,650	\$3,426,847	\$24,986,065
Total Assets	\$1,135,711	\$23,119,474	\$56,807,464	\$116,583,507	\$139,497,239	\$91,208,339	\$428,351,734
% Assets	0.27%	5.40%	13.26%	27.22%	32.57%	21.29%	100.00%
Total Participants	1,264	9,364	10,180	10,849	6,883	1,675	40,215
Average Account Balance	\$899	\$2,469	\$5,580	\$10,746	\$20,267	\$54,453	\$10,652



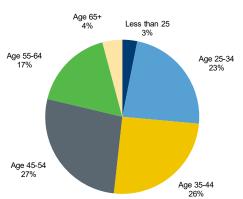


## **457 GoalMaker Participation**

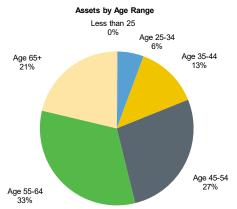




#### Participation by Age Range







## 403(b) GoalMaker Participation

	3/31/2017	3/31/2018	3/31/2019	3/31/2020
Total Plan Assets in GoalMaker	\$4,038,672	\$6,160,542	\$7,413,203	\$7,797,374
Total # of Participants in GoalMaker	703	725	751	802
Year to Date % of New Enrollments with Goalmaker Election	50.00%	68.00%	47.37%	66.67%
Total Participation Rate	58.78%	59.82%	59.41%	60.07%
Prudential's Book of Business GoalMaker Average Participation Rate*	49.98%	50.42%	50.59%	51.86%
Total % of Assets	39.26%	44.22%	44.28%	42.29%

Participant Age Range	Conservative	Moderate	Aggressive	Total
Less than 25	1	1	0	2
Age 25-34	2	105	15	122
Age 35-44	6	175	16	197
Age 45-54	9	232	10	251
Age 55-64	12	167	9	188
Age 65+	0	42	0	42
Total	30	722	50	802

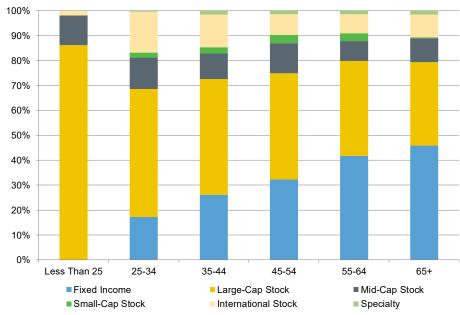
Participant Age Range	Conservative	Moderate	Aggressive	Total
Less than 25	\$416	\$155	\$0	\$571
Age 25-34	\$1,700	\$367,701	\$118,017	\$487,418
Age 35-44	\$4,760	\$1,129,395	\$115,528	\$1,249,684
Age 45-54	\$132,731	\$2,589,071	\$221,772	\$2,943,573
Age 55-64	\$196,379	\$2,007,027	\$167,478	\$2,370,884
Age 65+	\$0	\$745,244	\$0	\$745,244
Total	\$335,986	\$6,838,593	\$622,795	\$7,797,374

<sup>\*</sup>Prudential's Defined Contribution book of business averages.





## 403(b) Asset Allocation by Age Group – Assets for Participants Not in GoalMaker *As of March 31, 2020*

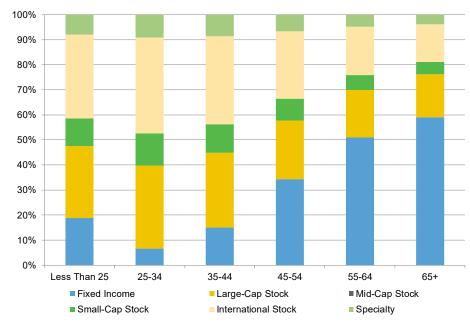


Asset Class	Less Than 25	25-34	35-44	45-54	55-64	65+	Total
Fixed Income	\$0	\$111,668	\$505,817	\$1,050,730	\$1,641,559	\$394,626	\$3,704,399
Large-Cap Stock	\$1,745	\$331,544	\$898,809	\$1,387,977	\$1,504,997	\$287,235	\$4,412,306
Mid-Cap Stock	\$245	\$81,087	\$199,607	\$394,462	\$311,191	\$82,963	\$1,069,555
Small-Cap Stock	\$0	\$12,921	\$48,349	\$111,696	\$122,334	\$1,931	\$297,230
International Stock	\$37	\$106,160	\$254,189	\$266,503	\$302,103	\$78,329	\$1,007,322
Specialty	\$0	\$2,738	\$30,550	\$46,906	\$53,661	\$14,045	\$147,899
Total Assets	\$2,026	\$646,118	\$1,937,320	\$3,258,274	\$3,935,846	\$859,128	\$10,638,712
% Assets	0.02%	6.07%	18.21%	30.63%	37.00%	8.08%	100.00%
Total Participants	4	92	146	149	119	23	533
Average Account Balance	\$507	\$7,023	\$13,269	\$21,868	\$33,074	\$37,353	\$19,960





