



# **Report to the NC Supplemental Retirement Board**

**403(b) Roll-out Strategy & Next Steps**

**March 19, 2014**



**North Carolina**  
Total Retirement Plans

**403b**



Financial Services



## Agenda

1. A Review of the current NC 403(b) Landscape
2. TIAA-CREF's 403(b) Roll-Out Strategy
3. Questions?



# **A Review of the Current 403(b) Landscape**



## Why a state-centralized 403(b) program

- Help the NC DST accomplish its mission
  - Secure the retirement of NC public servants
  - Deliver comprehensive personalized solutions & services
  - Provide an exceptional customer experience
  - Protect the integrity of the NC Retirement Systems
- Design program to complement the existing state retirement plans
- Help to reduce administrative work and expense through state-level:
  - Compliance monitoring
    - » Broad range of investment options
    - » Initial investment option selection and ongoing oversight
- Plan and supporting document setup and maintenance
- Fees transparency
- Economies of scale
- Increase 403(b) plan participation rates — estimated at 13%

# The North Carolina Public School Teachers and Professional Educators 403(b) Program

**1885**

State issues payout through first defined benefit plan

**January 1985**

401(k) added as a supplemental plan option in NC

**July 2010**

Survey distributed to NC's 115 school districts

**July 2011**

Legislation approved to create statewide 403(b) program

**December 2012**

TIAA-CREF named new provider

**November 1974**

457(b) introduced as an NC State supplement retirement plan offer

