



Total Plan Costs Benchmarking Analysis

North Carolina Supplemental Retirement Plans

June 21, 2018



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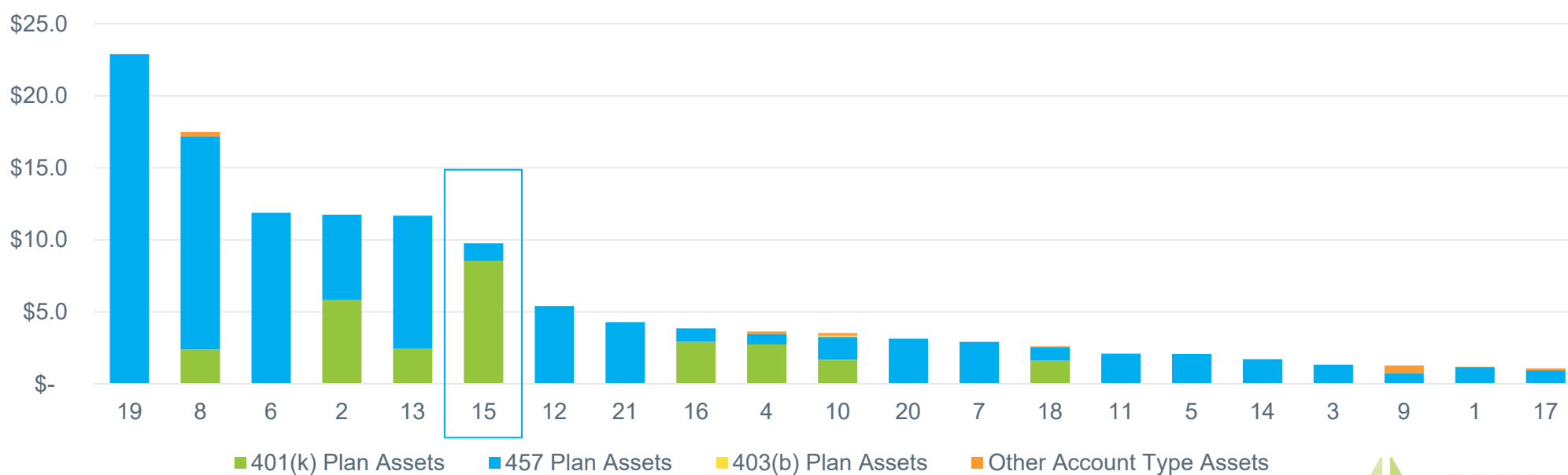
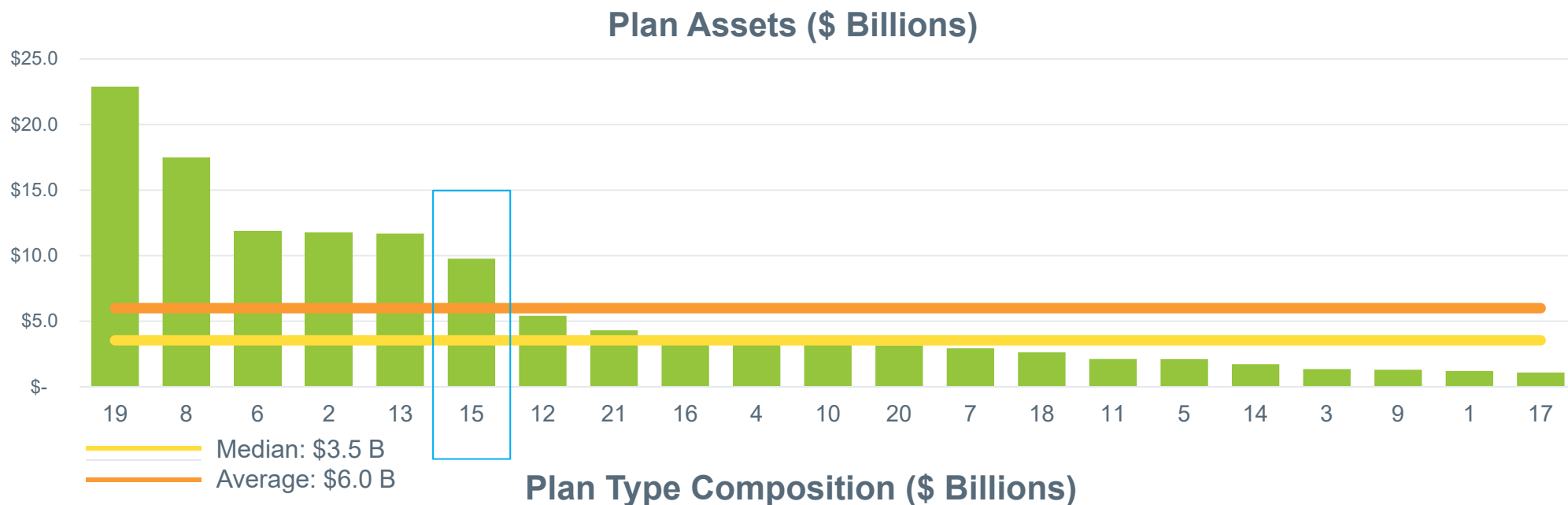
Summary

RVK and Savings Plus would like to **thank you** for participating in the State of California Savings Plus Program's fee benchmarking initiative. The final survey results include information from 21 public plan sponsors that offer primarily 457(b) and 401(k) defined contribution plans with assets ranging from \$1 - \$25 billion and over 25,000 participants. The survey respondents include DC plans for state, county and city employees across the United States.

North Carolina Supplemental Retirement Plans (NC SRP) is the sixth largest plan in terms of total assets and the largest plan in terms of total participants. North Carolina's average participant balance of \$36,590 is lower than the median and average balance reported by the peer group.

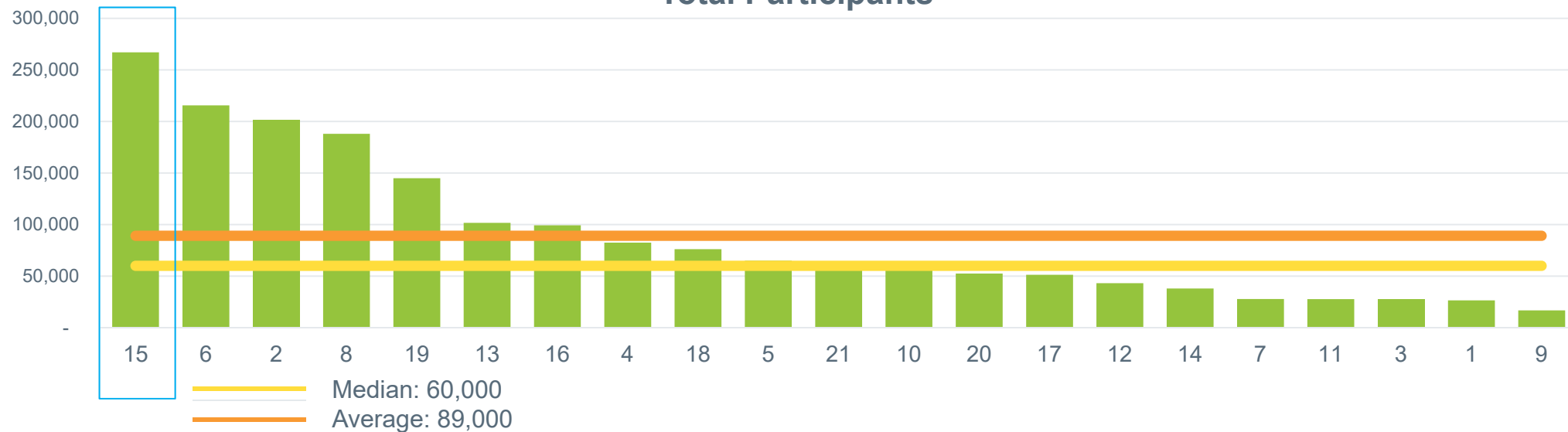
All reported data is annual as of 12/31/2016, except where noted.

Peer Group Characteristics

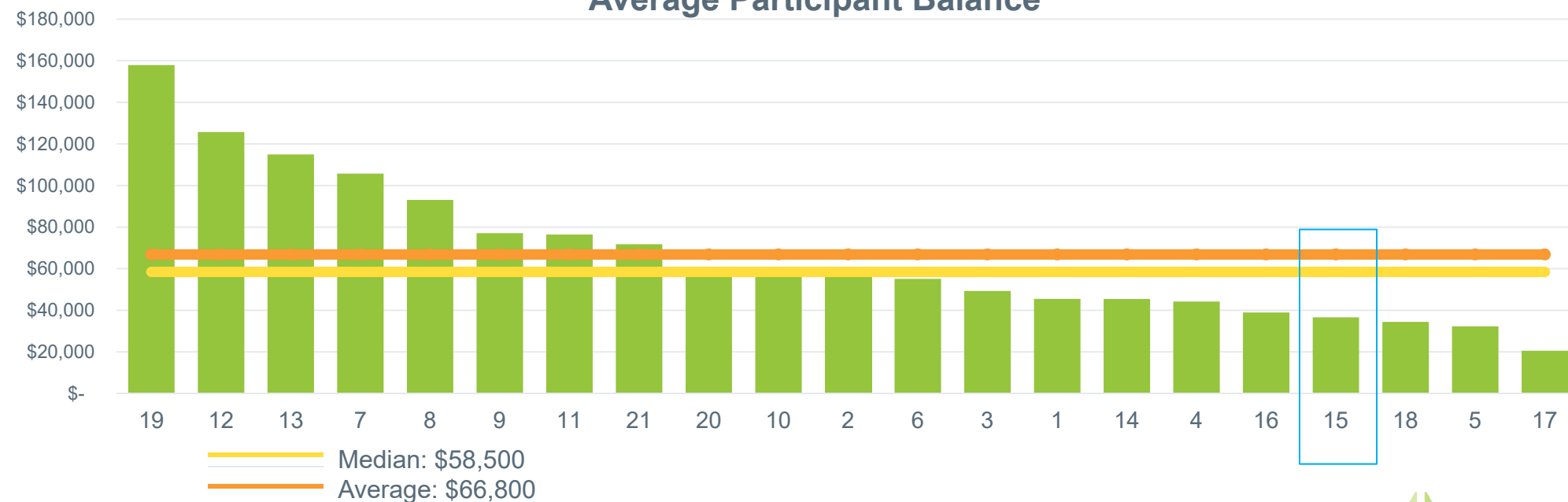


Peer Group Characteristics

Total Participants



Average Participant Balance



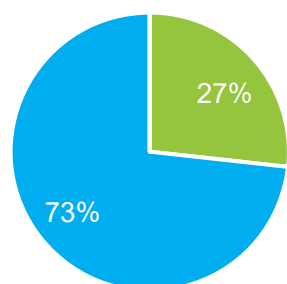
Plan Specific Results

	\$ Per Participant			% of Plan Assets		
	Average	Median	North Carolina SRP	Average	Median	North Carolina SRP
Total Plan Costs	\$247	\$246	\$169	0.41%	0.38%	0.46%
Investment Management and Custody Costs	\$174	\$161	\$125	0.28%	0.28%	0.34%
Total Admin Costs	\$73	\$67	\$43	0.14%	0.11%	0.12%
Recordkeeping Costs	\$51	\$50	\$34	0.10%	0.07%	0.09%
Professional Services Costs	\$4	\$3	\$3	0.01%	0.01%	0.01%
Internal Costs	\$18	\$17	\$7	0.03%	0.02%	0.02%
Total Recordkeeping and Administration Fees / Revenues	\$73	\$66	\$47	0.13%	0.11%	0.13%
Survey Plan Number:	15					

Recordkeeping and Administration Fees / Revenues

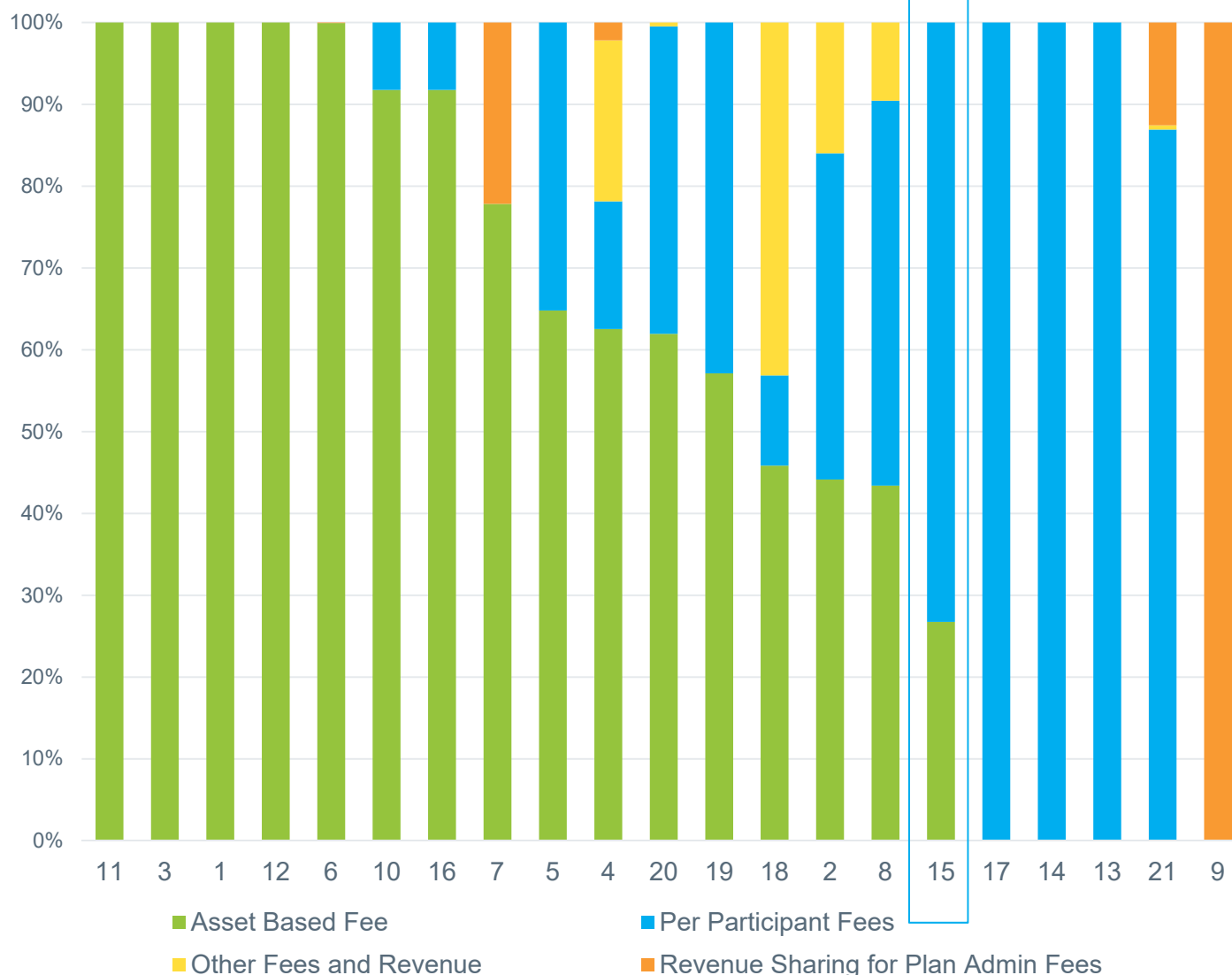
Total recordkeeping and administration fees are charged to participants through a **\$31 per participant account** recordkeeping and communications fee and **asset based** administration and custody fees of approximately **3.5 bps**.