## 403(b) Asset Allocation by Age Group – Assets for Participants in GoalMaker *As of March 31, 2020*

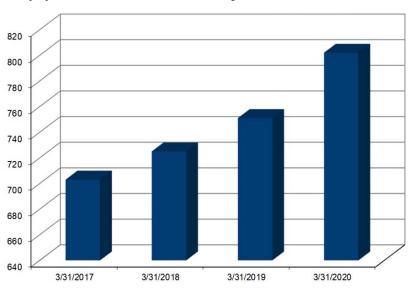


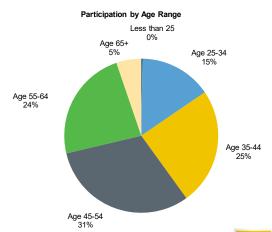
Asset Class	Less Than 25	25-34	35-44	45-54	55-64	65+	Total
Fixed Income	\$108	\$32,183	\$187,370	\$1,012,393	\$1,209,529	\$440,241	\$2,881,824
Large-Cap Stock	\$164	\$161,892	\$372,772	\$686,015	\$446,459	\$127,074	\$1,794,377
Mid-Cap Stock	\$0	\$1	\$0	\$0	\$0	\$0	\$1
Small-Cap Stock	\$63	\$62,494	\$142,454	\$257,399	\$142,954	\$37,852	\$643,215
International Stock	\$190	\$186,573	\$439,260	\$792,034	\$456,585	\$110,859	\$1,985,502
Specialty	\$46	\$44,275	\$107,828	\$195,732	\$115,358	\$29,217	\$492,455
Total Assets	\$571	\$487,418	\$1,249,684	\$2,943,573	\$2,370,884	\$745,244	\$7,797,374
% Assets	0.01%	6.25%	16.03%	37.75%	30.41%	9.56%	100.00%
Total Participants	2	122	197	251	188	42	802
Average Account Balance	\$286	\$3,995	\$6,344	\$11,727	\$12,611	\$17,744	\$9,722

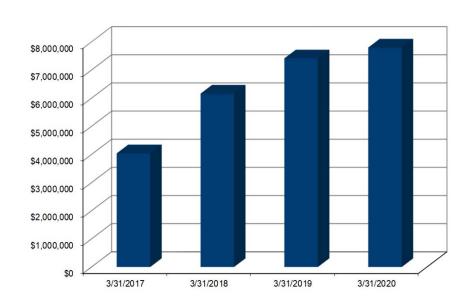


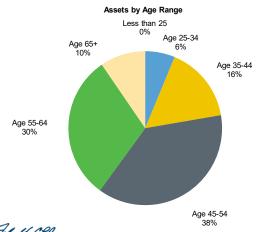


## 403(b) GoalMaker Participation











**North Carolina** 

## **Loan Information**

401(k) YTD Loans											
2017 2018 2019 2020 Change %											
% of Members in Plan with a Loan	23.22%	23.09%	22.56%	22.03%	-2.33%						
# of Outstanding Loans	45,432	45,387	44,407	43,600	-1.82%						
# of New Loans YTD	3,598	3,701	3,035	3,550	16.97%						
Average Loan Balance	\$6,318	\$6,494	\$6,663	\$6,835	2.58%						
Total Outstanding Loan Balance	\$287,034,526	\$294,722,884	\$295,872,096	\$297,989,353	0.72%						

457 YTD Loans											
2017 2018 2019 2020 Change %											
% of Members in Plan with a Loan	14.11%	14.64%	14.78%	14.99%	1.46%						
# of Outstanding Loans	5,907	6,190	6,254	6,401	2.35%						
# of New Loans YTD	549	521	498	533	7.03%						
Average Loan Balance	\$3,272	\$3,358	\$3,455	\$3,577	3.54%						
Total Outstanding Loan Balance	\$18,858,589	\$20,783,479	\$21,605,358	\$22,894,951	5.97%						

403(b) YTD Loans											
February & March 2018 2019 2020 Change %											
% of Members in Plan with a Loan	0.52%	1.80%	1.78%	1.91%	7.25%						
# of Outstanding Loans	6	12	21	23	9.52%						
# of New Loans YTD	0	3	0	1	100.00%						
Average Loan Balance	\$10,805	\$6,992	\$4,354	\$3,640	-16.40%						
Total Outstanding Loan Balance	\$64,830	\$83,909	\$91,439	\$83,720	-8.44%						



## **401(k) Disbursements – Quarterly**

			401(k) Disb	ursements				
	1Q 2017 1Q 2018		1Q 2018 Change %	1Q 2019		1Q 2020	1Q 2020 Change %	
Term - Lump Sum	\$105,915,636	\$128,693,378	21.51%	\$138,408,718	7.55%	\$140,180,021	1.28%	
In-Service	\$17,777,866	\$15,904,179	-10.54%	\$15,842,333	-0.39%	\$17,322,002	9.34%	
State Retirement System	\$3,748,312	\$3,113,192	-16.94%	\$2,704,916	-13.11%	\$2,985,588	10.38%	
Hardship	\$1,341,798	\$1,234,068	-8.03%	\$1,478,098	19.77%	\$4,849,727	228.11%	
Systematic	\$2,738,321	\$2,984,092	8.98%	\$3,343,446	12.04%	\$3,709,807	10.96%	
Deemed Distributions	N/A	N/A	N/A	\$469,695	N/A	\$643,551	100.00%	
Loan Defaults/Offsets	N/A	N/A	N/A	\$3,615,123	N/A	\$3,498,672	100.00%	
Total Disbursements	\$131,521,934	\$151,928,909	15.52%	\$165,862,329	9.17%	\$173,189,369	4.42%	

			401(k) Disbu	ırsements			
	10 2017	1Q 2017 1Q 2018		1Q 2019	1Q 2019	1Q 2020	1Q 2020
	10(2011	10 2010	Change %	10 2010	Change %	1 4 2020	Change %
Term – Lump Sum	6,744	7,464	10.68%	7,762	3.99%	7,911	1.92%
In-Service	1,525	1,669	9.44%	1,581	-5.27%	1,691	6.96%
State Retirement System	109	96	-11.93%	72	-25.00%	88	22.22%
Hardship	428	403	-5.84%	409	1.49%	999	144.25%
Systematic	3,201	3,401	6.25%	3,650	7.32%	3,836	5.10%
Total Disbursements	12,007	13,033	8.55%	13,474	3.38%	14,525	7.80%

Number of Distributions do not include Deemed Distributions or Loan Defaults/Offsets.