**October 2009**

Future of Retirement Commission begins

**December 2010**

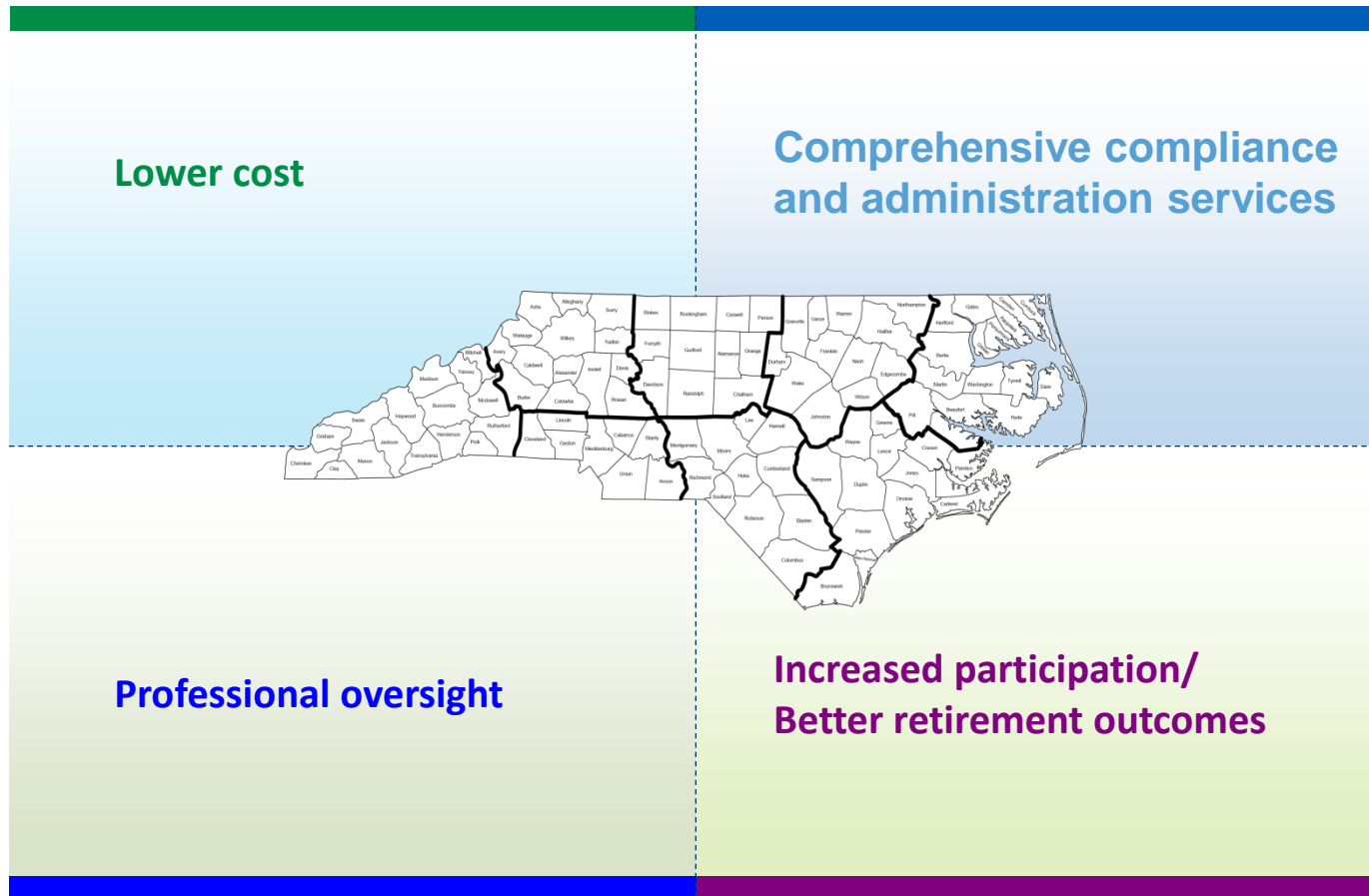
Survey results published

**May 2012**

State solicits RFPs for new 403(b) program

# We Provide Solutions to Meet Your Goals and Objectives

## Large Plan Institutional Model



## Small Plan Local Model

# Local Model Compliance and Administrative Support

TIAA-CREF provides leading edge compliance and administrative support. We safeguard plan and participant information provided to Compliance TPAs and have procedures and oversight in place for sharing data and processing transactions.

We have two methods for sharing data:

## Data Sharing Option 1- Direct Feed

- Master Legal Agreement with TPA
- Spark File Format Required
- Includes Social Security Numbers
- Minimum Standards required for
  - Confidentiality
  - Privacy
  - Security
  - Insurance Coverage
- Standardized Remittance Format
- Review Processes and Transactions

**Sharing data for over 750 Plans**

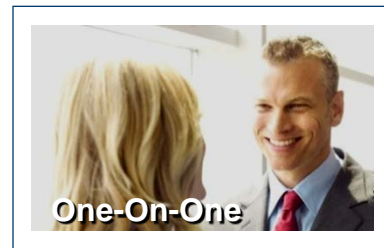
## Data Sharing Option 2 – Indirect Feed

- No Master Legal Agreement with TPA
- Plan Authorizes Data Access for TPA
- TIAA-CREF Administrative Website
- Social Security Numbers Masked

**Third parties using this method to access over  
1,700 Plans**

# Full Spectrum of Advice Services

TIAA-CREF recognizes how important quality advice is to driving successful outcomes. Our proprietary advice offerings can be complemented with access to local, independent Registered Investment Advisors for answers to key questions.