North Carolina Plan Revenue Sources



- Asset Based Fee (\$)
- Per Participant Fee (\$)

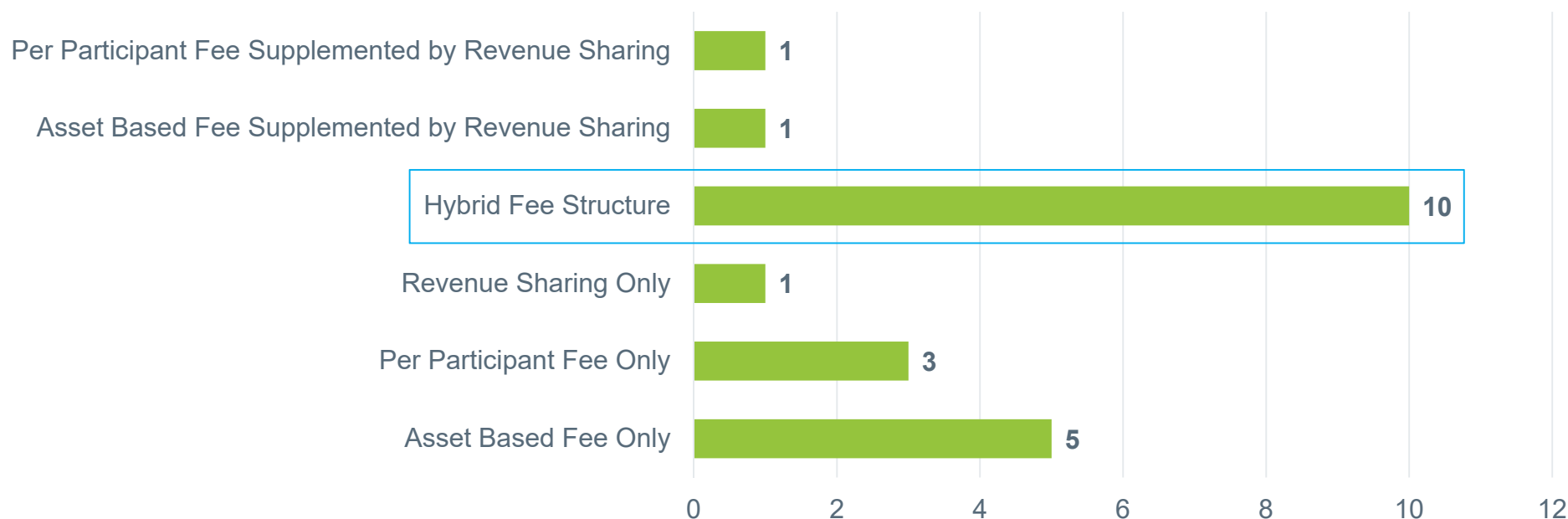
Plan Revenues by Category



"Other Fees and Revenue" includes securities lending revenue interest, SMIF interest, underfunded fees, STIF rebates, forfeitures, stale dated checks, and service fees collected from participants, as well as a recordkeeper reimbursement for a financial statements audit. Recordkeeping and Administration Fees / Revenues are defined as the fees assessed to participants to cover administrative expenses and other non-free sourced revenues.

Recordkeeping and Administration Fees / Revenues

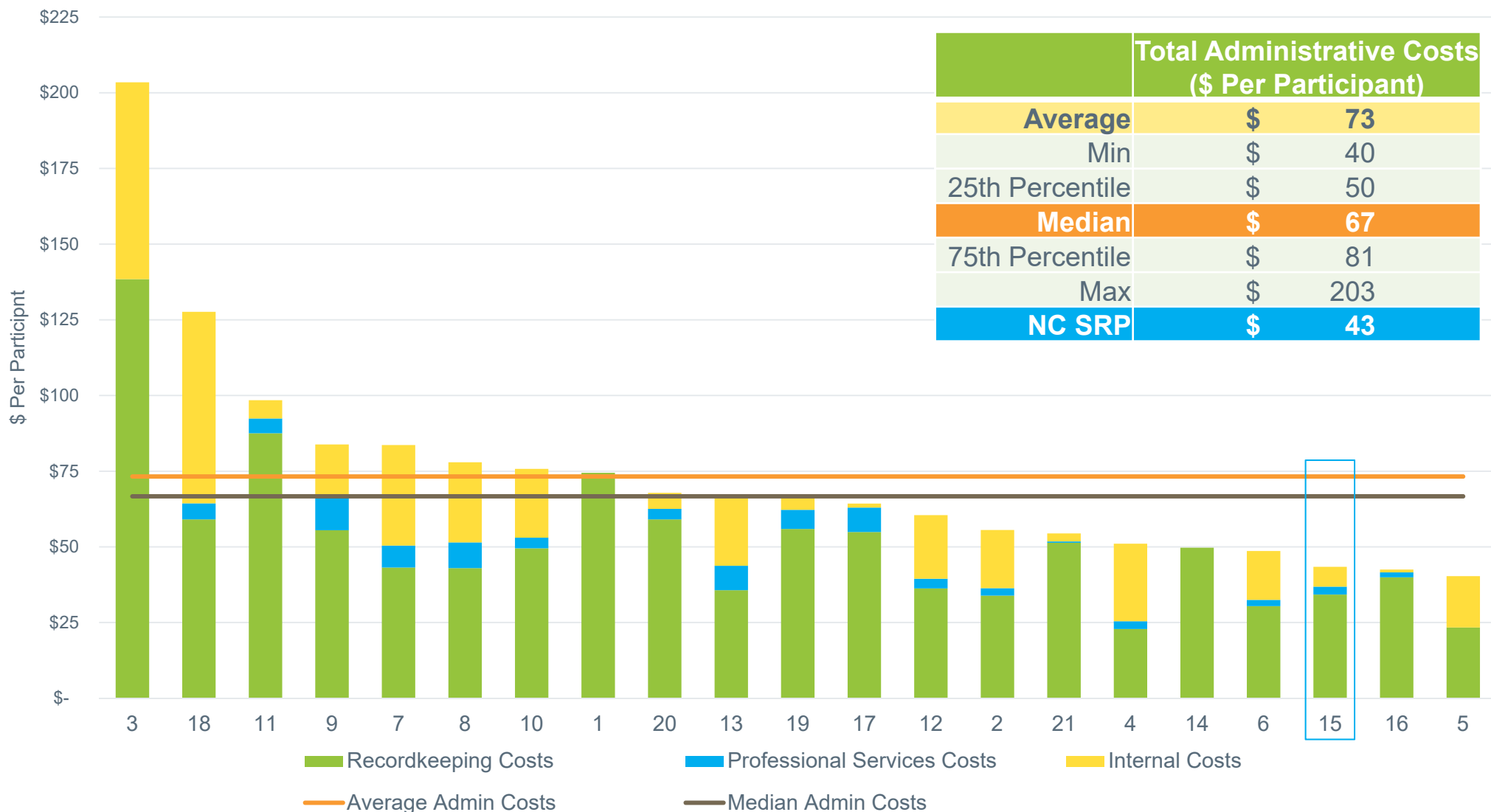
Plan Revenue Sources



	Total Plan Administrative Revenues (% Plan Assets)	Total Plan Administrative Revenues (\$ Per Participant)
Average	0.13%	\$ 73
Min	0.04%	\$ 43
25th Percentile	0.08%	\$ 52
Median	0.11%	\$ 66
75th Percentile	0.15%	\$ 84
Max	0.38%	\$ 187
NC SRP	0.13%	\$ 47

Total Administrative Costs

Plan Administrative Costs (\$ Per Participant)

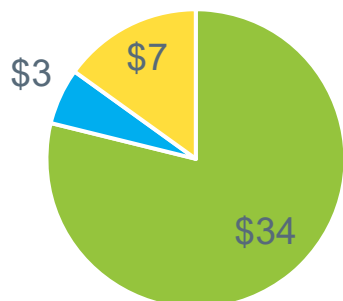


Total Administrative Costs are defined as the sum of recordkeeping, professional services (audit, consulting, legal, technology, and other) and internal costs.

Total Administrative Costs

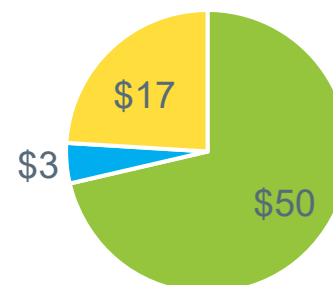
Compared to the median peer, North Carolina SRP has lower recordkeeping, professional services, and internal costs.

**North Carolina SRP
Admin Cost Breakdown**



- RK Costs (\$ / Participant)
- Professional Services Costs (\$ / Participant)
- Internal Costs (\$ / Participant)

**Median
Admin Cost Breakdown**



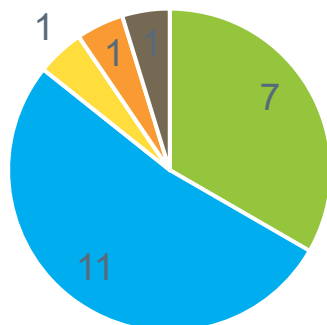
- Recordkeeping Costs (\$ / Participant)
- Professional Services Costs (\$ / Participant)
- Internal Costs (\$ / Participant)

Note: allocations above may not sum to the total figures due to rounding.

Total Administrative Costs are defined as the sum of recordkeeping, professional services (audit, consulting, legal, technology, and other) and internal costs.

Recordkeeping – Costs

Recordkeeper Contract Fee Structures



- Asset Based Fee Only
- Per Participant Fee Only
- Asset Based and Per Participant Fee
- Other Fee Structure
- Contract Structure Not Provided

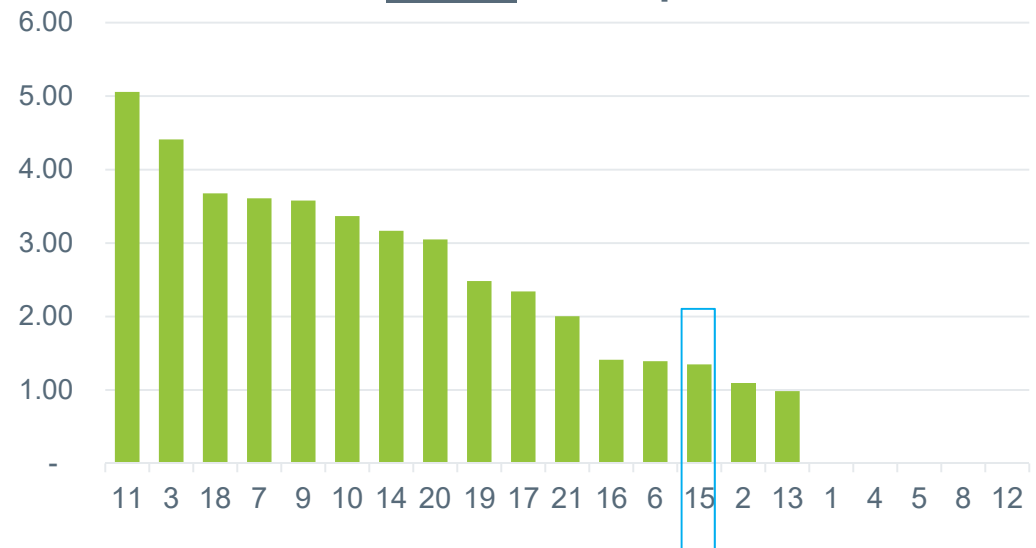
	Recordkeeping Costs (% Plan Assets)	Recordkeeping Costs (\$ Per Participant)
Average	0.10%	\$ 51
Min	0.03%	\$ 23
25th Percentile	0.05%	\$ 35
Median	0.07%	\$ 50
75th Percentile	0.11%	\$ 58
Max	0.28%	\$ 138
NC SRP	0.09%	\$ 34

Recordkeeping – Services

**Recordkeeping Costs (\$ / Participant)
vs. Number of Plan Participants**



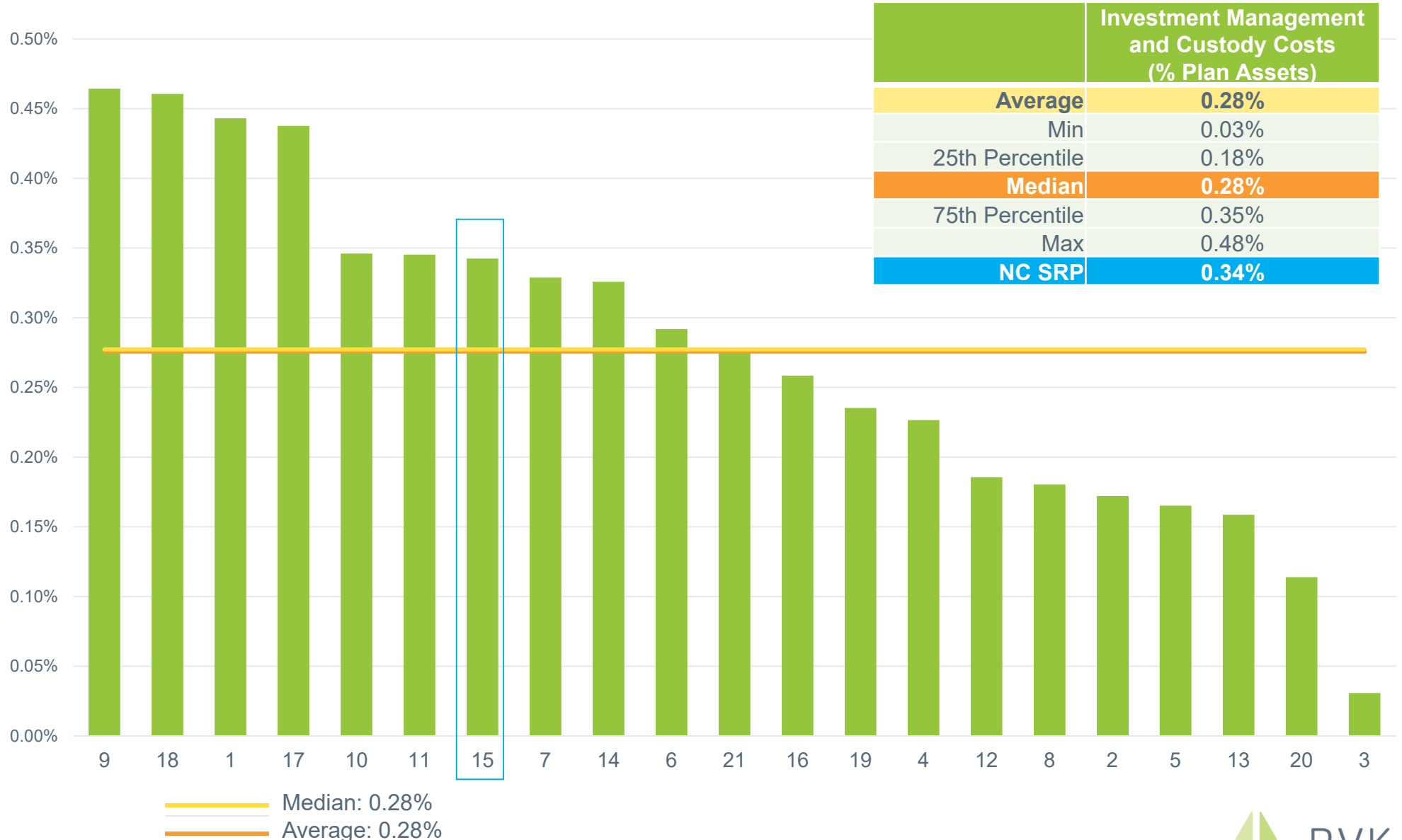
**Dedicated Education Representatives
Per 20,000 Participants**



Plans with no reported education or call center representatives either indicated that they had none or did not provide a response.