## **457 Disbursements – Quarterly**

			457 Disbur	sements			
	1Q 2017	1Q 2017 1Q 2018 1Q 2019 1Q 2019 Change % 1Q 2019 Change %		1Q 2020	1Q 2020 Change %		
Term - Lump Sum	\$17,910,048	\$17,851,704	-0.33%	\$19,268,931	7.94%	\$16,844,960	-12.58%
In-Service	\$777,366	\$438,845	-43.55%	\$519,238	18.32%	\$362,096	-30.26%
State Retirement System	\$1,673,654	\$1,227,604	-26.65%	\$477,645	-61.09%	\$484,056	1.34%
Hardship	\$184,633	\$140,702	-23.79%	\$74,977	-46.71%	\$77,079	2.80%
Systematic	\$1,268,673	\$1,208,626	-4.73%	\$1,358,124	12.37%	\$1,092,403	-19.57%
Deemed Distributions	N/A	N/A	N/A	\$67,274	N/A	\$79,552	18.25%
Loan Defaults/Offsets	N/A	N/A	N/A	\$431,491	N/A	\$267,446	-38.02%
Total Disbursements	\$21,814,375	\$20,867,481	-4.34%	\$22,197,680	6.37%	\$19,207,591	-13.47%

	457 Disbursements											
	1Q 2017	1Q 2018	1Q 2018	1Q 2019	1Q 2019	1Q 2020	1Q 2020					
			Change %		Change %		Change %					
Term – Lump Sum	1,473	1,478	0.34%	1,561	5.62%	1,528	-2.11%					
In-Service	9	9	0.00%	15	66.67%	15	0.00%					
State Retirement System	18	18	0.00%	6	-66.67%	7	16.67%					
Hardship	90	90	0.00%	53	-41.11%	71	33.96%					
Systematic	1,294	1,294	0.00%	1,312	1.39%	1,239	-5.56%					
Total Disbursements	2,884	2,889	0.17%	2,947	2.01%	2,860	-2.95%					

Number of Distributions do not include Deemed Distributions or Loan Defaults/Offsets.





## **403(b) Disbursements – Quarterly**

	403(b) Disbursements											
	February & March	1Q 2018	1Q 2018	1Q 2019	1Q 2019	1Q 2020	1Q 2020					
	2017		Change %		Change %	·	Change %					
Term - Lump Sum	\$0	\$43,823	100.00%	\$25,143	-42.62%	\$159,368	533.84%					
In-Service	\$0	\$0	0.00%	\$297,160	100.00%	\$5,474	-98.16%					
State Retirement System	\$0	\$29,113	100.00%	\$0	-100.00%	\$3,071	100.00%					
Hardship	\$0	\$0	0.00%	\$0	0.00%	\$3,517	100.00%					
Systematic	\$0	\$0	0.00%	\$0	0.00%	\$0	0.00%					
Deemed Distributions	N/A	N/A	N/A	\$0	0.00%	\$0	0.00%					
Loan Defaults/Offsets	N/A	N/A	N/A	\$0	0.00%	\$1,330	100.00%					
Total Disbursements	\$0	\$72,936	100.00%	\$322,304	341.90%	\$172,759	-46.40%					

	403(b) Disbursements											
	February & March	1Q 2018	1Q 2018	1Q 2019	1Q 2019	1Q 2020	1Q 2020					
	2017	10, 2010	Change %	10, 2013	Change %	10 2020	Change %					
Term – Lump Sum	0	6	100.00%	7	16.67%	20	185.71%					
In-Service	0	0	100.00%	3	100.00%	1	-66.67%					
State Retirement System	0	2	100.00%	0	-100.00%	1	100.00%					
Hardship	0	0	100.00%	0	0.00%	1	100.00%					
Systematic	0	0	100.00%	0	0.00%	0	0.00%					
Total Disbursements	0	8	100.00%	10	25.00%	23	130.00%					

Number of Distributions do not include Deemed Distributions or Loan Defaults/Offsets.





## 401(k) Plan Asset Allocation/Net Cash Flow January 1, 2019 to March 31, 2019

	Less Than 25	25-34	35-44	45-54	55-65	65+	TOTAL
Total Plan Assets	\$17,425,087	\$401,644,384	\$1,424,166,670	\$3,140,246,315	\$3,162,440,422	\$2,221,598,403	\$10,367,521,280
% Assets	0.17%	3.87%	13.74%	30.29%	30.50%	21.43%	100.00%
Total Contributions	\$3,037,455	\$19,375,567	\$27,793,488	\$39,709,527	\$30,641,129	\$6,089,391	\$126,646,558
Rollovers In	\$14,190	\$701,537	\$1,420,072	\$2,340,020	\$4,142,698	\$2,294,709	\$10,913,226
Total Distributions including:	(\$104,975)	(\$3,448,758)	(\$7,266,046)	(\$33,870,309)	(\$69,516,344)	(\$47,571,079)	(\$161,777,511)
Rollovers Out	(\$13,079)	(\$1,405,785)	(\$3,229,535)	(\$19,400,305)	(\$40,508,300)	(\$24,293,127)	(\$88,850,132)
Cash Distributions	(\$91,896)	(\$2,042,973)	(\$4,036,512)	(\$14,470,004)	(\$29,008,044)	(\$23,277,951)	(\$72,927,380)
Net Cash Flow	\$2,946,670	\$16,628,346	\$21,947,513	\$8,179,237	(\$34,732,516)	(\$39,186,979)	(\$24,217,728)
Total Unique Participants	6,350	40,453	54,239	69,511	56,765	28,883	256,201
Avg. Account Balance	\$2,744	\$9,929	\$26,257	\$45,176	\$55,711	\$76,917	\$40,466
Prudential Participant Avg. Account Balance	\$3,317	\$14,832	\$42,922	\$83,307	\$114,679	\$119,841	\$69,248

