

Compliance activities “at-a-glance”

July - September 2022

Vendor contract management and performance standards monitoring



- Recordkeeper met all performance standards except for Participant Satisfaction Survey results and Administrative Quality Standards.
- 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 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. Department is considering revisions to current standing policy guidelines.

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 seven valid complaints. This is up from four valid complaints in the second quarter.
- Complaints were associated with service center assistance and operations.
- 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. Judge again ruled for SRP.

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 tracked progress on the NC 403(b) Program discontinuation project and hosted 403(b) Program discontinuation webinars. The final remaining participants or beneficiaries are being contacted.