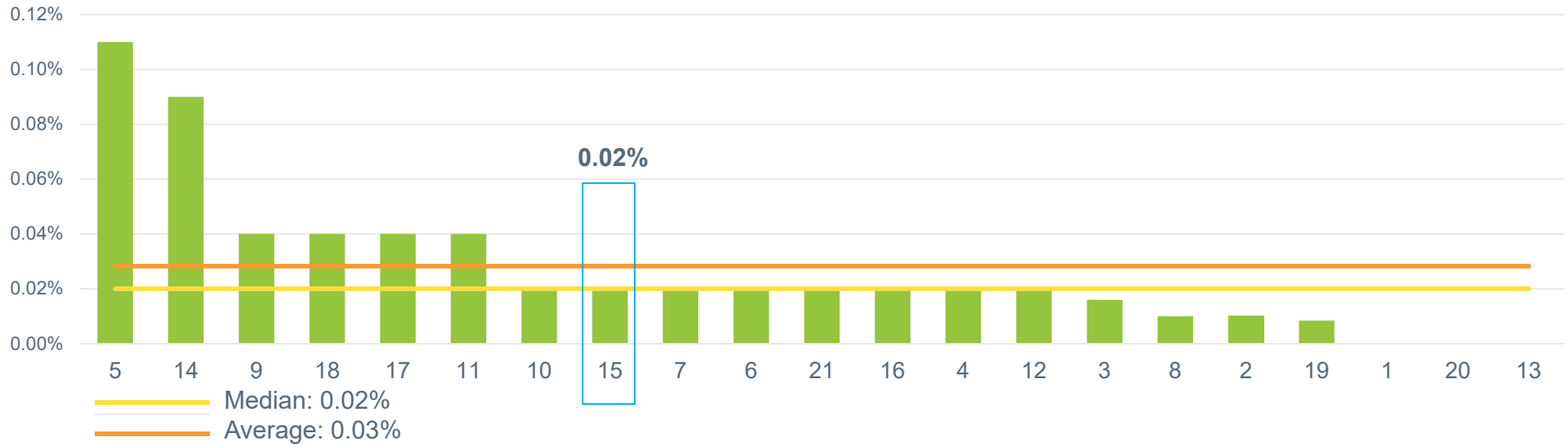
Investment Management and Custody Fees

Investment Management and Custody Fees Paid (% of Total Assets)



Investment Management Fees

Minimum Investment Fee (%) for Any Single Investment in the Plan's Portfolio



Maximum Investment Fee (%) for Any Single Investment in the Plan's Portfolio



Survey Results



Peer Group

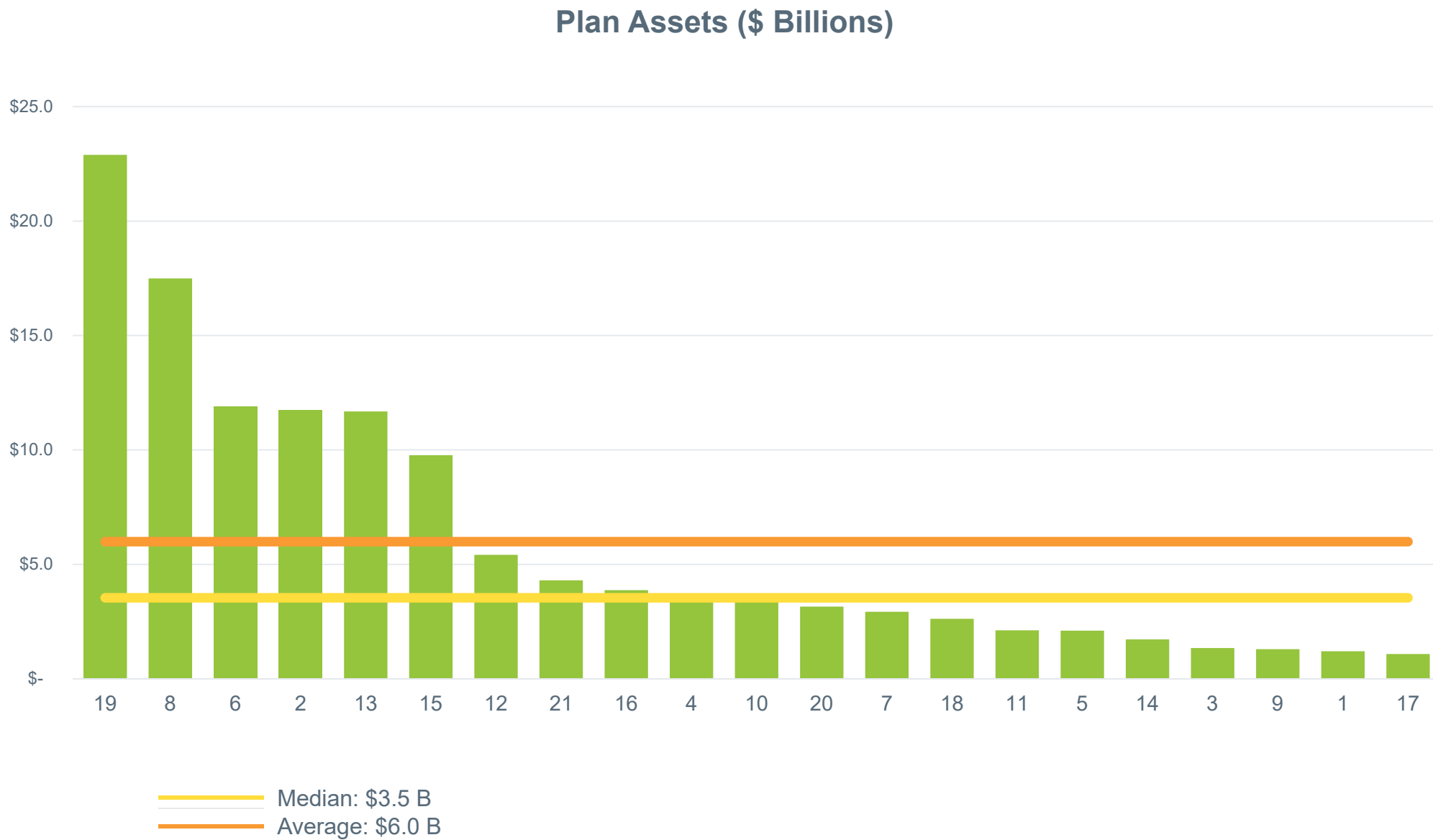
Plans Included in the Survey Results:

CalPERS Supplemental Income Plans	New York State Deferred Compensation Plan
City and County of San Francisco Deferred Compensation	North Carolina Supplemental Retirement Plans
City of Los Angeles Deferred Compensation Plan	Ohio Deferred Compensation Program
Colorado PERA	State of Arizona Deferred Compensation Plan
Commonwealth of Pennsylvania State Employees' Retirement System 457 Deferred Compensation Plan	State of California Savings Plus Program
County of San Diego Deferred Compensation	State of Hawaii Deferred Compensation Plan
Indiana Public Employees' Deferred Compensation Plan	State of Mississippi Deferred Compensation Plan
Kentucky Public Employees' Deferred Compensation Plan	State of Missouri Deferred Compensation Plan
Los Angeles County Deferred Compensation Plan	State Of South Carolina Deferred Compensation Program
Maryland Supplemental Retirement Plans	Wisconsin Deferred Compensation Program
New York City Deferred Compensation Plan	

Plan Specific Results

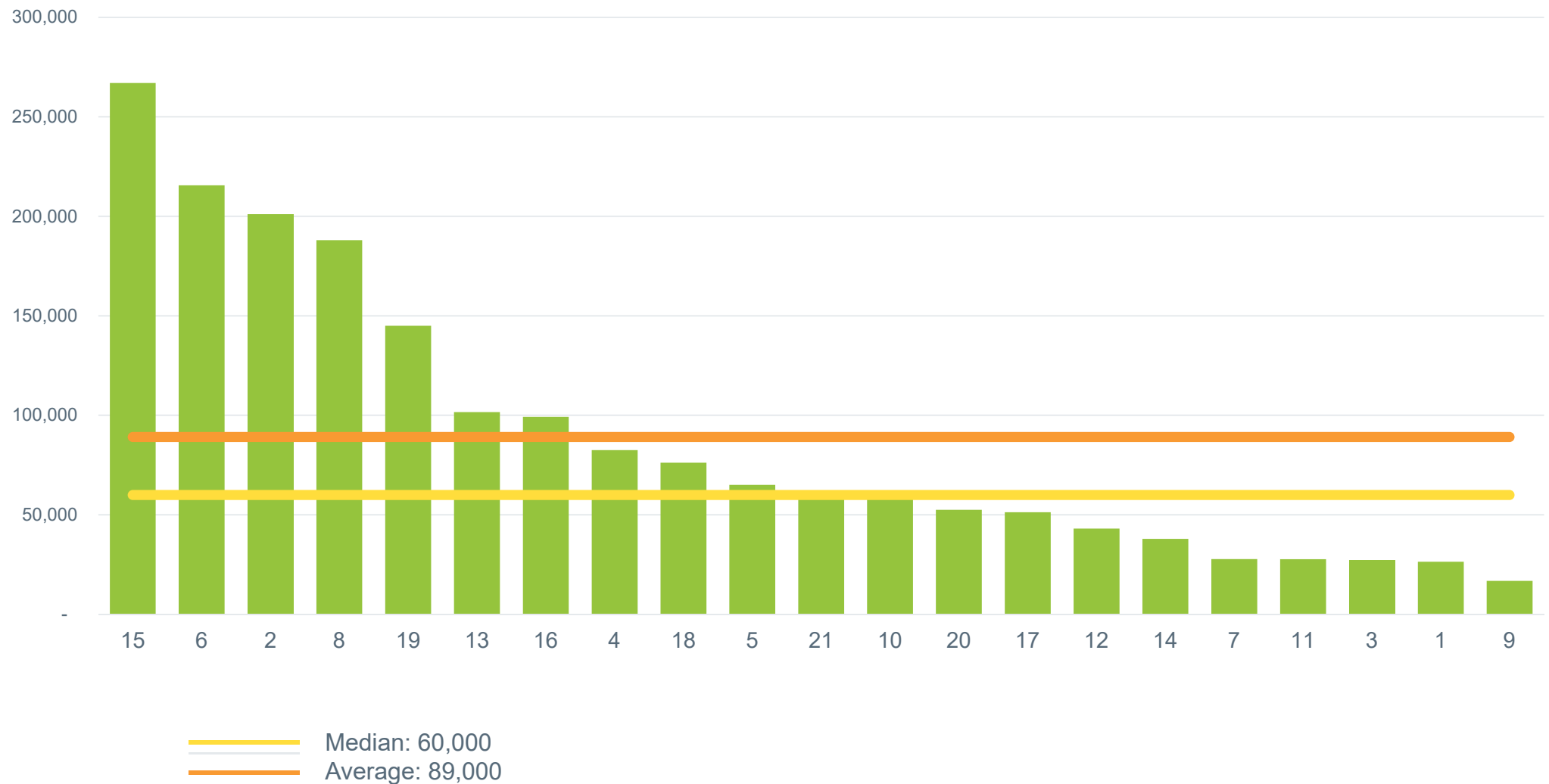
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Peer Group Characteristics



Peer Group Characteristics

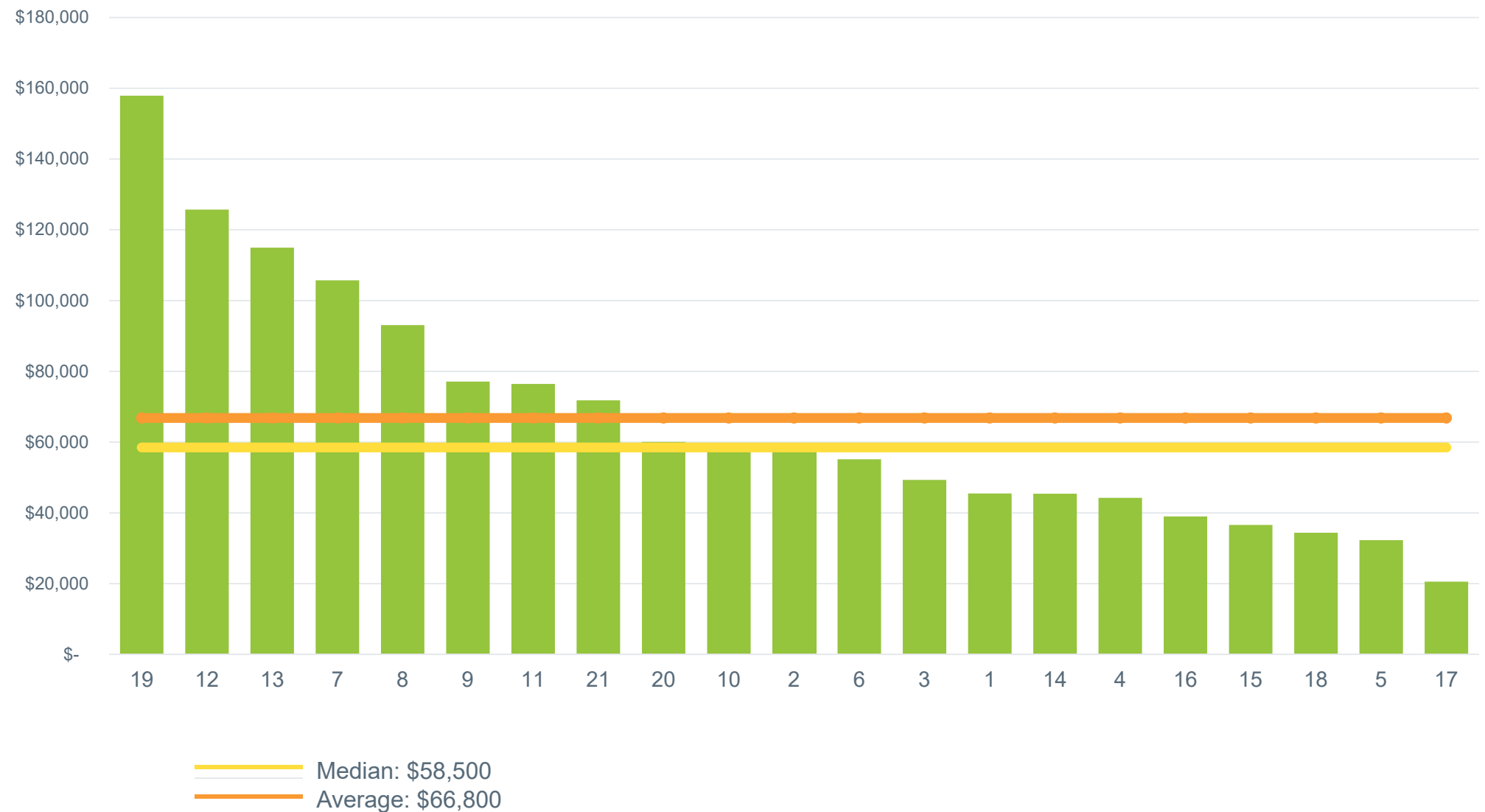
Number of Plan Participants



Plan participants is measured by the total number of unique SSNs

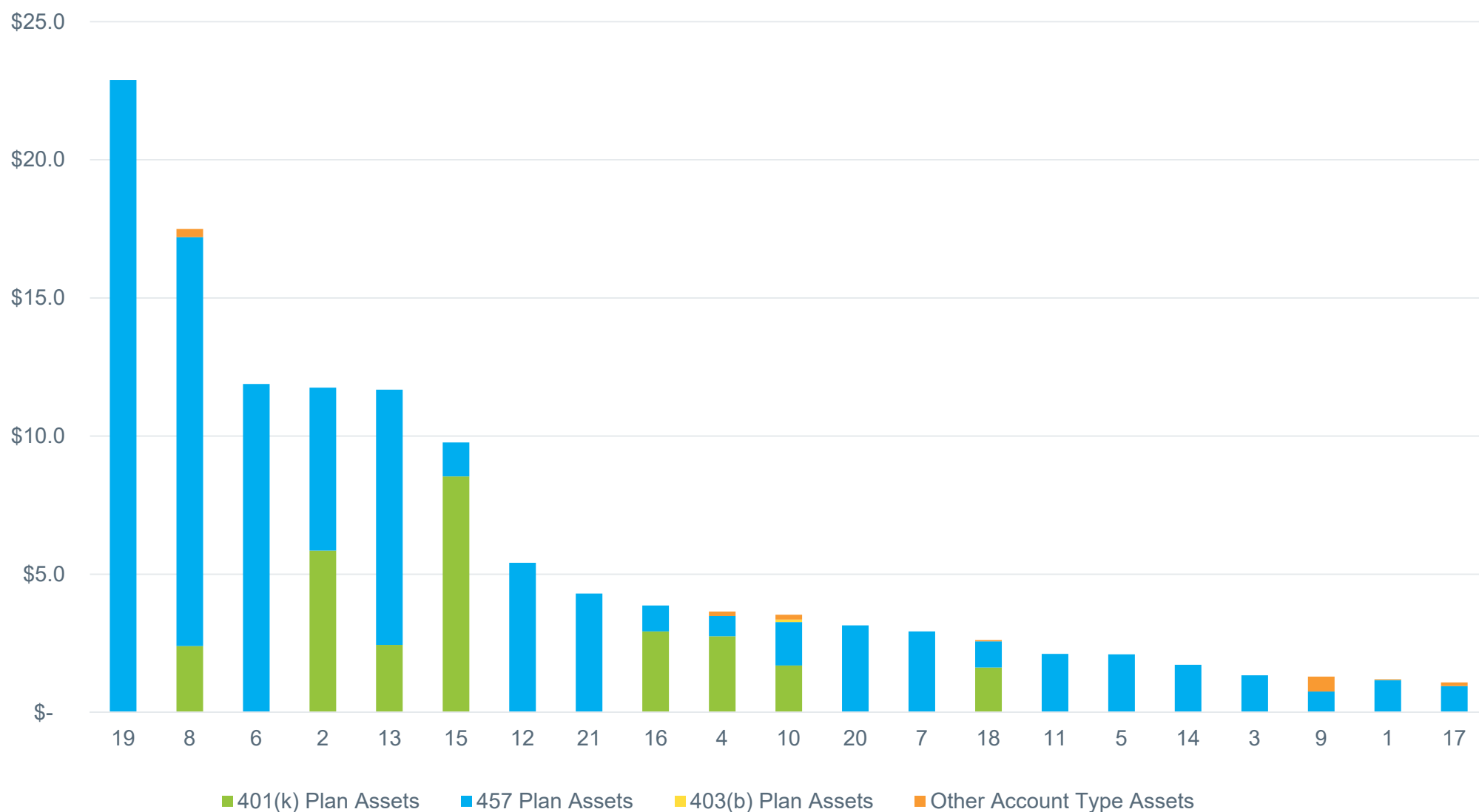
Peer Group Characteristics

Average Participant Balance



Peer Group Characteristics

Plan Type Composition (\$ Billions)