## 401(k) Plan Asset Allocation/Net Cash Flow January 1, 2020 to March 31, 2020

	Less Than 25	25-34	35-44	45-54	55-65	65+	TOTAL
Total Plan Assets	\$17,089,983	\$356,322,989	\$1,227,163,926	\$2,883,555,256	\$3,015,379,056	\$2,230,711,412	\$9,730,222,622
% Assets	0.18%	3.66%	12.61%	29.64%	30.99%	22.93%	100.00%
Total Contributions	\$3,528,466	\$21,772,259	\$30,899,374	\$45,739,645	\$34,504,177	\$6,979,994	\$143,423,915
Rollovers In	\$31,199	\$729,514	\$2,386,831	\$3,617,989	\$6,939,391	\$3,070,675	\$16,775,599
Total Distributions including:	(\$285,032)	(\$3,588,122)	(\$10,150,323)	(\$28,716,047)	(\$69,971,913)	(\$56,335,708)	(\$169,047,146)
Rollovers Out	(\$129,991)	(\$1,593,299)	(\$4,418,224)	(\$14,105,153)	(\$34,530,435)	(\$28,888,235)	(\$83,665,337)
Cash Distributions	(\$155,042)	(\$1,994,824)	(\$5,732,099)	(\$14,610,894)	(\$35,441,479)	(\$27,447,473)	(\$85,381,809)
Net Cash Flow	\$3,274,633	\$18,913,650	\$23,135,883	\$20,641,587	(\$28,528,346)	(\$46,285,039)	(\$8,847,632)
Total Unique Participants	6,928	42,030	54,383	70,415	57,978	30,908	262,642
Avg. Account Balance	\$2,467	\$8,478	\$22,565	\$40,951	\$52,009	\$72,173	\$37,047
Prudential Participant Avg. Account Balance	\$2,884	\$13,008	\$37,647	\$74,283	\$107,332	\$112,596	\$62,541

<sup>\*</sup>Prudential's Defined Contribution book of business averages.

Distributions do not include Deemed Distributions or Loan Defaults/Offsets.





## 457 Plan Asset Allocation/Net Cash Flow January 1, 2019 to March 31, 2019

	Less Than 25	25-34	35-44	45-54	55-65	65+	TOTAL			
Total Plan Assets	\$1,162,807	\$28,636,170	\$92,391,542	\$270,935,249	\$424,996,912	\$623,711,503	\$1,441,834,183			
% Assets	0.08%	1.99%	6.41%	18.79%	29.48%	43.26%	100.00%			
Total Contributions	\$220,511	\$1,646,547	\$3,058,163	\$5,006,633	\$4,451,897	\$1,291,905	\$15,675,655			
Rollovers In	\$16,418	\$102,114	\$210,712	\$292,450	\$262,319	\$756,969	\$1,640,982			
Total Distributions including:	(\$8,671)	(\$256,865)	(\$304,739)	(\$2,122,285)	(\$6,813,659)	(\$12,192,695)	(\$21,698,915)			
Rollovers Out	(\$3,078)	(\$99,801)	(\$134,214)	(\$969,921)	(\$4,341,941)	(\$6,136,731)	(\$11,685,686)			
Cash Distributions	(\$5,593)	(\$157,064)	(\$170,525)	(\$1,152,364)	(\$2,471,718)	(\$6,055,964)	(\$10,013,229)			
Net Cash Flow	\$228,258	\$1,491,795	\$2,964,137	\$3,176,798	(\$2,099,443)	(\$10,143,821)	(\$4,382,277)			
Total Unique Participants	1,213	9,605	11,957	15,008	11,411	6,337	55,531			
Avg. Account Balance	\$959	\$2,981	\$7,727	\$18,053	\$37,244	\$98,424	\$25,964			
Prudential Participant Avg. Account Balance	\$3,317	\$14,832	\$42,922	\$83,307	\$114,679	\$119,841	\$69,2 <i>4</i> 8			

## 457 Plan Asset Allocation/Net Cash Flow January 1, 2020 to March 31, 2020

	Less Than 25	25-34	35-44	45-54	55-65	65+	TOTAL			
Total Plan Assets	\$1,217,986	\$27,197,478	\$85,129,800	\$243,085,187	\$392,395,890	\$603,346,916	\$1,352,373,257			
% Assets	0.09%	2.01%	6.29%	17.97%	29.02%	44.61%	100.00%			
Total Contributions	\$269,480	\$2,103,564	\$3,787,437	\$6,138,533	\$5,007,081	\$1,520,538	\$18,826,634			
Rollovers In	\$12,786	\$85,833	\$126,241	\$177,166	\$569,364	\$789,681	\$1,761,071			
Total Distributions including:	(\$12,634)	(\$250,886)	(\$377,859)	(\$1,548,036)	(\$6,122,805)	(\$10,548,374)	(\$18,860,593)			
Rollovers Out	(\$384)	(\$121,147)	(\$87,706)	(\$515,800)	(\$3,090,801)	(\$4,461,804)	(\$8,277,643)			
Cash Distributions	(\$12,249)	(\$129,739)	(\$290,153)	(\$1,032,236)	(\$3,032,004)	(\$6,086,570)	(\$10,582,950)			
Net Cash Flow	\$269,632	\$1,938,512	\$3,535,819	\$4,767,664	(\$546,361)	(\$8,238,154)	\$1,727,112			
Total Unique Participants	1,305	9,973	12,219	15,029	11,738	6,691	56,955			
Avg. Account Balance	\$933	\$2,727	\$6,967	\$16,174	\$33,430	\$90,173	\$23,745			
Prudential Participant Avg. Account Balance	\$2,884	\$13,008	\$37,647	\$74,283	\$107,332	\$112,596	\$62,541			

<sup>\*</sup>Prudential's Defined Contribution book of business averages.

Distributions do not include Deemed Distributions or Loan Defaults/Offsets.





## 403(b) Plan Asset Allocation/Net Cash Flow January 1, 2019 to March 31, 2019

	Less Than 25	25-34	35-44	45-54	55-65	65+	TOTAL
Total Plan Assets	\$0.00	\$1,068,907	\$3,230,508	\$5,710,199	\$5,491,838	\$1,241,567	\$16,743,018
% Assets	0.00%	6.38%	19.29%	34.10%	32.80%	7.42%	100.00%
Total Contributions	\$0	\$84,541	\$101,959	\$173,442	\$146,596	\$19,967	\$526,504
Rollovers In	\$0	\$0	\$19,948	\$62,777	\$52,059	\$0	\$134,783
Total Distributions including:	\$0	(\$6,088)	\$0	(\$534)	(\$307,981)	(\$7,701)	(\$322,304)
Rollovers Out	\$0	(\$6,088)	\$0	\$0	(\$282,731)	\$0	(\$288,818)
Cash Distributions	\$0	\$0	\$0	(\$534)	(\$25,250)	(\$7,701)	(\$33,485)
Net Cash Flow	\$0	\$78,453	\$121,907	\$235,685	(\$109,327)	\$12,266	\$338,984
Total Unique Participants	0	223	335	376	284	46	1,264
Avg. Account Balance	\$0	\$4,793	\$9,643	\$15,187	\$19,337	\$26,991	\$13,246
Prudential Participant Avg. Account Balance	\$3,317	\$14,832	\$42,922	\$83,307	\$114,679	\$119,841	\$69,2 <i>4</i> 8

