

North Carolina Supplemental Retirement Plans

Administrative Budgets

Fiscal Year 2015-16

March 24, 2016



North Carolina
Total Retirement Plans

401(k) & 457(b) Plans Budget Summary

Key Facts:

- Revenue Assumptions
 - For the purpose of budget forecasting, the plan's asset growth is assumed to be zero; The administrative fee is invested in the plans' Stable Value portfolio and Revenue Projected includes an assumption of interest earned on those balances
 - As of December 31, 2015:
 - \$7.59 billion in total assets – 401(k)
 - \$1.12 billion in total assets – 547(b)
 - 0.025% Asset-based administrative fee on the 401(k) and 457(b) Plans
 - Administrative reimbursement accounts balance:
\$5.4 million for 401(k) and 457(b) plans combined.
- Expenditure Assumptions
 - Full employment throughout Fiscal Year 2015
 - Benefit contribution rates
 - NC – 15.32%
 - Social Security/Medicare – 7.65%
 - State Health Plan - \$5,471
- Split expenditures based on plan asset size, unless it is an exclusive charge to one of the plans.

Expansion Justification - 2015-16 Budgets proposes an increase of \$234,326 for:

- Updated to reflect legislative approval of bonus salary
- Departmental salary increase
- Closing of accounts receivable accounting entry

Revenue and Fund Balance Projections

Based on the revenue assumptions detailed in the Key Facts section, the table below contains the revenue as of December 31, 2015.

Revenue Projections	NC 401(k)	NC 457(b)
Administrative Account Balance as of December 2015:	\$4,815,058	\$655,642
Estimated fee collected during the FY year based on assumptions:	\$1,750,000	\$250,000
Interest Earned	\$150,000	\$120,000
Total	\$6,715,058	\$1,025,642
Less Proposed Expenses	(\$2,223,989)	(\$356,342)
Projected Balance for June 2016	\$4,491,069	\$669,300

401(k) & 457(b) Budget proposal for FY 2015-2016

Changes from
Total FY 2014 -
2015 BUDGET

	Both Plans	401(k)	457(b)		Comments
Percentage of Allocation between the Plans :		85%	15%		
Personnel					
Salaries	\$ 920,931	\$ 782,792	\$ 138,140	\$ 7,800	\$750 One time Bonus approved by Legislation
Benefits	\$ 276,279	\$ 234,838	\$ 41,442	\$ 3,526	Benefits change due to change in salary
Subtotal	\$ 1,197,211	\$ 1,017,629	\$ 179,582	\$ 11,326	
Services					
<u>Departmental Allocation</u>					
General Administration	\$ 53,565	\$ 45,432	\$ 8,133		
Information Technology	\$ 107,617	\$ 91,277	\$ 16,340		
Financial Operations Division	\$ 25,288	\$ 21,448	\$ 3,840		
Audit	\$ 124,000	\$ 103,000	\$ 21,000		
Investment Consultant	\$ 375,000	\$ 318,750	\$ 56,250		
Legal	\$ 60,000	\$ 51,000	\$ 9,000		
Other Contracts	\$ 323,000	\$ 308,000	\$ 15,000	\$223,000	Accounting Entry Adjustment - 401(k)
Proxy Voting Service	\$ 25,000	\$ 21,250	\$ 3,750		
Fee Benchmarking Services	\$ 30,000	\$ 25,500	\$ 4,500		
Subtotal	\$ 1,123,470	\$ 985,658	\$ 137,813	\$ 223,000	
Office Rent & Electricity	\$ 50,000	\$ 42,500	\$ 7,500		
Board Reimbursement	\$ 5,000	\$ 4,250	\$ 750		
Phone/Internet	\$ 15,000	\$ 12,750	\$ 2,250		
Supplies	\$ 15,000	\$ 12,750	\$ 2,250		
Subtotal	\$ 85,000	\$ 72,250	\$ 12,750		
Other					
Annual Benefits Statement	\$ 75,000	\$ 63,750	\$ 11,250		
NAGDCA Conference Registration	\$ 9,000	\$ 7,650	\$ 1,350		
NAGDCA Fees	\$ 650	\$ 553	\$ 98		
Compensation Study	\$ 50,000	\$ 42,500	\$ 7,500		
Travel & Sustenance	\$ 40,000	\$ 34,000	\$ 6,000		
Subtotal	\$ 174,650	\$ 148,453	\$ 26,198	\$0	
Total Staffing Expenditure	\$ 1,197,211	\$ 1,017,629	\$ 179,582		
Total Expenditures	\$ 2,580,331	\$ 2,223,989	\$ 356,342	\$ 234,326	