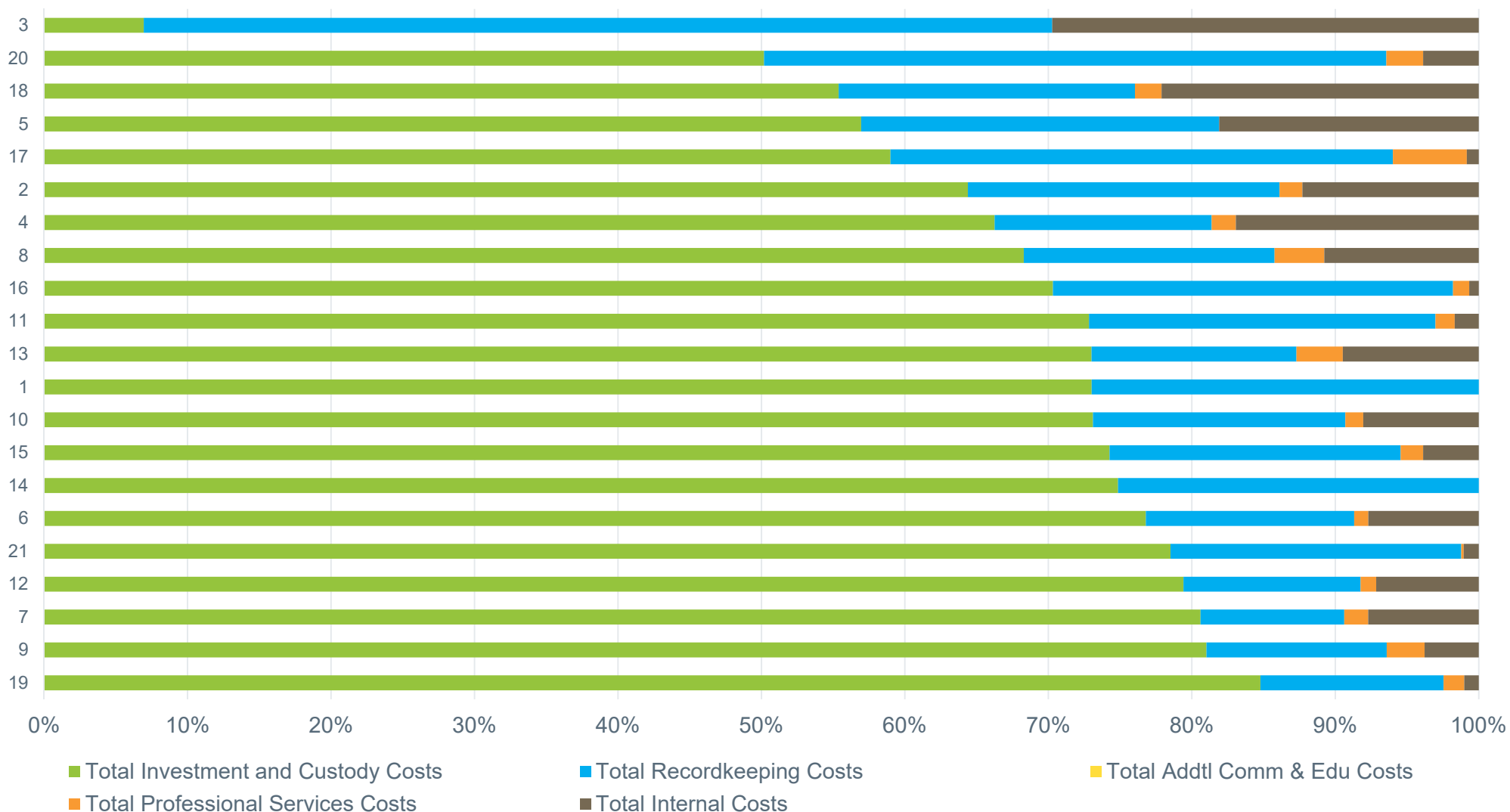


Survey Results

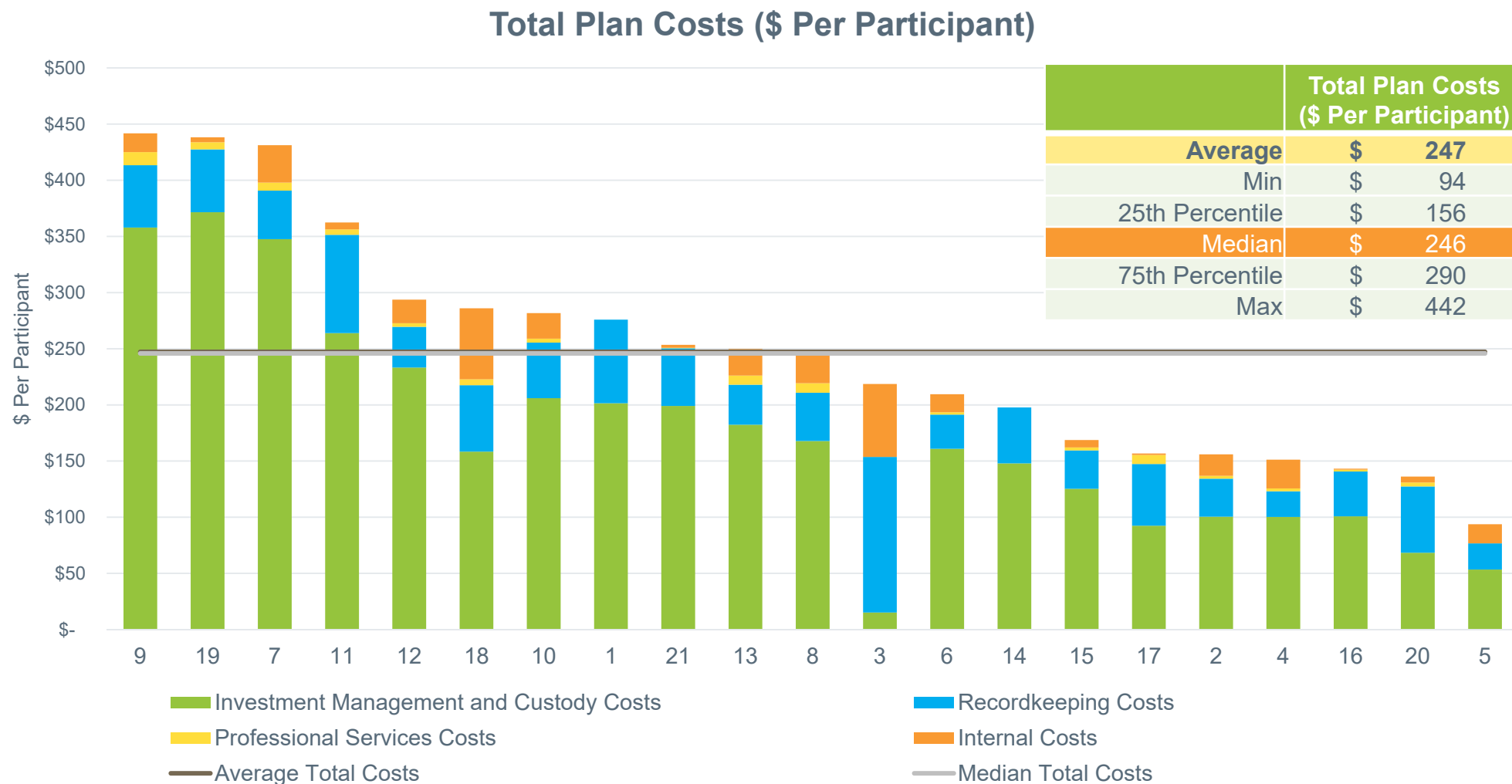


Total Plan Costs

Overall Cost Breakdown

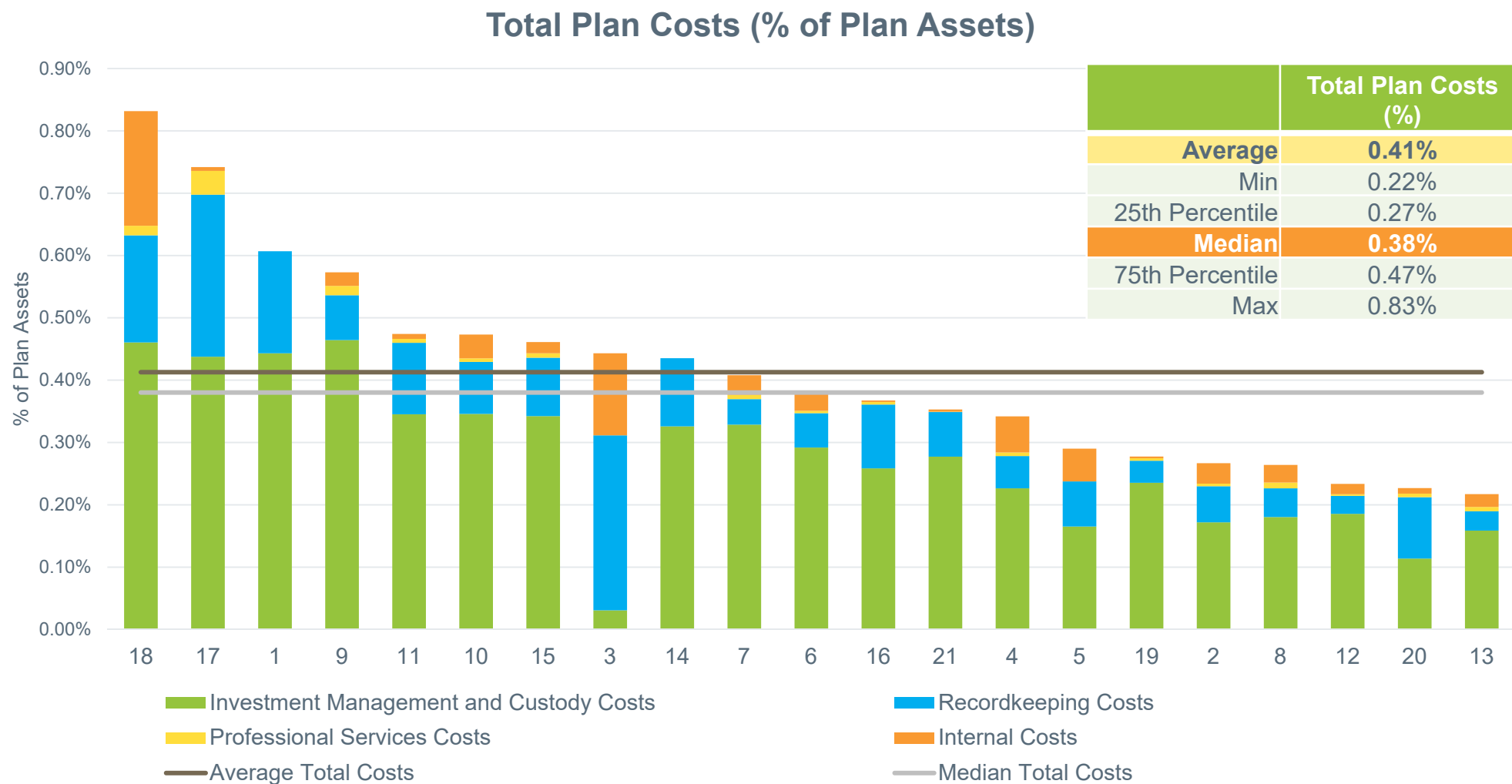


Total Plan Costs



Total Plan Costs are defined as the sum of investment management and custody, recordkeeping, professional services, and internal costs.

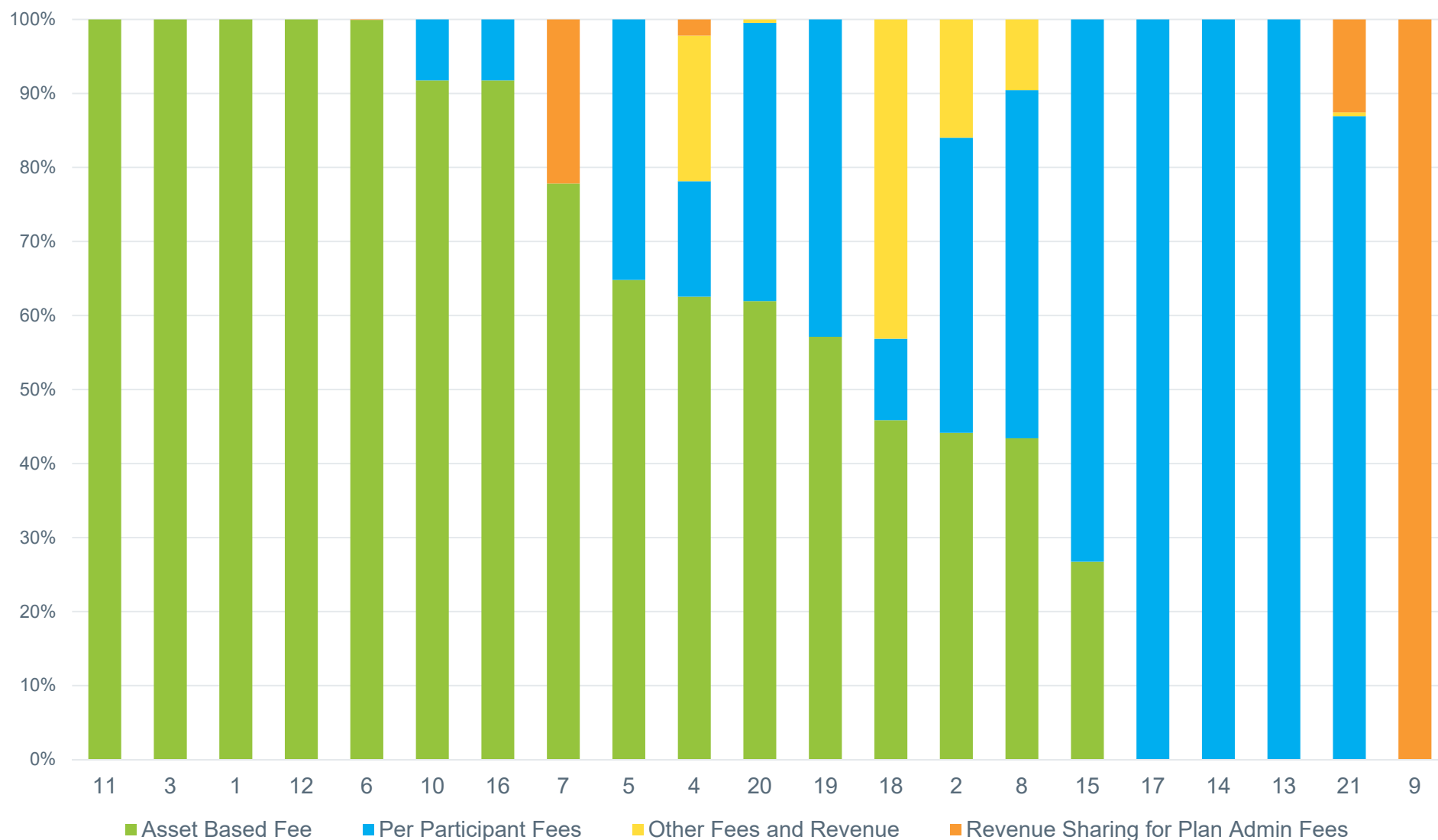
Total Plan Costs



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Recordkeeping and Administration Fees / Revenues