## 403(b) Plan Asset Allocation/Net Cash Flow January 1, 2020 to March 31, 2020

	Less Than 25	25-34	35-44	45-54	55-65	65+	TOTAL
Total Plan Assets	\$2,597	\$1,133,537	\$3,187,003	\$6,201,847	\$6,306,730	\$1,604,372	\$18,436,086
% Assets	0.01%	6.15%	17.29%	33.64%	34.21%	8.70%	100.00%
Total Contributions	\$1,536	\$77,368	\$129,101	\$203,691	\$180,441	\$28,126	\$620,263
Rollovers In	\$0	\$0	\$20,152	\$26,074	\$390,584	\$0	\$436,810
Total Distributions including:	\$0	(\$4,244)	(\$13,709)	(\$27,413)	(\$54,341)	(\$71,722)	(\$171,430)
Rollovers Out	\$0	(\$2,061)	\$0	(\$17,558)	(\$43,903)	(\$53,731)	(\$117,253)
Cash Distributions	\$0	(\$2,183)	(\$13,709)	(\$9,855)	(\$10,438)	(\$17,991)	(\$54,177)
Net Cash Flow	\$1,536	\$73,124	\$135,544	\$202,352	\$516,684	(\$43,597)	\$885,644
Total Unique Participants	6	214	343	400	307	65	1,335
Avg. Account Balance	\$433	\$5,297	\$9,292	\$15,505	\$20,543	\$24,683	\$13,810
Prudential Participant Avg. Account Balance	\$2,884	\$13,008	\$37,647	\$74,283	\$107,332	\$112,596	\$62,541

<sup>\*</sup>Prudential's Defined Contribution book of business averages.

Distributions do not include Deemed Distributions or Loan Defaults/Offsets.





## **401(k) Plan Retirement Preparation Analysis**

1/1/2020 - 3/31/2020	
Total Retirement Income Calculator Completions	10,131
Unique Completions	8,893
Contribution Rate Increase	1,070

Since Inception for Currently Active Participal	nts as of 3/31/2020
Average Balance, RIC Participant	\$52,725
Average Balance, Non-RIC Participant	\$22,455
Average Contribution Rate, RIC Participant	6.41%
Average Contribution Rate, Non-RIC Participant	4.53%
Total Count of Participants with a RIC Gap	58,805
Average RIC Gap	\$2,903
Total Count of Participants with a RIC surplus	9,594
Average RIC Surplus	\$2,217

<u>Total Retirement Income Calculator Completions</u> – Number of RIC completions for the given time period. If a single participant completed the RIC multiple times within the given time period, they would be counted multiple times.

<u>Unique Completions</u> – Total number of unique active/eligible participants that completed the retirement income calculator during the reporting period.

<u>Contribution Rate Increases</u> – Total number of active/eligible participants that completed the retirement income calculator and increased their contribution rate.

<u>Average Balance RIC Participant</u> – For participants who have a balance greater than \$0 that have previously completed the RIC – The total balance of active participants divided by the total count of active participants.

<u>Average Balance Non-RIC Participant</u> – For participants who have a balance greater than \$0 that have NOT previously completed the RIC – The total balance of active participants divided by the total count of active participants.

<u>Average Contribution Rate RIC Participant</u> – For participants who have completed the RIC – The total of all contribution rates (%) for active participants who have completed the RIC divided by the number of active participants that have completed the RIC who have non-zero contribution rates.

<u>Average Contribution Rate Non-RIC Participant</u> – For participants who have NOT completed the RIC – The total of all contribution rates (%) for active participants who have completed the RIC divided by the number of active participants that have completed the RIC who have non-zero contribution rates.

<u>Average RIC Gap</u> – The total RIC gaps of all active participants who have completed the RIC divided by the total count of active participants that have completed the RIC with a gap.

Total Count of Participants with a RIC gap – Total number of RIC users who completed the RIC with a gap.

<u>Average RIC Surplus</u> – The total of all RIC surpluses of all active participants who have completed the RIC divided by the total count of active participants that have completed the RIC with a surplus.

<u>Total Count of Participants with a RIC Surplus</u> – Total number of RIC users who completed the RIC with a surplus.

Participant - An individual who has enrolled in the plan and has a non-zero account balance.





## **457 Plan Retirement Preparation Analysis**

1/1/2020 - 3/31/2020	
Total Retirement Income Calculator Completions	3,098
Unique Completions	2,664
Contribution Rate Increase	170

Since Inception for Currently Active Participants as of 3/31/2020				
Average Balance, RIC Participant	\$21,745			
Average Balance, Non-RIC Participant	\$12,254			
Average Contribution Rate, RIC Participant	6.62%			
Average Contribution Rate, Non-RIC Participant	4.90%			
Total Count of Participants with a RIC Gap	13,703			
Average RIC Gap	\$2,880			
Total Count of Participants with a RIC surplus	2,253			
Average RIC Surplus	\$2,301			

<u>Total Retirement Income Calculator Completions</u> – Number of RIC completions for the given time period. If a single participant completed the RIC multiple times within the given time period, they would be counted multiple times.

<u>Unique Completions</u> – Total number of unique active/eligible participants that completed the retirement income calculator during the reporting period.

<u>Contribution Rate Increases</u> – Total number of active/eligible participants that completed the retirement income calculator and increased their contribution rate.

<u>Average Balance RIC Participant</u> – For participants who have a balance greater than \$0 that have previously completed the RIC – The total balance of active participants divided by the total count of active participants.

