

Compliance activities “at-a-glance”

April-June 2020



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



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Vendor contract management and performance standards monitoring



- Recordkeeper met all performance standards except for the Retirement Readiness goal.
- Recordkeeper disclosed subplan transfer error in which participants changed employers, but recordkeeper did not send correct contribution rates to new employers. The recordkeeper is in the process of correcting and making the participants whole where applicable.
- Incorrect coding by recordkeeper for the NC 457 Plan caused offset errors that permitted some participants to have two outstanding loans. 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.

Corporate governance update



- The proxy season was successfully concluded with over 6,298 voted on behalf of the Plans.
- 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.
- The staff is reviewing the Foreign Markets Tax Reclaims procedure.

Complaints and inquiries



- During 1Q 2020, plans' recordkeeper received a total of 14 complaints, four of which were invalid. Two complaints were related to workflow, two related to plan rules, and six related to website/operations accuracy.

Multi-employer plan management



- The Employer Education Enhancement project is underway to specifically address areas of payroll management, contribution submission, and plan compliance.