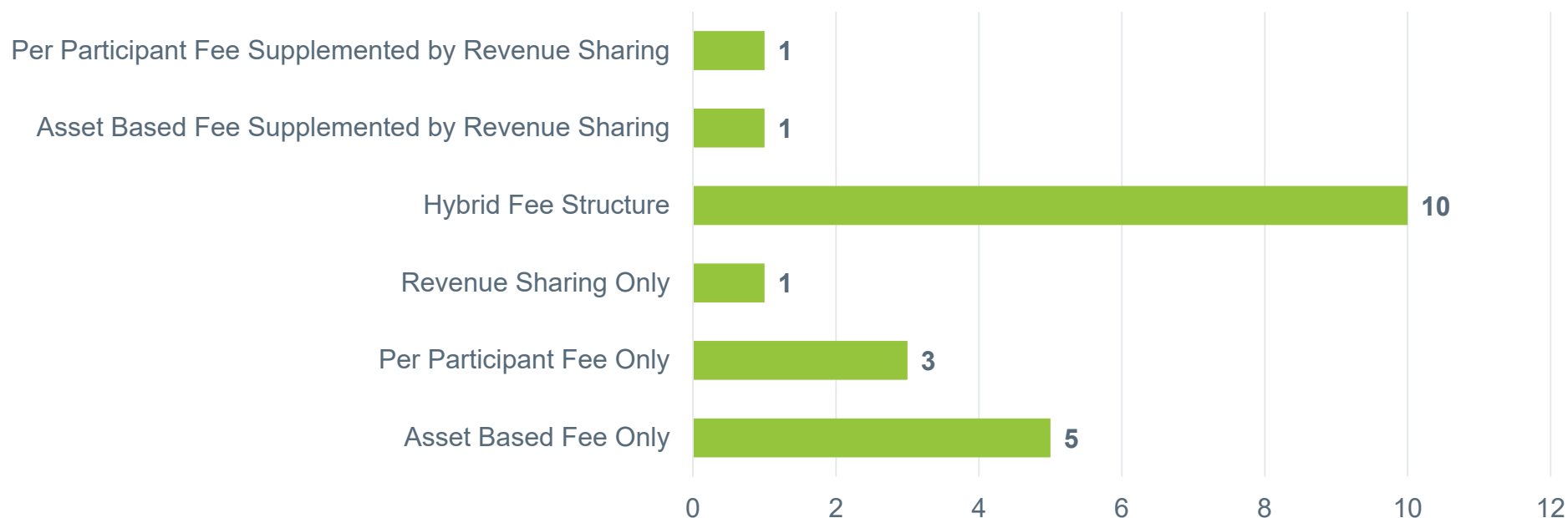
Plan Revenues by Category



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Recordkeeping and Administration Fees / Revenues

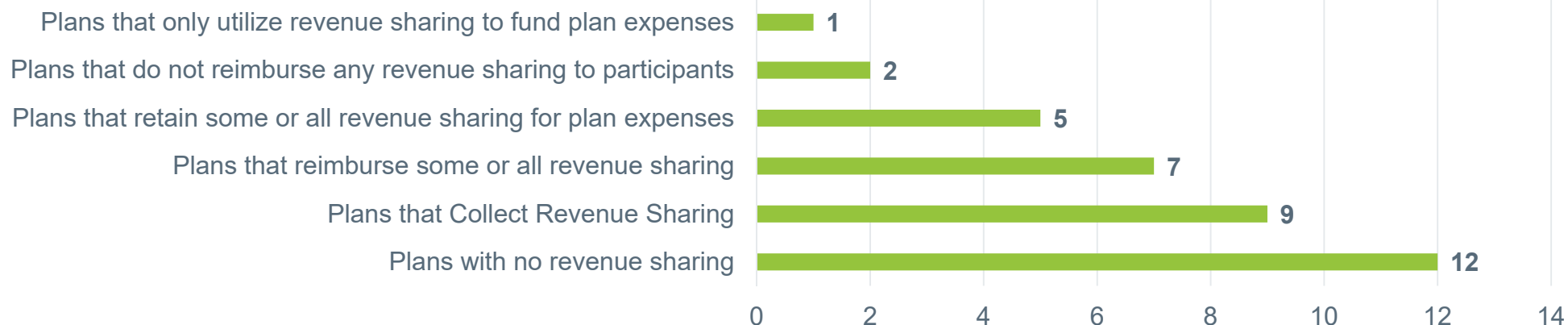
Plan Revenue Sources



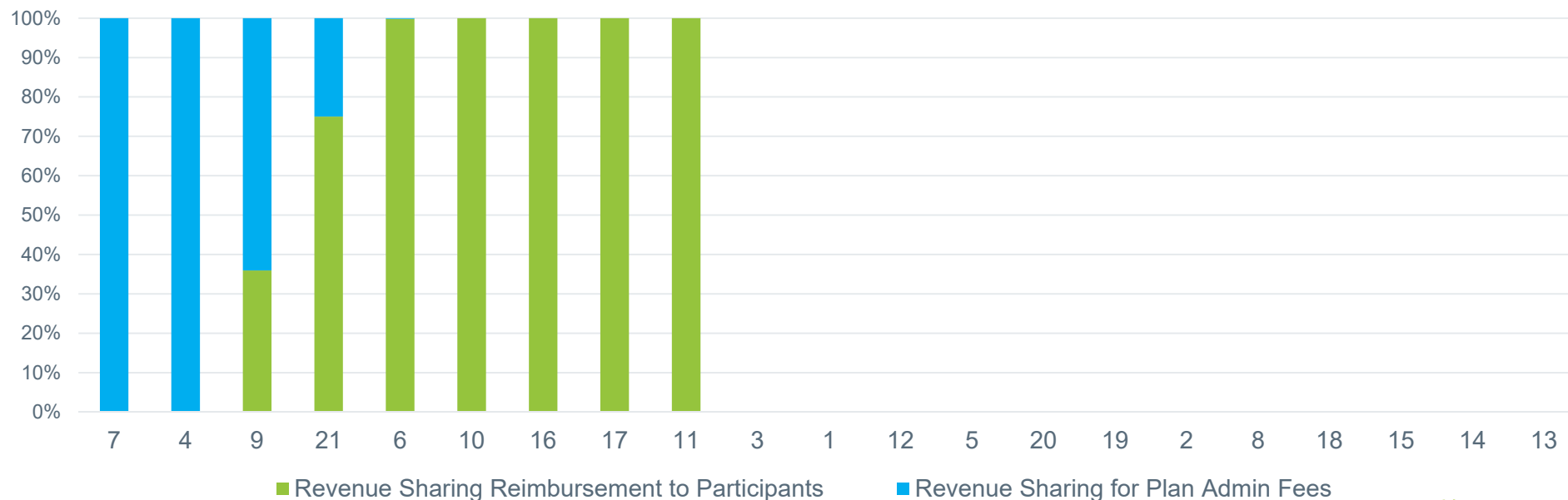
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25th Percentile	0.08%	\$ 52
Median	0.11%	\$ 66
75th Percentile	0.15%	\$ 84
Max	0.38%	\$ 187

Recordkeeping and Administration Fees / Revenues

Revenue Sharing



Revenue Sharing Use



Recordkeeping and Administration Fees / Revenues are defined as the fees assessed to participants to cover administrative expenses and other non-fee sourced revenues.

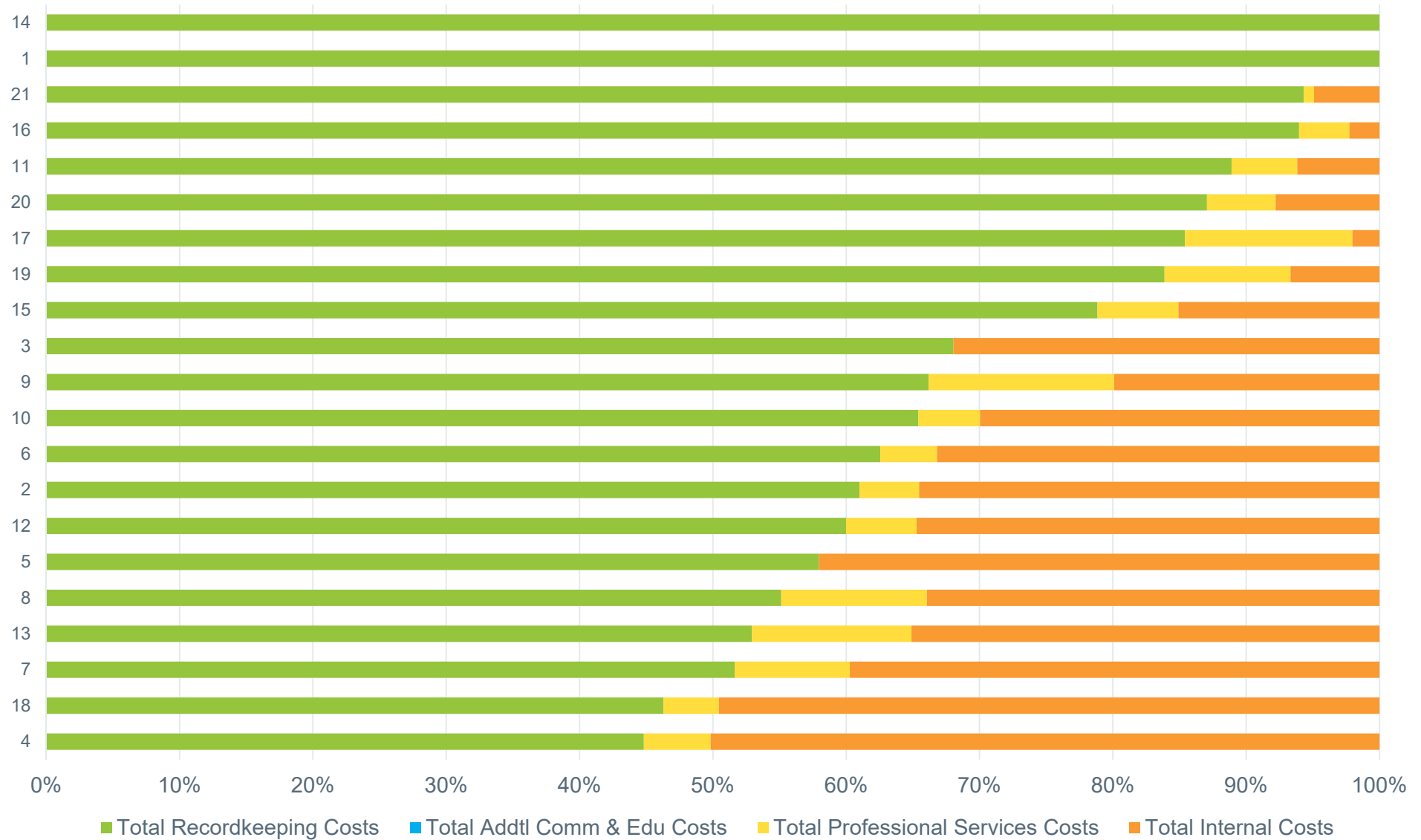
Recordkeeping and Administration Fees / Revenues

Unique Plan Participant Fee Structures

Annual asset based fee, which is waived for participants with balances less than \$5,000. Fees are capped at \$55 per quarter.	Graduated fee: no fee if balance under \$5,000, \$12 annual if between \$5,001-25,000,...and \$180 annually for account balances over \$250,000.
Asset based fee and a per participant fee, assessed per account (not unique SSN) for an account value above \$500.	Asset based fee capped at \$125 annually.
Asset based fee assessed through investment fund expense ratios, with an additional per participant fee.	Per participant fee waived for first 6 months immediately following enrollment

Total Administrative Costs

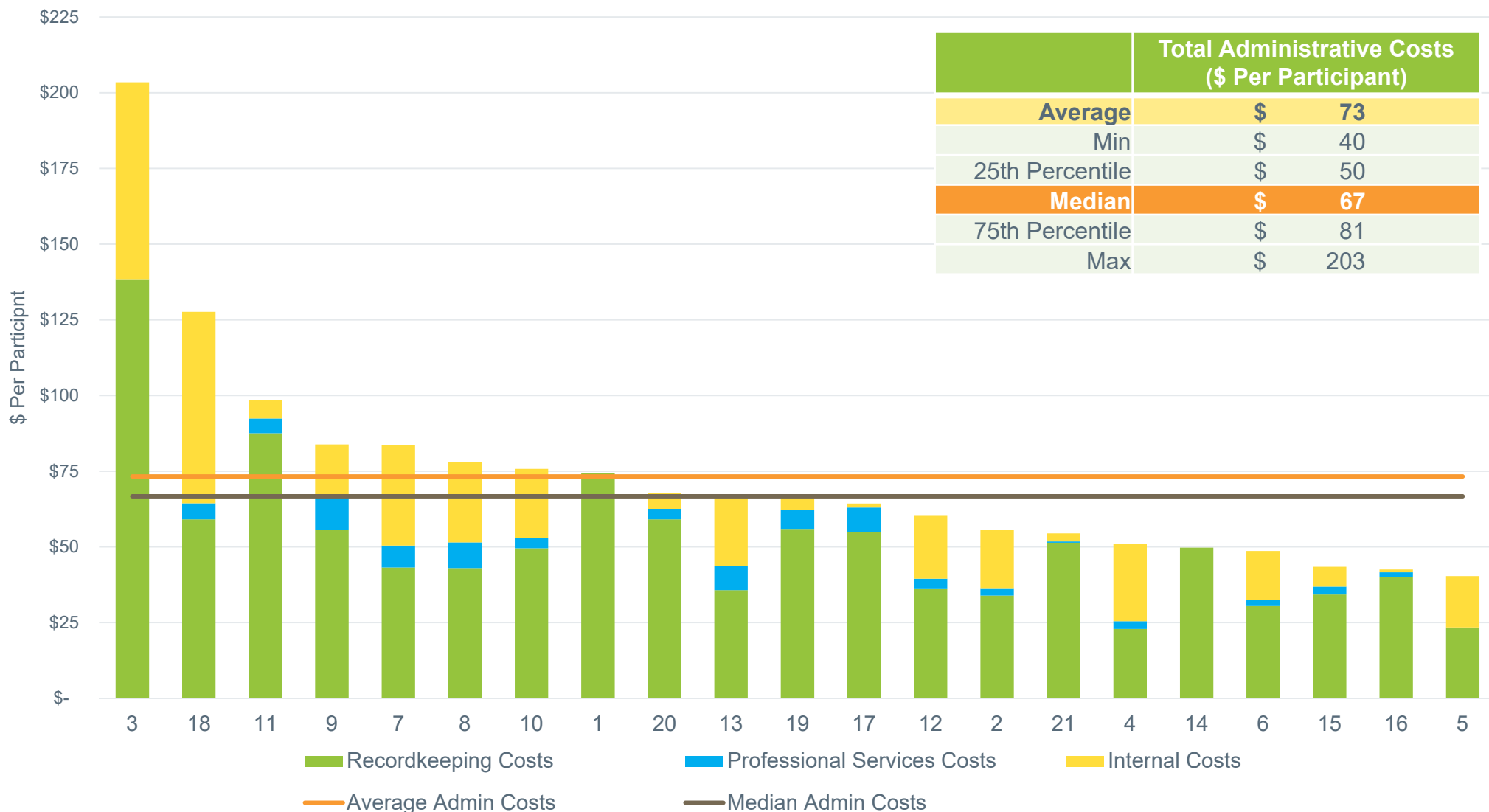
Administrative Cost Breakdown



Total Administrative Costs are defined as the sum of recordkeeping, professional services, and internal costs.