<u>Average Balance Non-RIC Participant</u> – For participants who have a balance greater than \$0 that have NOT previously completed the RIC – The total balance of active participants divided by the total count of active participants.

<u>Average Contribution Rate RIC Participant</u> – For participants who have completed the RIC – The total of all contribution rates (%) for active participants who have completed the RIC divided by the number of active participants that have completed the RIC who have non-zero contribution rates.

<u>Average Contribution Rate Non-RIC Participant</u> – For participants who have NOT completed the RIC – The total of all contribution rates (%) for active participants who have completed the RIC divided by the number of active participants that have completed the RIC who have non-zero contribution rates.

<u>Average RIC Gap</u> – The total RIC gaps of all active participants who have completed the RIC divided by the total count of active participants that have completed the RIC with a gap.

Total Count of Participants with a RIC gap – Total number of RIC users who completed the RIC with a gap.

<u>Average RIC Surplus</u> – The total of all RIC surpluses of all active participants who have completed the RIC divided by the total count of active participants that have completed the RIC with a surplus.

<u>Total Count of Participants with a RIC Surplus</u> – Total number of RIC users who completed the RIC with a surplus.

Participant - An individual who has enrolled in the plan and has a non-zero account balance.





## **403(b) Plan Retirement Preparation Analysis**

1/1/2020 - 3/31/2020	
Total Retirement Income Calculator Completions	40
Unique Completions	37
Contribution Rate Increase	2

Since Inception for Currently Active Participal	nts as of 3/31/2020
Average Balance, RIC Participant	\$21,929
Average Balance, Non-RIC Participant	\$12,077
Average Contribution Rate, RIC Participant	8.18%
Average Contribution Rate, Non-RIC Participant	15.54%
Total Count of Participants with a RIC Gap	194
Average RIC Gap	\$2,677
Total Count of Participants with a RIC surplus	51
Average RIC Surplus	\$2,334

<u>Total Retirement Income Calculator Completions</u> – Number of RIC completions for the given time period. If a single participant completed the RIC multiple times within the given time period, they would be counted multiple times.

<u>Unique Completions</u> – Total number of unique active/eligible participants that completed the retirement income calculator during the reporting period.

<u>Contribution Rate Increases</u> – Total number of active/eligible participants that completed the retirement income calculator and increased their contribution rate.

<u>Average Balance RIC Participant</u> – For participants who have a balance greater than \$0 that have previously completed the RIC – The total balance of active participants divided by the total count of active participants.

<u>Average Balance Non-RIC Participant</u> – For participants who have a balance greater than \$0 that have NOT previously completed the RIC – The total balance of active participants divided by the total count of active participants.

<u>Average Contribution Rate RIC Participant</u> – For participants who have completed the RIC – The total of all contribution rates (%) for active participants who have completed the RIC divided by the number of active participants that have completed the RIC who have non-zero contribution rates.

<u>Average Contribution Rate Non-RIC Participant</u> – For participants who have NOT completed the RIC – The total of all contribution rates (%) for active participants who have completed the RIC divided by the number of active participants that have completed the RIC who have non-zero contribution rates.

<u>Average RIC Gap</u> – The total RIC gaps of all active participants who have completed the RIC divided by the total count of active participants that have completed the RIC with a gap.

Total Count of Participants with a RIC gap – Total number of RIC users who completed the RIC with a gap.

<u>Average RIC Surplus</u> – The total of all RIC surpluses of all active participants who have completed the RIC divided by the total count of active participants that have completed the RIC with a surplus.

<u>Total Count of Participants with a RIC Surplus</u> – Total number of RIC users who completed the RIC with a surplus.

Participant – An individual who has enrolled in the plan and has a non-zero account balance.





## **Participant Service Center Statistics**

401(k), 457 & 403(b) Quarterly Participant Service Center Statistics						
1Q 2017 1Q 2018 1Q 2019 1Q 2020						
Service Center Calls	39,247	43,160	57,514	45,342		
Service Percentage	62%	83%	82%	76%		
Average Speed to Answer (seconds)	39 sec	11 sec	17 sec	16 sec		
Abandon Percentage	1.70%	0.30%	0.60%	0.50%		

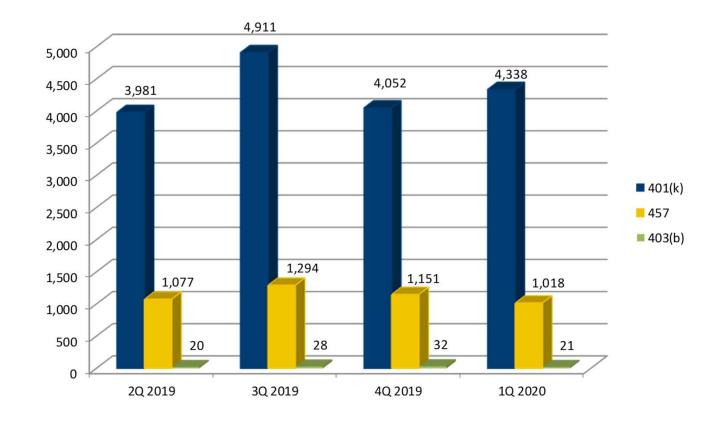


## **Retirement Security Education Information**

401(k), 457 & 403(b) Quarterly Retirement Security Education Team Activity							
Meeting Activity January 2020 February 2020 March 2020 1Q 2020							
Group Meetings - Number of Meetings	195	228	195	618			
Group Meetings - Number of Attendees	3,047	7,315	2,891	13,253			
Individual Meetings - Number of Meetings	2,172	2,202	1,751	6,125			
Employer Meetings	352	325	331	1,008			
Total On-Site Visits	456	411	205	1,072			
Total Meeting Attendees	5,219	9,517	4,642	19,378			



## **Retirement Security Education Information – Enrollment Activity by Quarter**





#### **Employers Adopting the 401(k) Plan in 2020**

#### Other

Hendersonville ABC Board

## **Employers Adopting the 403(b) Plan in 2020**

## **Community College**

College of the Albemarle Forsyth Tech Community College

## **Employers Adopting Contribution Accelerator in 2020**

## County

**Burke County** 

## **Municipalities**

City of Oxford
Town of Butner
Town of Oakboro
Village of Misenheimer

#### Other

Foothills Health District
Hendersonville ABC Board
Skyland Volunteer Fire Department