*“Am I on track to ensure my financial well-being for retirement?”*

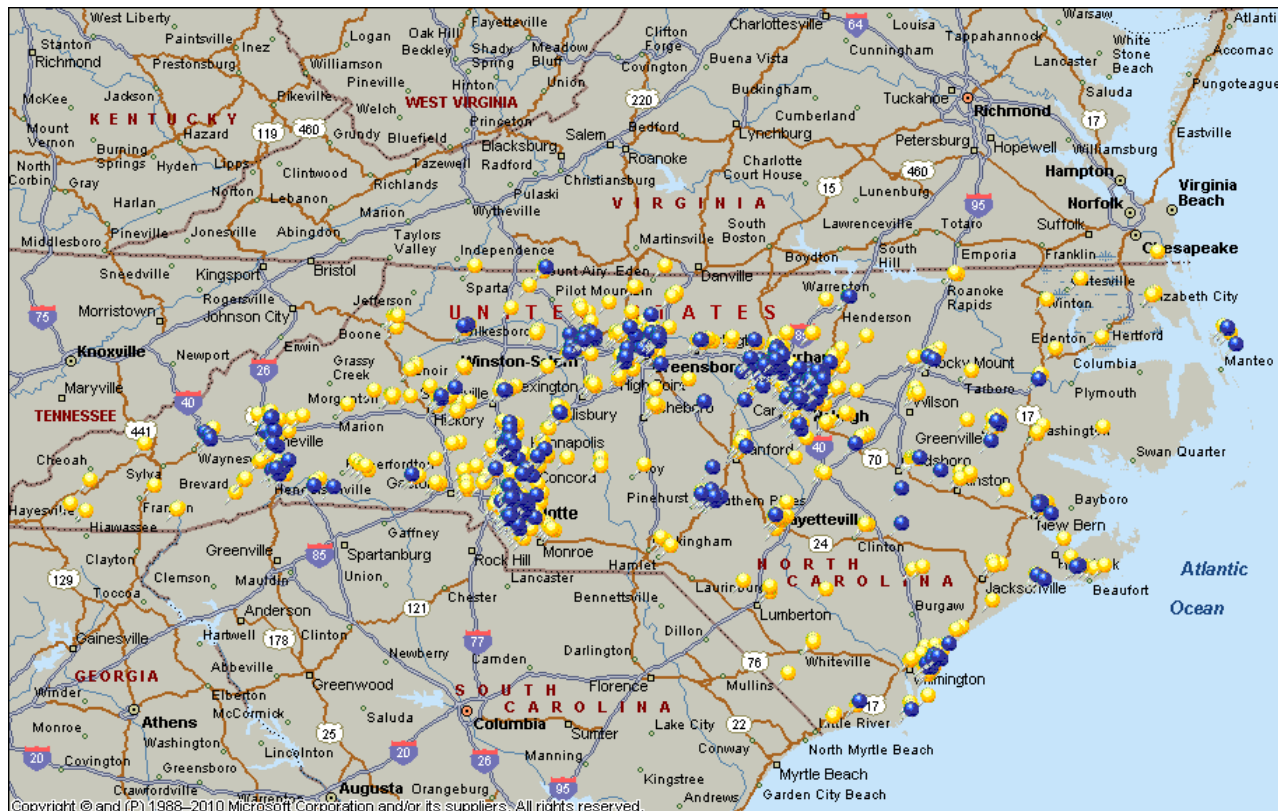
*“How should I allocate and invest to reach my goals?”*

*“When can I retire?”*

\* May not be available to all participants.



## North Carolina RIA and IAR Coverage



● RIA Firms (406)

● Broker/Dealer IARs (2,775)