Total Administrative Costs

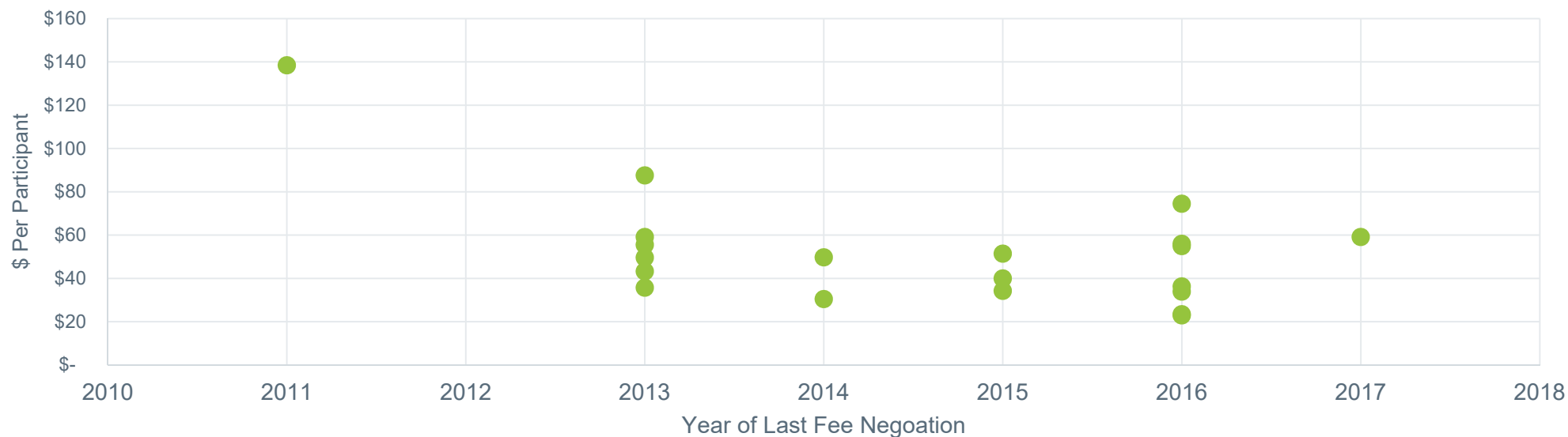
Plan Administrative Costs (\$ Per Participant)



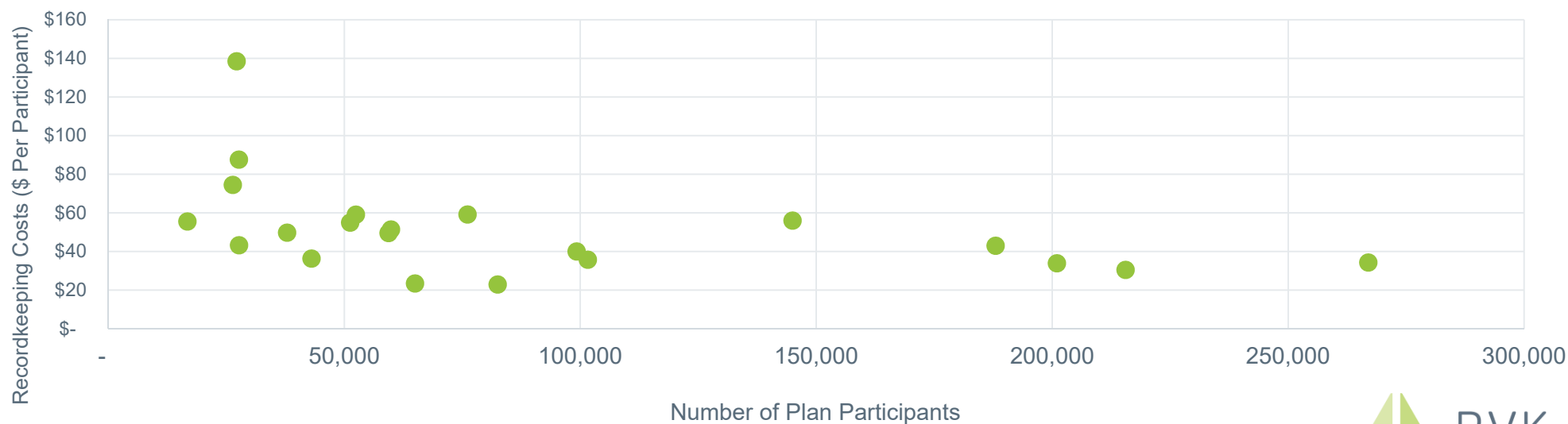
Total Administrative Costs are defined as the sum of recordkeeping, professional services, and internal costs.

Recordkeeping – Costs

Recordkeeping Costs vs. Year of Last Fee Negotiation

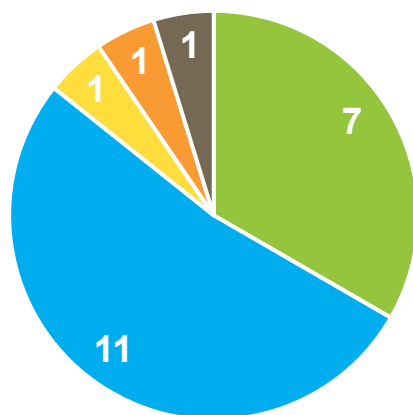


Recordkeeping Costs (\$ / Participant) vs. Number of Plan Participants



Recordkeeping – Costs

Recordkeeper Contract Fee Structures



- Asset Based Fee Only
- Per Participant Fee Only
- Asset Based and Per Participant Fee
- Other Fee Structure
- Contract Structure Not Provided

Unique Components of Recordkeeper Contract Fee Structures

Set basis point fee based on different levels of plan assets (e.g. \$1.260 billion to equal or less than \$1.402 billion; 22.25 basis points)

Per participant fee, waived during the first year of enrollment

Asset based fee, with breakpoints that reduce the revenue requirement 0.5 bps for every \$300,000,000 in asset growth

Asset based fee with reimbursement credit for internal administrative costs

Per participant fee and asset based fee. (Unique in recordkeeping contract, though common in participant fee collection.)

Per participant fee with overall hard dollar cap that varies annually based on pre-determined fee changes

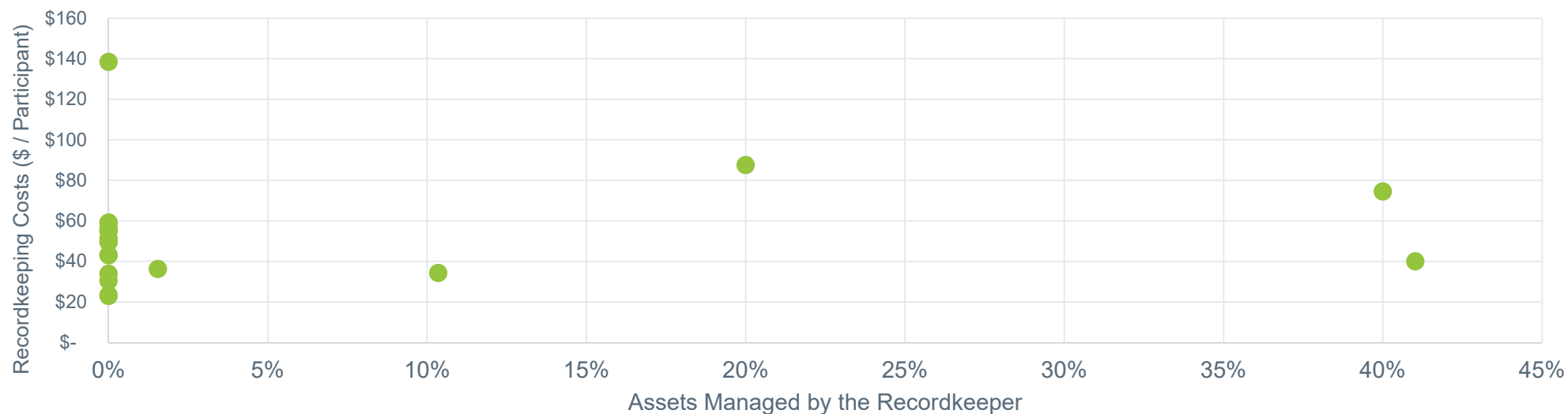
Asset based fee, capped at \$2,000 per account per year.

Per participant fee, reduced based on the percentage of plan assets in managed accounts. (e.g., if 10% of total assets, the annual fee will drop by \$4 per unique SSN)

Recordkeeping – Costs

	Recordkeeping Costs (% Plan Assets)	Recordkeeping Costs (\$ Per Participant)
Average	0.10%	\$ 51
Min	0.03%	\$ 23
25th Percentile	0.05%	\$ 35
Median	0.07%	\$ 50
75th Percentile	0.11%	\$ 58
Max	0.28%	\$ 138

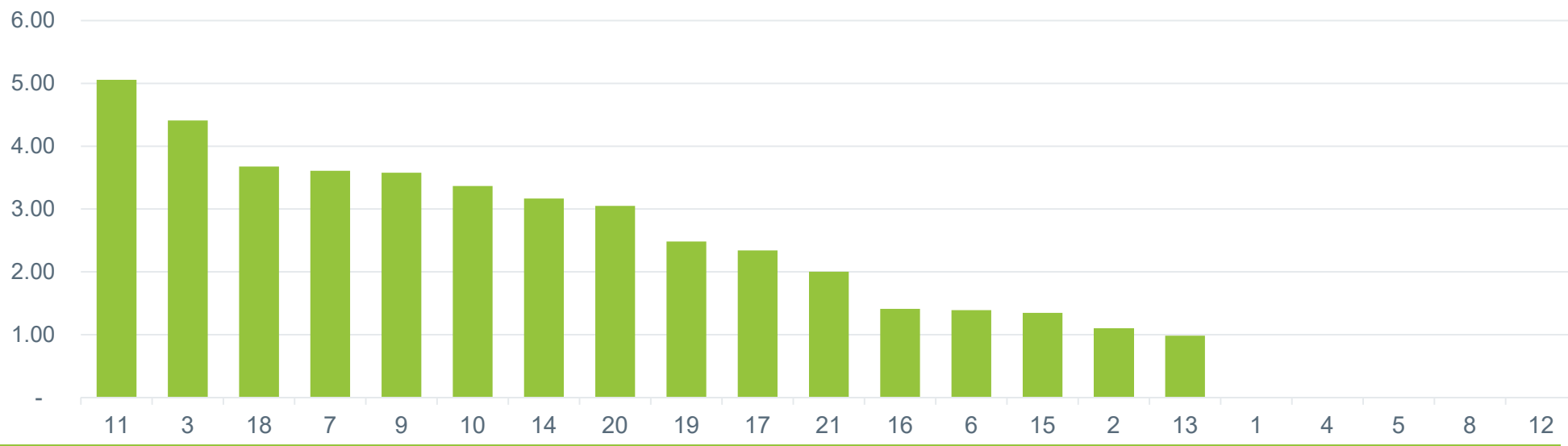
**Recordkeeping Costs (\$ / Participant) vs.
% Assets Managed by the Recordkeeper**



Plan 13 did not indicate the percentage of assets managed by the recordkeeper.

Recordkeeping – Services

Dedicated Education Representatives Per 20,000 Participants



Dedicated Call Center Representatives Per 20,000 Participants



Plans with no reported education or call center representatives either indicated that they had none or did not provide a response.

Recordkeeping – Services

Does the recordkeeper cover costs for:

Travel for internal staff to attend due diligence meetings with the recordkeeper service provider (e.g. cost of travel, lodging, per diem, etc.)?

Continuing education services for internal staff (e.g. conferences and seminars, registration, travel, lodging, per diem, materials, etc.)?

Custom recordkeeping system updates and programming changes?

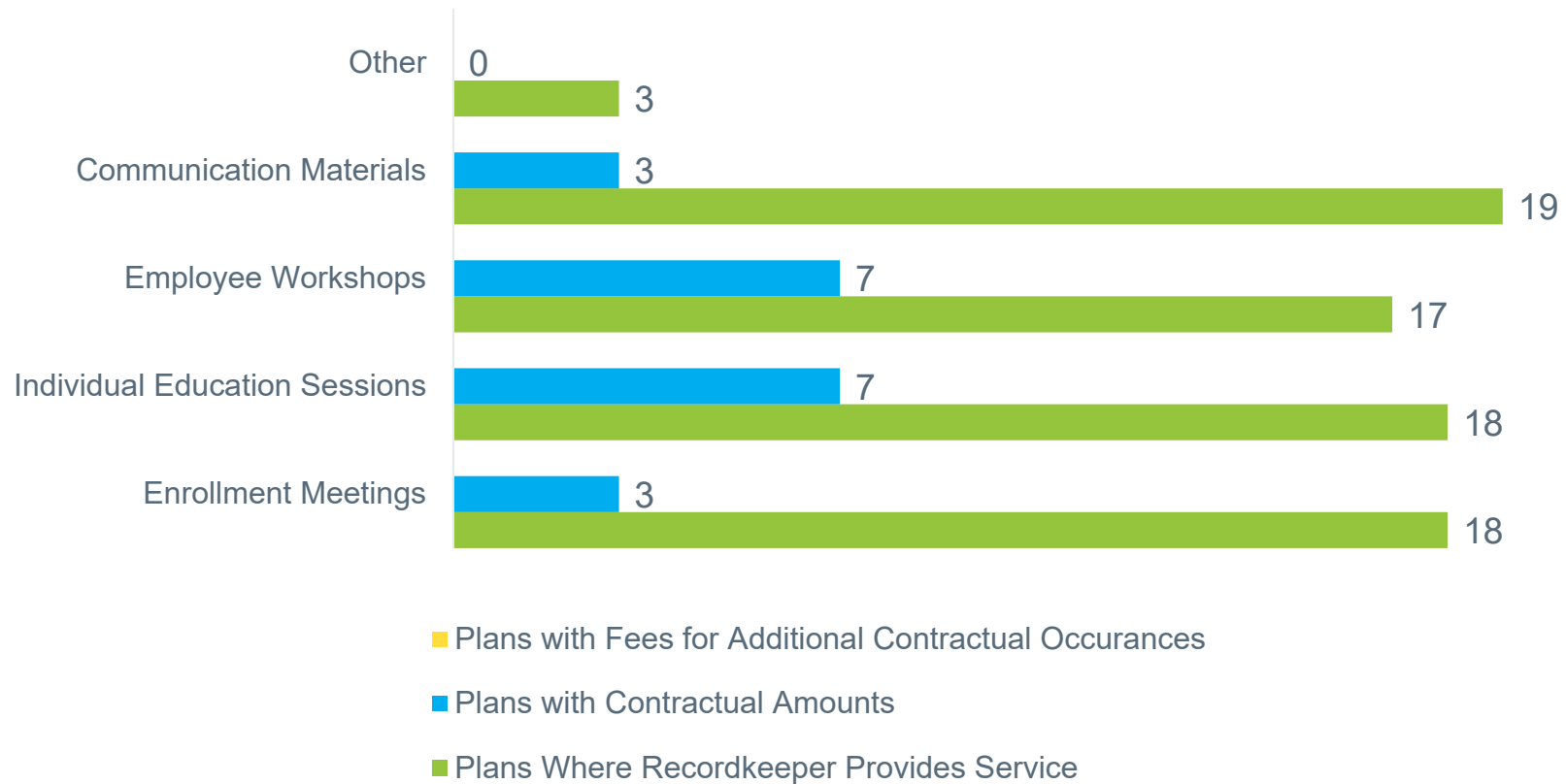
Recordkeeper	Yes	No
Empower	1	6
ICMA-RC	0	1
Nationwide	4	2
Prudential	1	2
Voya	0	1
Total	6	12

Recordkeeper	Yes	No
Empower	1	6
ICMA-RC	0	1
Nationwide	3	3
Prudential	1	2
Voya	0	1
Total	5	13

Recordkeeper	Yes	No
Empower	2	5
ICMA-RC	1	0
Nationwide	6	0
Prudential	3	0
Voya	1	0
Total	13	5