## **Employers Adopting the 457 Plan in 2020**

**Community College** 

Forsyth Tech Community College

**Municipalities** 

Town of Highlands
Town of Waynesville

**Schools** 

Perquimans County School

## **Employers Adopting the 457 Plan in 2020**

457 Additions					
Employer Type	2017	2018	2019	2020	# of Eligible
CHARTER SCHOOL	4	3	4	0	2,029
COMMUNITY COLLEGE	1	2	2	1	15,759
COUNTY	5	4	1	0	38,209
MUNICIPAL	9	21	7	2	18,052
OTHER	9	6	6	0	5,250
SCHOOL	4	3	4	1	135,520



## 401(k) Employers Making Changes in 2020

## 401(k) Employers Changing their Employer Contribution and/or Employer Match

Foothills Health District has changed their Employer Match of \$60 to an Employer Match of 1%. Sandhills Center has changed their Employer Contribution of 3% to an Employer Match of 3%.

Notes	

Notes	







# Communication Accomplishments 1Q 2020

## **Communication Accomplishments 1Q 2020**

## **Updates**

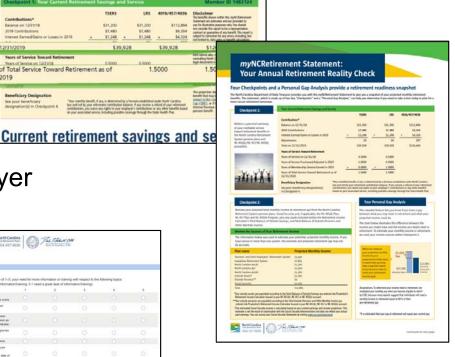
MRS (2020 statement):

- **Animation**
- **Annual Benefit Statement Flyer**
- Ducks in a Row Brochure
- 401(k)/NC 457 One Time Contribution Flyer
- **Employer Contribution Benefits Flyer**
- Plan Comparison Guide

## **Employer Survey**

- HR
- Payroll









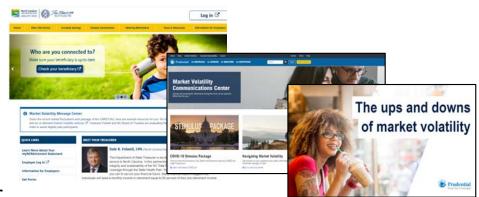
## **Communication Accomplishments 1Q 2020**

## **Market Volatility**

- E-mails:
  - Participant
  - Sponsor
- Landing Page Links
  - Market Volatility Communications Center
  - Market Volatility Webinar

## **Targeted Emails to Nearing Retirees**

- Jan 160 delivered
- Feb 273 delivered
- Mar 263 delivered









## **Communication Accomplishments 1Q 2020**

## **Quarterly Signature Newsletter**

132,544 direct mail

## **Quarterly Statement Message**

273,902 statements

## **Year-End 2019 Employer Newsletter**

• 2,313 e-mails delivered with link















# Signature Newsletter 1Q 2020





1<sup>ST</sup> QUARTER 2020

#### A Message from Treasurer Folwell



As a public servant in North Carolina, you are in the unique position to participate in a recognized TOTAL retirement system. Your future retirement pension benefit is funded by the 6 percent that you contribute each month to your pension plan, as

well as significant contributions by your employer, along with investment returns.

In addition to your pension, you have the opportunity to participate in the North Carolina Supplemental Retirement Plans, the NC 401(k), NC 457 and/or NC 403(b), which are among the largest in the country, allowing room for fee negotiations. As a result, these plans remain competitively priced. That means you may be paying less for the plans that are in support of your "total" retirement.

I would encourage you to discover our recently released **Cost Comparison Document**. It is a tool that allows you to be an active, informed participant as you compare the plans with outside financial products. As a current account holder, it's important to know that you have the option of keeping your money in the plan(s), even after you change jobs or retire.

We have many tools and resources available online at myNCRetirement.com, in your secure ORBIT account and at **NCPlans.prudential.com**. I encourage you to become and remain engaged in your retirement planning so that you can support the future you imagine.

Sincerely,

Yale T. Folull, CPA Dale R. Folwell, CPA

State Treasurer of North Carolina

#### **Great News as We Head Into a New Decade**

The plans have always been a great way for you to financially plan for the future. Now, as we head into a new decade, discover why yet another "fee holiday" and a handy tool, the Cost Comparison Document, deliver more value to you as you prepare for — and even head into — retirement.



## - In This Issue...

- 'Fee Holiday' Continues Through 2020
- Cost Comparison Tool Puts You in the Driver's Seat
- What the SECURE Act Could Mean for You and Your Loved Ones' Financial Future
- Changes in the NC Small/Mid Cap Fund

**NEWSWORTHY & NOTEWORTHY** 



### 'Fee Holiday' Continues Through 2020

State Treasurer Dale R. Folwell, CPA, and the North Carolina Supplemental Retirement Board of Trustees unanimously approved the extension of the 2019 Administrative Fee Holiday through 2020. This fee holiday amounts to a total savings of more than \$2 million for participants in the NC 401(k) and NC 457 Plans for 2020 — and brings the total savings, when taking the 2019 'Fee Holiday' into consideration, to \$4 million.







#### ...continued

The fee holiday eliminates the NC 401(k) and NC 457 Plans' annual administrative fees — 25 cents for each \$1,000 held in an account — charged by the department and the board. Other fees, including the fee charged by Prudential, will still apply.

#### Important to Know

The Board of Trustees strives to continually deliver value to local and state employees participating in the NC 401(k) and NC 457 Plans and the NC 403(b) Program. They do this by performing ongoing and thorough investment oversight to continually maintain a strongly performing and competitively priced investment lineup.\*

#### Cost Comparison Tool Puts You in the Driver's Seat

When it comes to financial decisions, you're a consumer. And your best choices are made when you have access to key information and you understand your options.