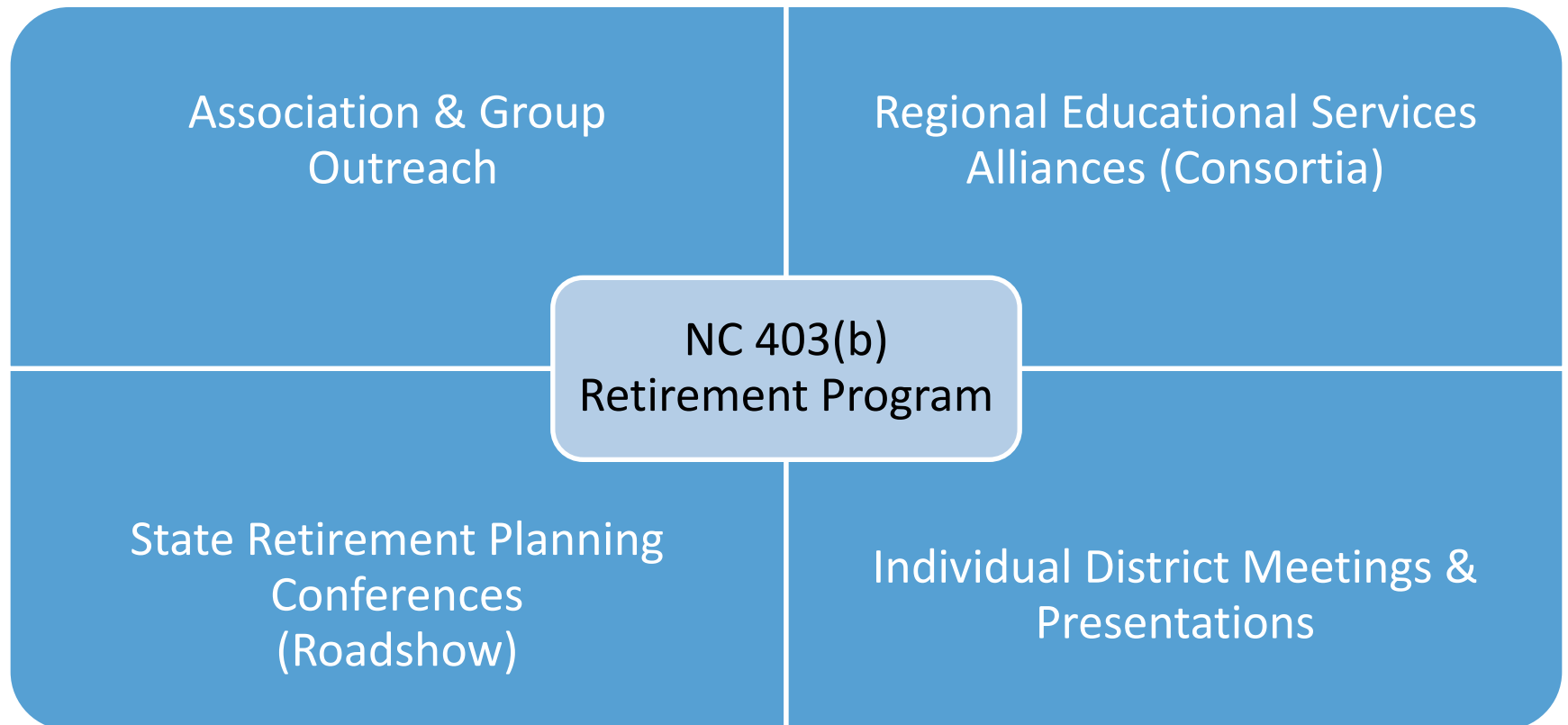
Discovery Database, 2012



## **403(b) Roll-Out Strategy**



## Communication – Four Bucket Approach



# Rollout Timeline - Energizing Plan Sponsors to Act

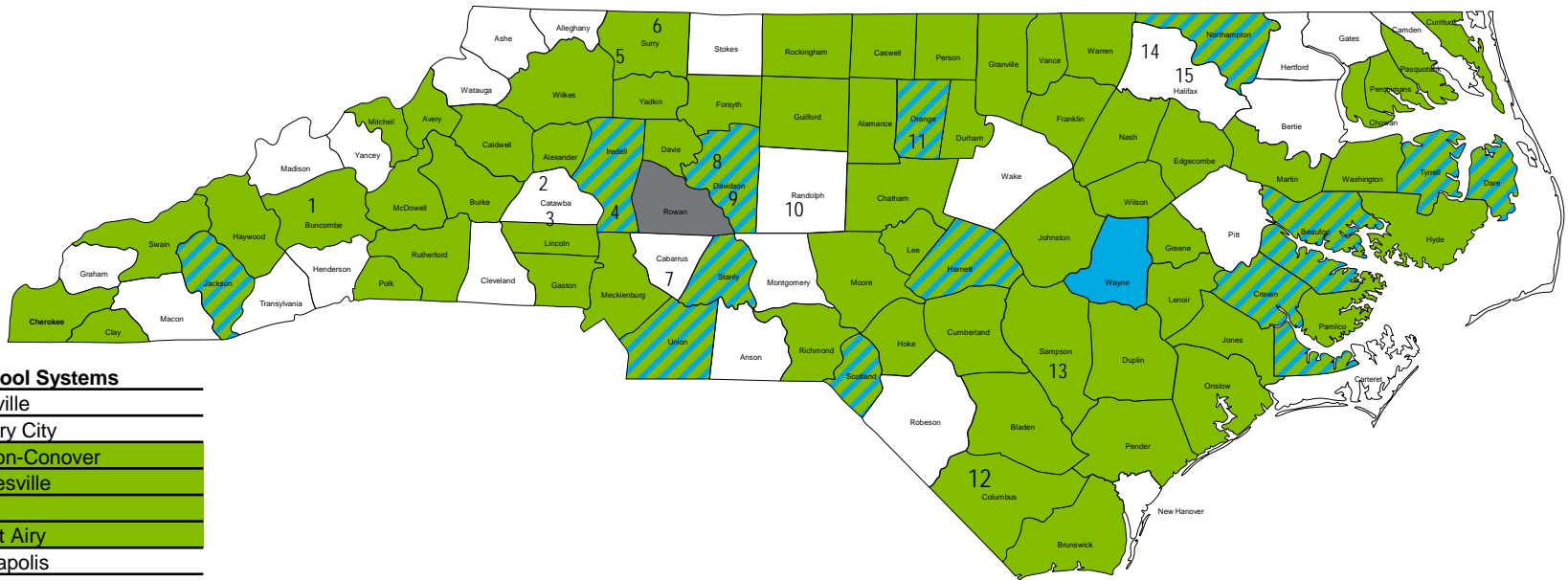
## Two Phase Approach- 1. District On-boarding 2. Employee Enrollment

