

Compliance activities “at-a-glance”

January - March 2022

Vendor contract management and performance standards monitoring



- Recordkeeper failed to meet performance standards on several occasions, including Call Center Speed to Answer, Call Abandonment, and Administrative Quality.
- 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 daily email update 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 completed tax documents for reclaims in several foreign markets.

Participant complaints and inquiries



- The plans' recordkeeper received a total of seven valid complaints. (This is up from five valid complaints in the fourth quarter.)
- Complaints were associated with operations accuracy and 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. We are waiting for judge's decision.

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) termination project, to maintain timeline.