Luckily, we have a tool to help you do just that. With the free Cost Comparison Document, you can create an "applesto-apples" snapshot to help decide whether you're getting a "good deal" when it comes to the fees charged with any other financial retirement products (including future employer-sponsored retirement plans).

#### The Cost Comparison Document is designed for you

It's a decision-making aid for you to use following retirement or a job change. It is designed to help you compare the costs of leaving your money in the plans versus moving your money to outside alternatives.

Keeping your money in the plans through retirement is an option, but you may also be considering moving money out with a retirement or job change. The Cost Comparison Document, available for the NC 401(k) and NC 457 Plans and the NC 403(b) Program, is an aid designed to help you learn if your costs will change with other financial products.

#### How to obtain the Cost Comparison Document

• Go to myNCRetirement.com/CostComparison

Those nearing retirement will receive an email containing a link to the Cost Comparison Document a few months before retirement. If you'd like assistance in filling out the Cost Comparison document, feel free to reach out to your **Retirement Education Counselor** for assistance.



hid you know: With more than 250,000 participant 57 Plans helps keep fees low and often more con	C 457 Plan Cost Comp			
Lower fees means I	ts and over \$10 billion in	assets, the size of testment accounts?	he NC 401(k) and No	3
ou may be considering moving your money som xactly what your costs are. This form will help yo llow you to make an informed decision as you loo	ewhere else, but before u compare North Carolii	you make the switch na's plans with other		I
Fees/Costs	Your NC 401(k) Plan	Your NC 457 Plan	Alternative Agent, Financial Institution or Broker	
INVESTMENT MANAGEMENT FEE* This fee pays for the professionals who manage the investments in each investment option.	Investment management fees vary by investment option and range from approximately 0.005 percent to 0.36 percent of the assets in an investment option on an annual basis.			
	This is equivalent to 5 cents each \$1,000 that you have it	to \$3.60 per year for n an investment option.		
OPERATING EXPENSES* Operating expenses for the Department and Board and custodial and operating expenses for the investment in each investment option.	Operating expenses vary by investment option and range from approximately 0.03 percent to 0.06 percent of the assets in an option on an annual basis.			
	This is equivalent to 30 cents to 60 cents per year, per account, for each \$1,000 per fund.			
RECORDKEEPING AND COMMUNICATIONS FEE Provides you recordkeeping and communications services, including quarterly statements, Retirement Education Conselors, and educational materials.	\$7.75 flat fee, per account, per quarter, regardless of the balance of the account.			
TRANSFER FEES	\$0			
This is also known as an account closing fee, meaning you may be charged when you move your money out of the account.				
COMMISSIONS  Commonly called "loads," which could be charged as a percentage of assets at the time of purchase or at the	\$0			
time of sale.				
ees and costs are subject to change. Processing fees apply the Morth Carolina Supplemental Retirement Plans Fee Steven to various investment options (available on NCPlans.Pruden	tatement (available at www.Mr	transactions. For addition (NCRetirement.com) and	al fee information, fund fact sheets for	
he intended use of this document is for your personal referen in behalf of the NC 401(kV NC 457 Plan	On behalf of:			
Vale T. Folance, CPA	(alternative agen Signature:	t, financial institution or broi	er)	
ale R. Folwell, CPA tate Treasurer of North Carolina	Name:			
	Title:			





## What the SECURE Act Could Mean for You and Your Loved Ones' Financial Future

On December 20, 2019, the Setting Every Community Up for Retirement Enhancement (SECURE) Act was signed into law. It represents the most sweeping changes to retirement legislation in more than a decade.

We are reviewing provisions and Plan Document changes required to incorporate this new legislation in the North Carolina Supplemental Plans. More to come.



The Setting Every Community Up for Retirement Enhancement (SECURE) Act...represents the most sweeping changes to retirement legislation in more than a decade.



## Here are Two Key Provisions from the SECURE Act

#### 1 RMDs (Required Minimum Distributions)

Individuals will no longer have to take RMDs from retirement plans after they turn  $70\frac{1}{2}$ ; now, the age is 72.

This means your money can stay even longer in the plans before you must begin making withdrawals. It's important to note that individuals who turned 70½ in 2019 still must take their RMD no later than April 1, 2020, and take an RMD for 2020 by December 31, 2020.

#### 2 Beneficiaries

Formerly, a beneficiary could "stretch" the inherited retirement plan account assets over the course of their lifetime. Now, non-spouse beneficiaries (including an adult child or friend, for example) are generally required to liquidate the inherited retirement account within 10 years of the account owner's death.\*

<sup>\*</sup> The new law, effective January 1, 2022 for governmental plans, generally requires any beneficiary who is more than 10 years younger than the account owner to liquidate the account within 10 years of the account owner's death, unless the beneficiary is a spouse, a disabled or chronically ill individual, or a minor child.



#### Changes in the NC Small/Mid Cap Fund

Oversight is an important feature of the NC 401(k) and NC 457 Plans. This helps to ensure that all of the plans' investment offerings continue to meet the needs of state and local employees.

Due to the North Carolina Supplemental Retirement Board of Trustees' ongoing and thorough oversight, a change has been made to the NC Small/Mid Cap Fund's underlying fund structure, resulting in the removal of one of the fund's underlying investment managers.

Please see the fund fact sheet for additional information. Go to NCPlans.prudential.com, and click on "Choose Investments."

#### Important to Know

For fund information for all of the investments offered in the NC 401(k) and NC 457 Plans and the NC 403(b) Program, be sure to visit NCPlans.prudential.com and click on "Choose Investments."



#### PRUDENTIAL RETIREMENT®

Prudential Retirement provides the communications and recordkeeping services for the NC 401(k) and NC 457 Plans and the NC 403(b) Program. With the exception of the NC Stable Value Fund and the NC Fixed Income Fund, the investments offered to you within the NC 401(k) and NC 457 Plans are not offered by or affiliated with Prudential Financial or any of its companies or businesses. Prudential Retirement is a Prudential Financial business.

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## Questions





## Thank you



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## Thank you