March/April	May/June	July/August	August/Sept
<p><b>Association Outreach</b></p> <ul style="list-style-type: none"> <li>•ASSBO Meetings 2/13</li> <li>•Teacher Unions</li> <li>•School Administrator Groups</li> <li>•School Board Associations</li> <li>•Principal Associations</li> <li>•NCASA 3/14- Breakfast Even</li> </ul> <p><a href="#">Working closely with NC DST Media &amp; Marketing Team to promote the new 403(b) where appropriate</a></p> <ul style="list-style-type: none"> <li>-Facebook posts</li> <li>-Introductory Email to districts</li> <li>-Press Releases</li> </ul> <p><b>Individual District Outreach</b></p> <ul style="list-style-type: none"> <li>•Begin reaching back to 88 districts administrators to announce the roll-out of the 403(b) and start getting them to sign the Plan Establishment Guide Email and/or Poster invites</li> <li>•Goal to on-board 10-12 districts per month</li> <li>•40-50 "Early Adopters"</li> </ul> <p><b>RIA Network Rollout</b></p> <ul style="list-style-type: none"> <li>-start accepting applications for NC RIA Network</li> </ul>	<p><b>*Program Rollout to Districts Regional Educational Services Alliances (Consortia)</b></p> <ul style="list-style-type: none"> <li>•Central Carolina</li> <li>•Northeast Region</li> <li>•Northwest Region</li> <li>•Piedmont Triad Education</li> <li>•Roanoke River Valley</li> <li>•Sandhills Region</li> <li>•Southeast Region</li> <li>•Southwest Region</li> <li>•Western Region</li> </ul> <p><b>State Retirement Planning Conferences</b></p> <ul style="list-style-type: none"> <li>•Roadshow to areas beings in with State of NC</li> </ul> <p><b>Individual District Meetings continue</b></p> <ul style="list-style-type: none"> <li>•Webinar</li> <li>•Program Establishment Guides continue to be completed</li> <li>•Enrolling employees as districts are on-boarded.</li> </ul>	<p><b>State Retirement Planning Conferences</b></p> <ul style="list-style-type: none"> <li>•Roadshow to areas continues with State of NC</li> </ul> <p><b>Individual District Meetings</b></p> <ul style="list-style-type: none"> <li>•Webinar</li> <li>•Program Establishment Guides continue to be completed</li> <li>•Goal is to on-board 10-12 districts per month</li> </ul> <p><b>Association Outreach (Continues)</b></p> <ul style="list-style-type: none"> <li>•Key Venues</li> <li>•FBS Summer Conference 7/24-25</li> </ul>	<p><b>Begin Employee Enrollments:</b></p> <ul style="list-style-type: none"> <li>•Enrollment Meetings for Participating School Districts Begins <ul style="list-style-type: none"> <li>○ On-site 1:1 Counseling Sessions Begin</li> <li>○ Transition To ongoing CE&amp;A support</li> <li>○ Plan Summer Enrollment Outreach</li> <li>○ Begin planning for August Back-to-School Training Orientations</li> </ul> </li> </ul>

# NC School District Map

- TIAA-CREF has met with 88 of the 115 districts at this point.
- TIAA-CREF will target to on-board 10-12 districts per month starting in April

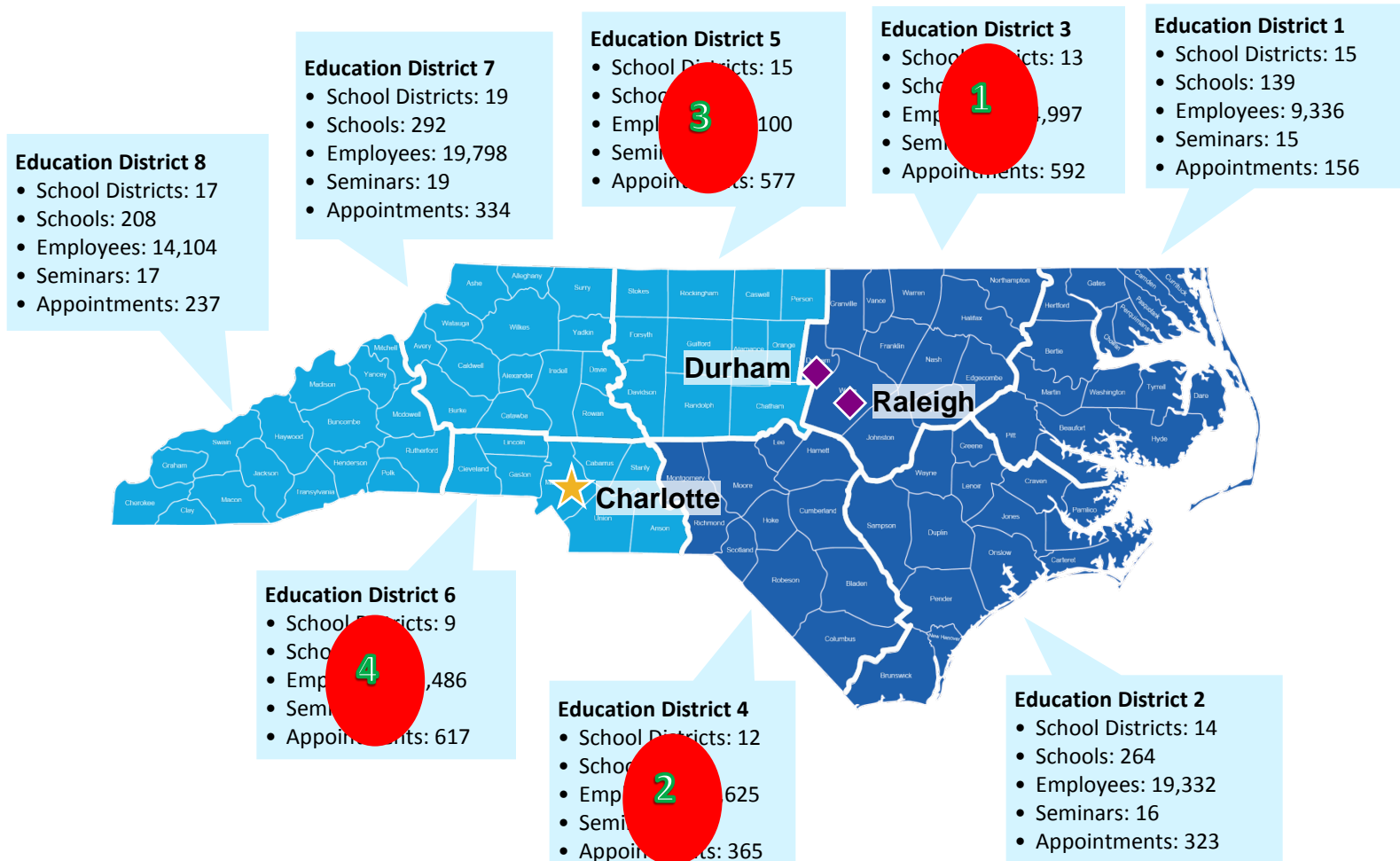
SOLE RECORDKEEPING OR NEW CONTRIBUTIONS ONLY INTO STATE PLAN	2
ADDING TIAA-CREF AS VENDOR, CONSIDERING SOLE RECORDKEEPER	18
ADDING TIAA-CREF AS ADDITIONAL VENDOR	67
UPCOMING SCHOOL DISTRICT MEETINGS SET	1



## City School Systems

- 1 Asheville
- 2 Hickory City
- 3 Newton-Conover
- 4 Mooresville
- 5 Elkin
- 6 Mount Airy
- 7 Kannapolis
- 8 Thomasville
- 9 Lexington
- 10 Asheboro
- 11 Chapel Hill-Carrboro
- 12 Whiteville
- 13 Clinton
- 14 Roanoke Rapids
- 15 Weldon

# Individual District Meetings and Presentations in NC - Priority



Number of seminars and appointments are estimated and may vary; assumes 100% adoption rate.



Branch offices      Headquarters

# Thank You!

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