Recordkeeping – Services

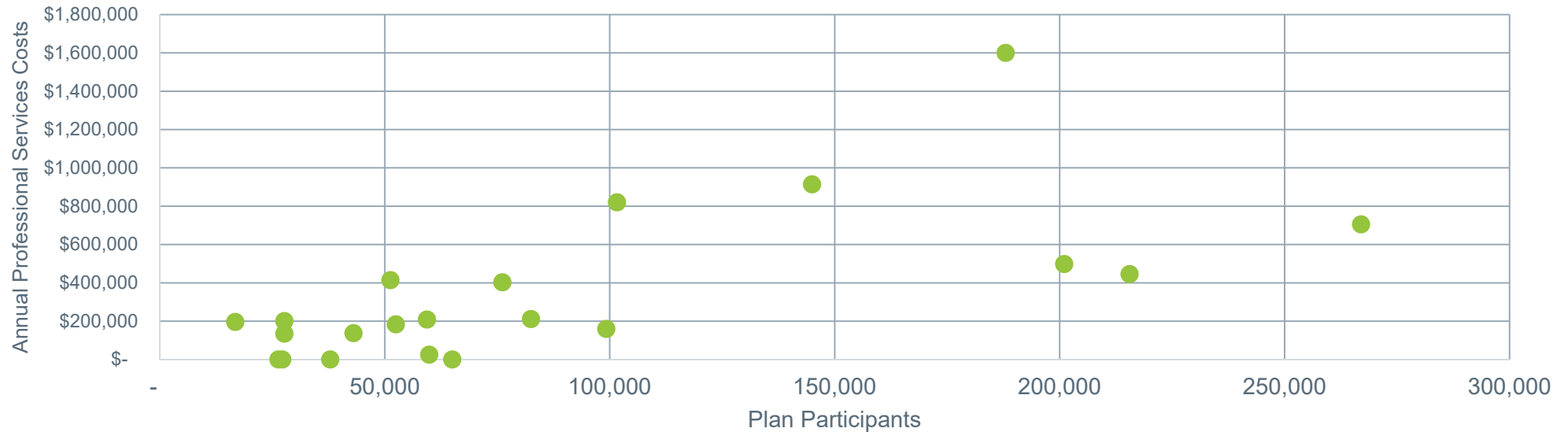
Educational Services Provided



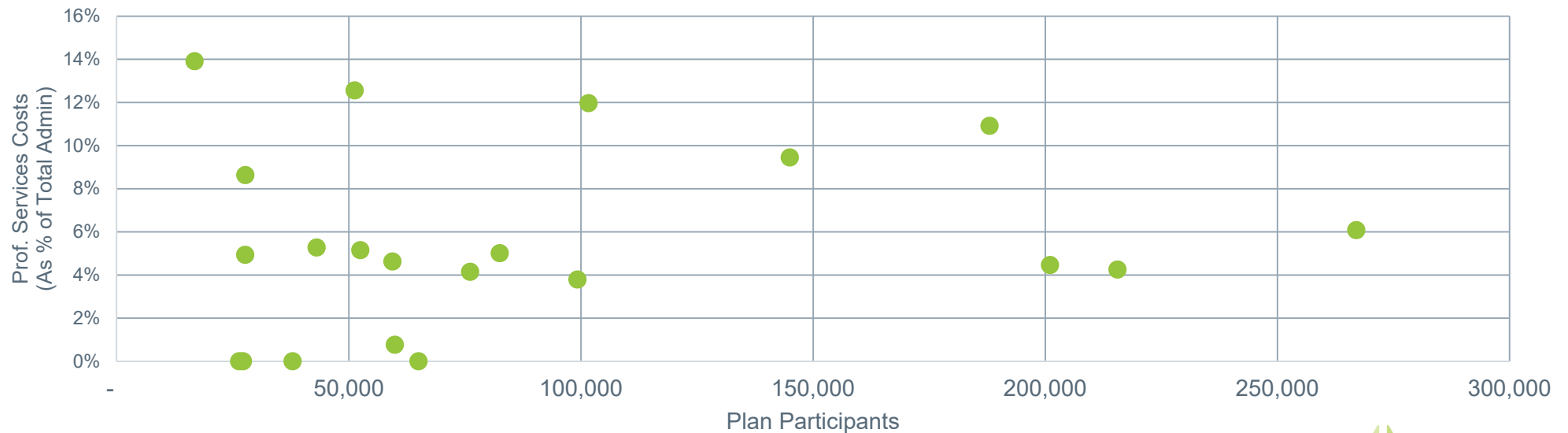
Other includes a participant facing website and quarterly meeting attendance.
No plans reported fees for additional contractual occurrences.

Professional Services and Internal Costs

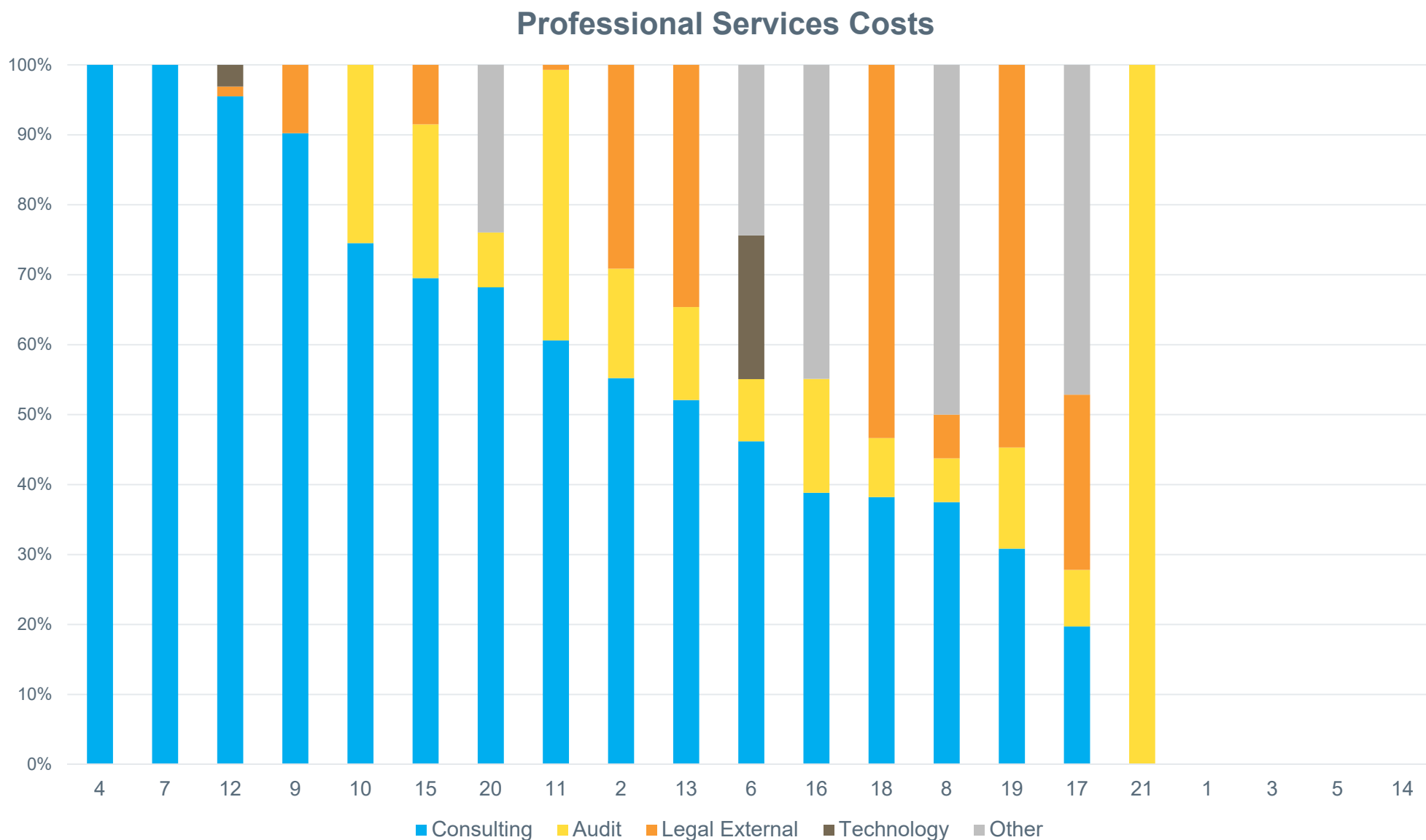
Professional Services Costs (\$) vs. Plan Size



Professional Services Costs (% of Total Admin Costs) vs. Plan Size



Professional Services and Internal Costs

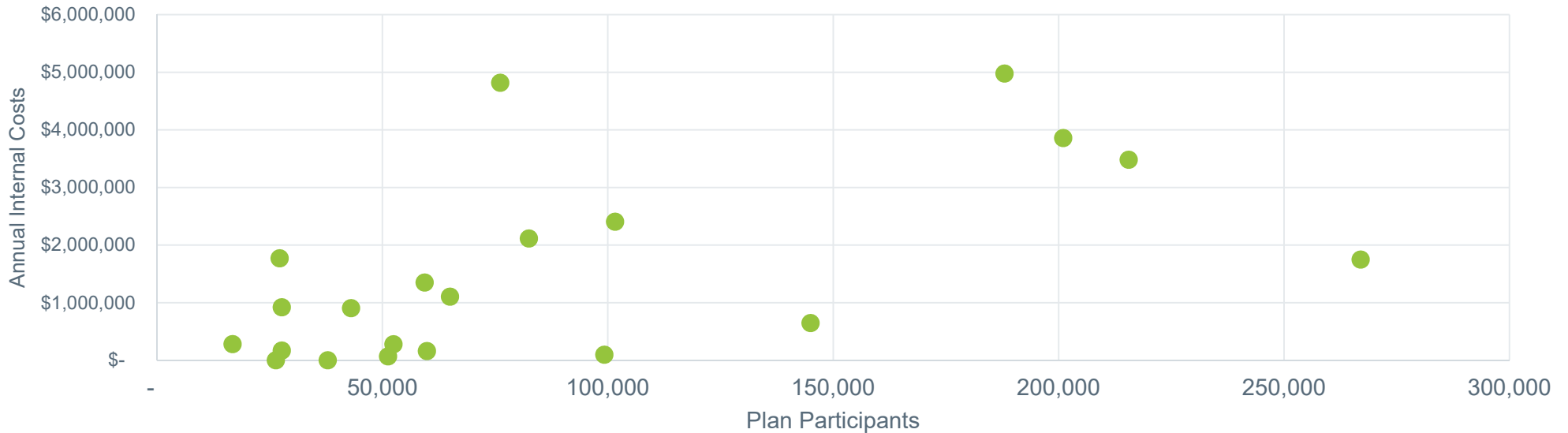


Consulting includes investment consulting and other consulting.

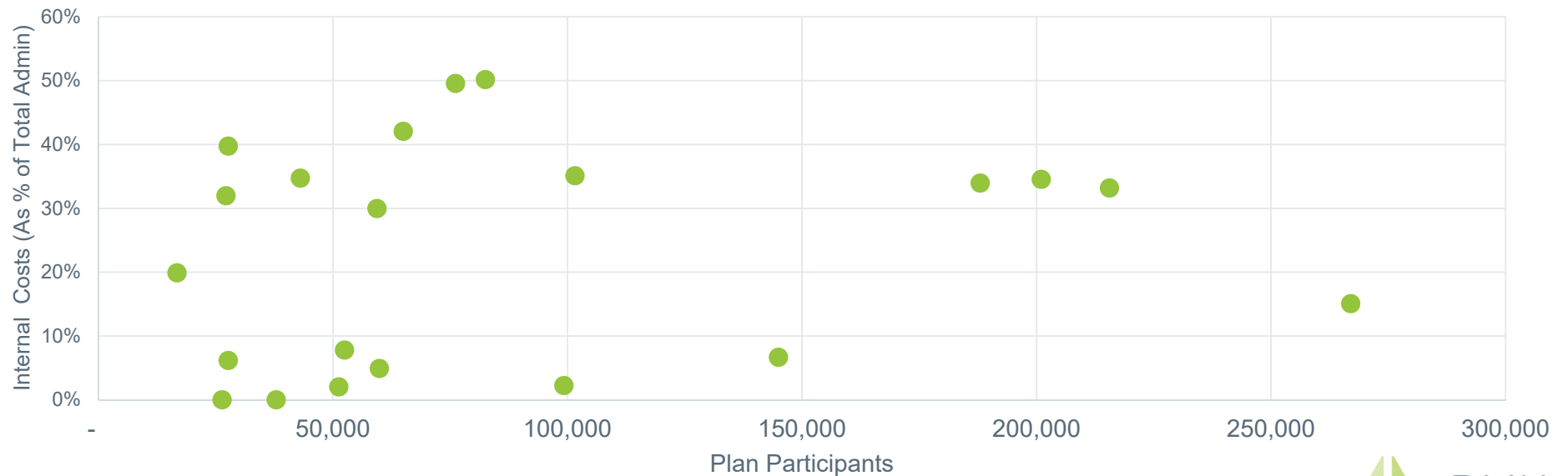
Other Professional Services includes miscellaneous, education, and contractual payroll expenses.

Professional Services and Internal Costs

Internal Cost (\$) vs. Plan Size

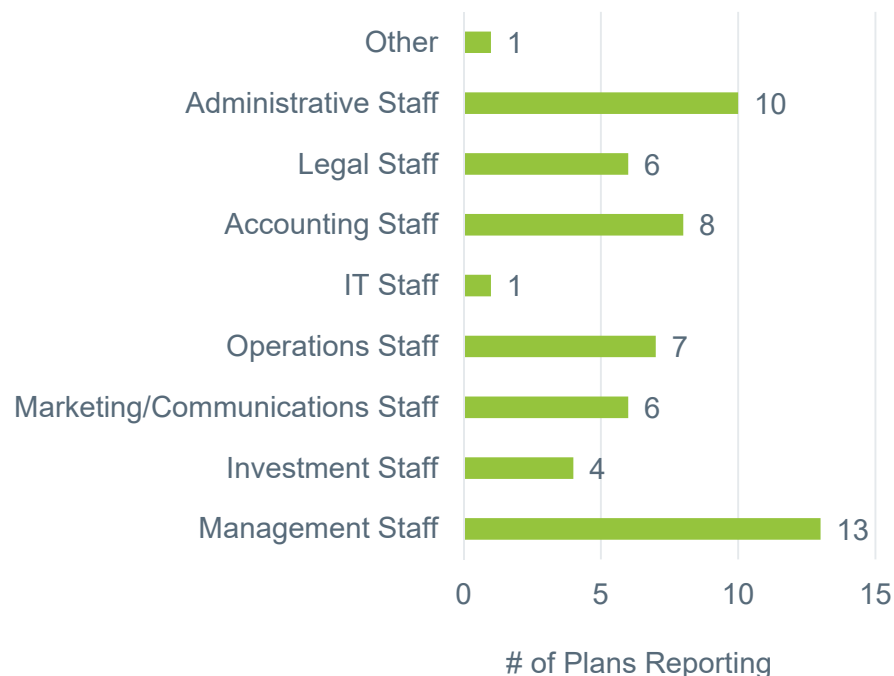


Internal Cost (% of Total Admin Cost) vs. Plan Size

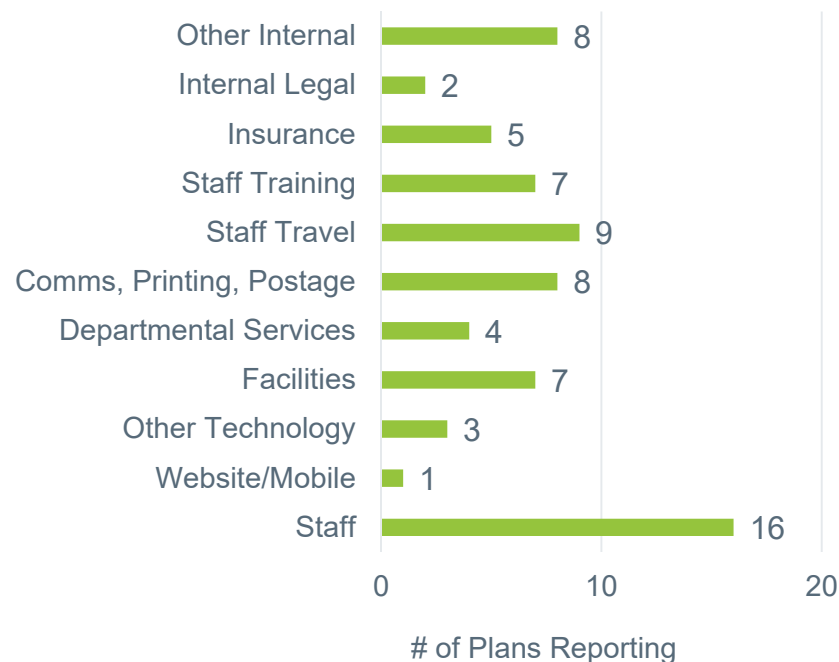


Professional Services and Internal Costs

Dedicated Internal Staffing Reported:



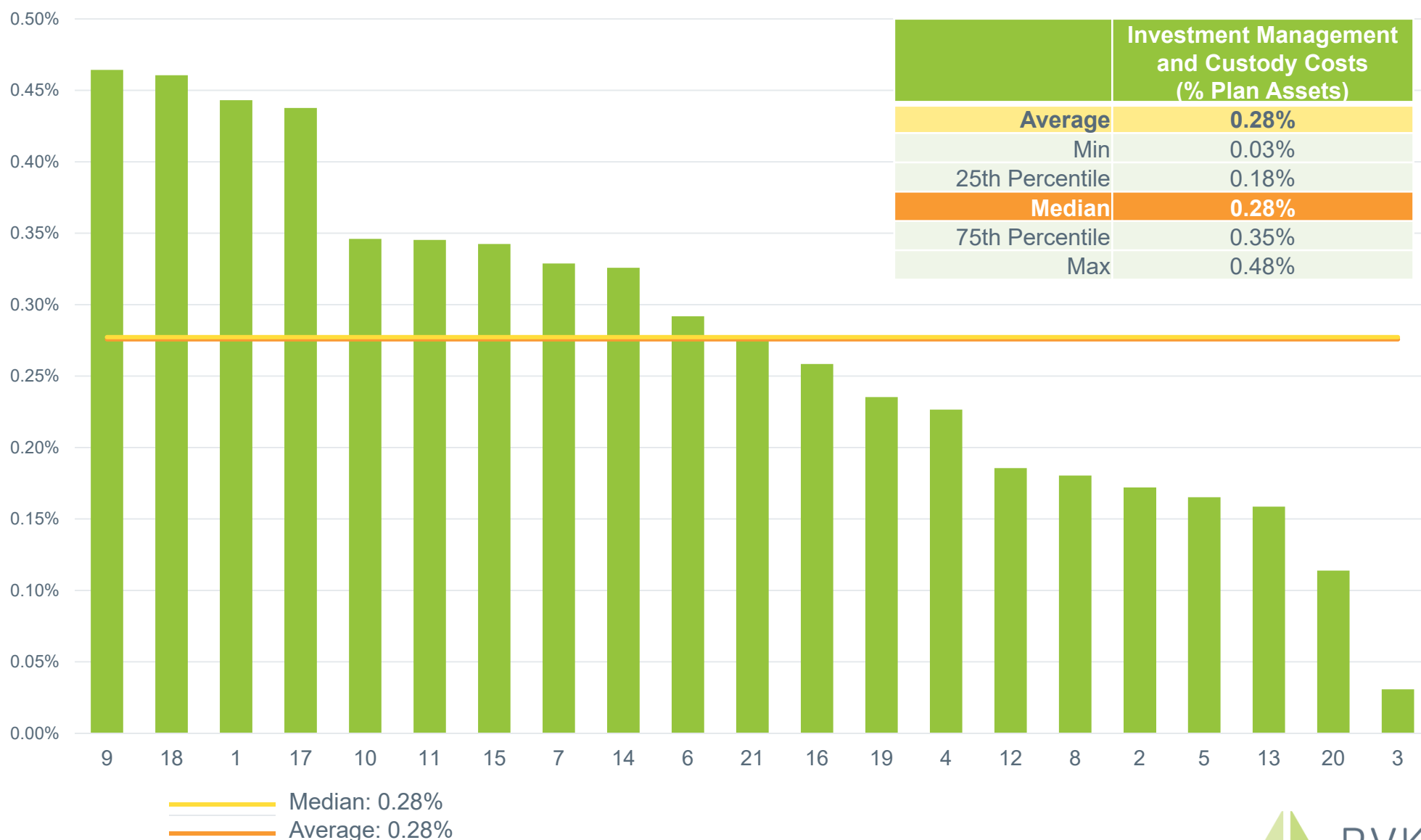
Internal Costs Reported:



	Professional Service Costs (\$ Per Participant)	Internal Costs (\$ Per Participant)
Average	\$ 4	\$ 18
Min	\$ -	\$ -
25th Percentile	\$ 1	\$ 4
Median	\$ 3	\$ 17
75th Percentile	\$ 7	\$ 25
Max	\$ 12	\$ 65

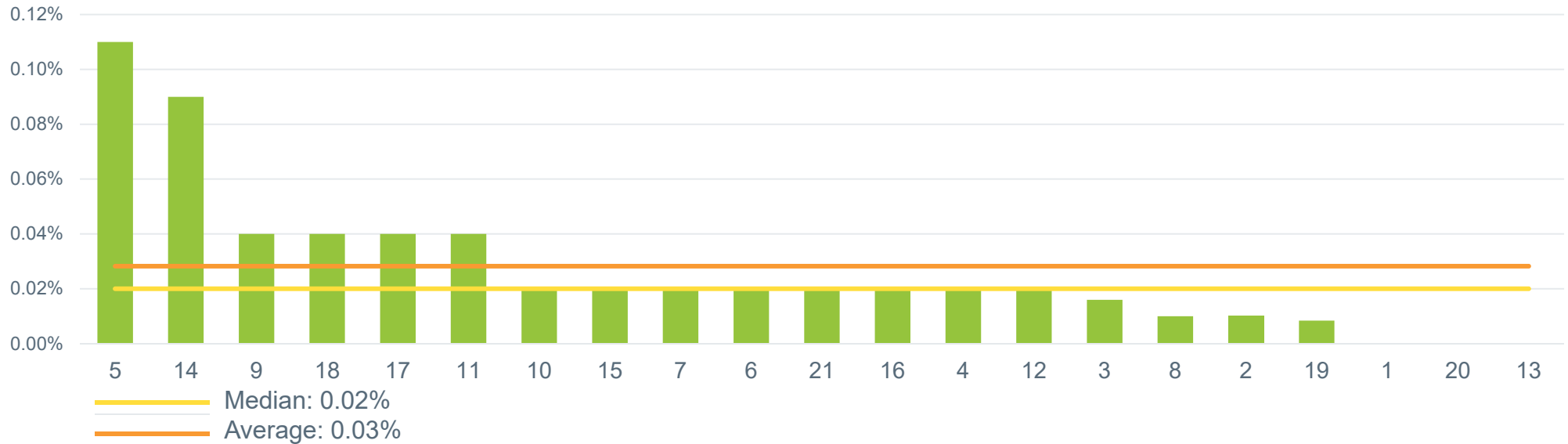
Investment Management and Custody Fees

Investment Management and Custody Fees Paid (% of Total Assets)



Investment Management and Custody Fees

Minimum Investment Fee (%) for Any Single Investment in the Plan's Portfolio

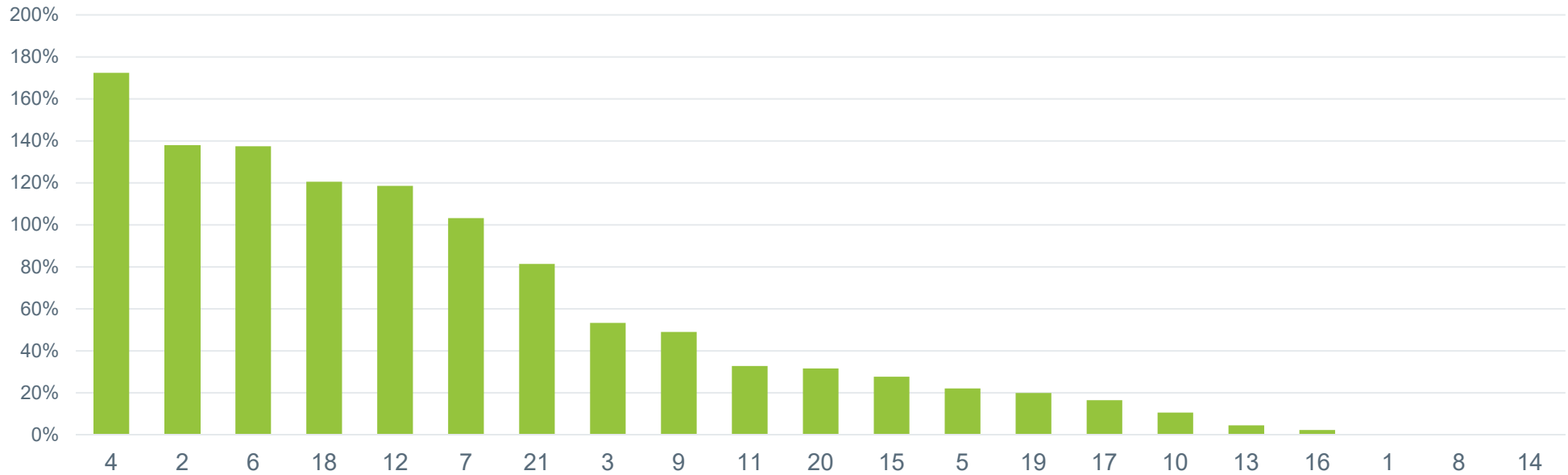


Maximum Investment Fee (%) for Any Single Investment in the Plan's Portfolio

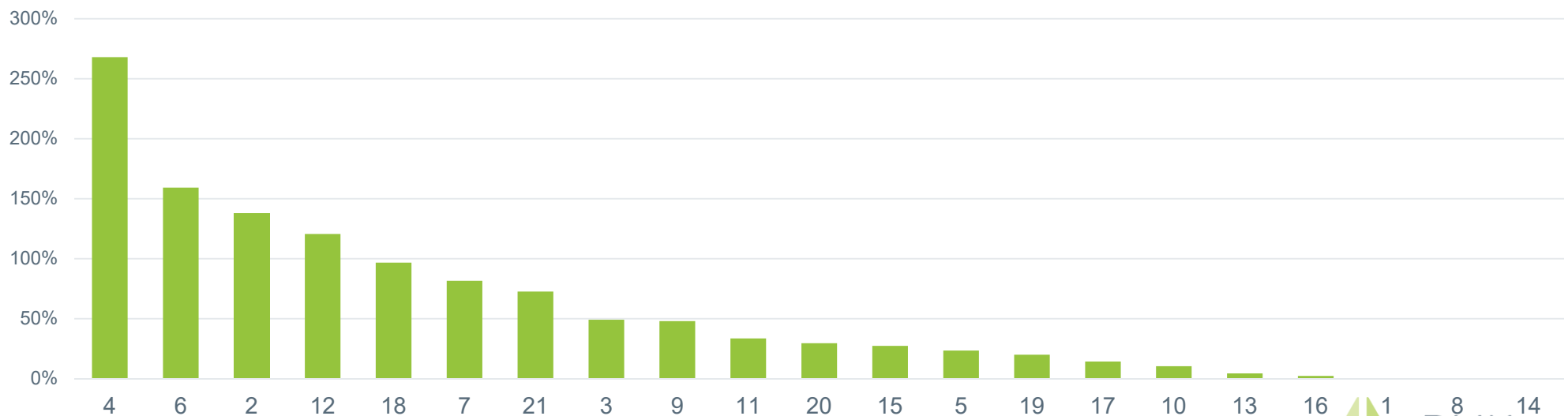


Reserves Account

Plan Reserve Balance (% of Annual Admin Revenue)



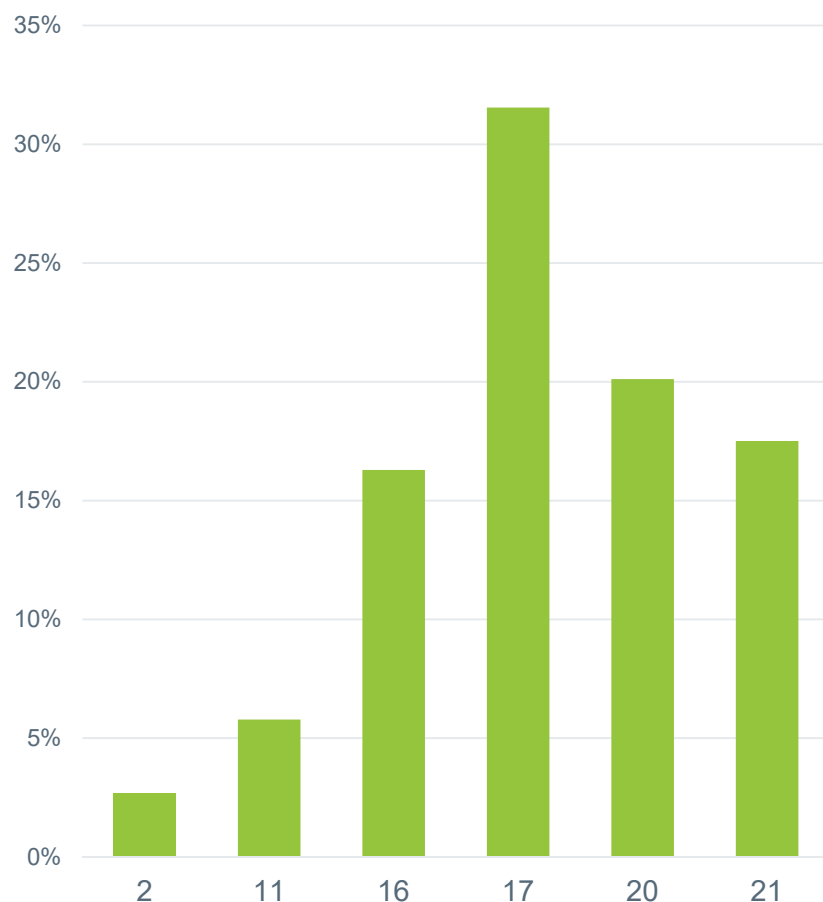
Plan Reserve Balance (% of Annual Admin Costs)



Managed Accounts

9 Plans indicated that they currently utilize managed accounts.

% Plan Participants Utilizing Managed Accounts



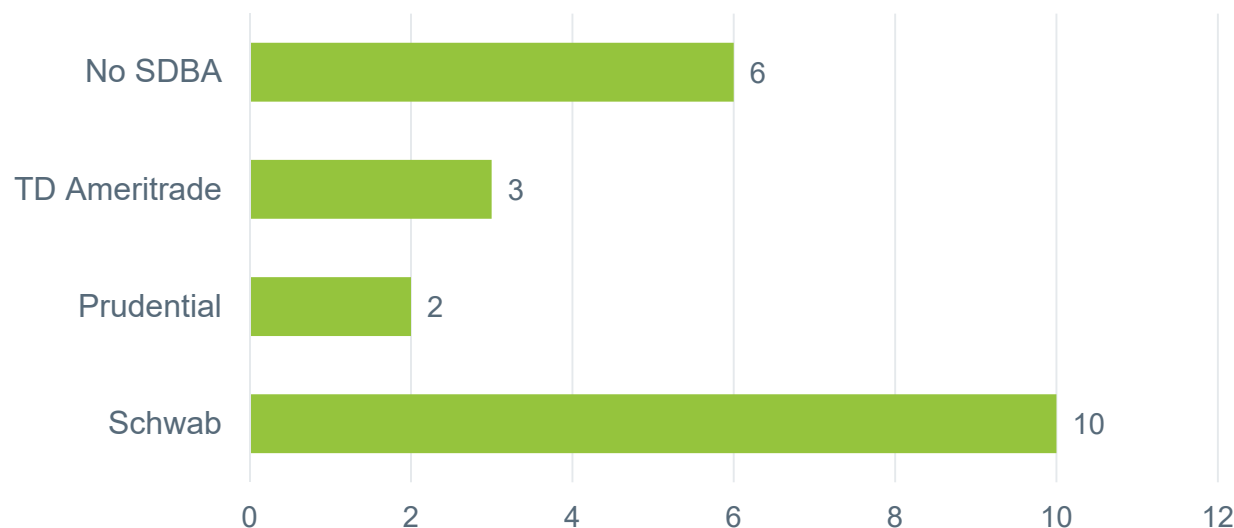
Managed Account Fee Schedules

2 Plans:	0.55% 0.50% 0.45% 0.40% 0.35%	First \$100,000 Next \$150,000 Next \$150,000 Next \$100,000 \$500,000 and above
3 Plans:	0.45% 0.35% 0.25% 0.15%	First \$100,000 Next \$150,000 Next \$150,000 \$400,000 and above
1 Plan:		\$5 per month for every \$10k in the account. Fee are proportionally lower for accounts with balances over \$50k

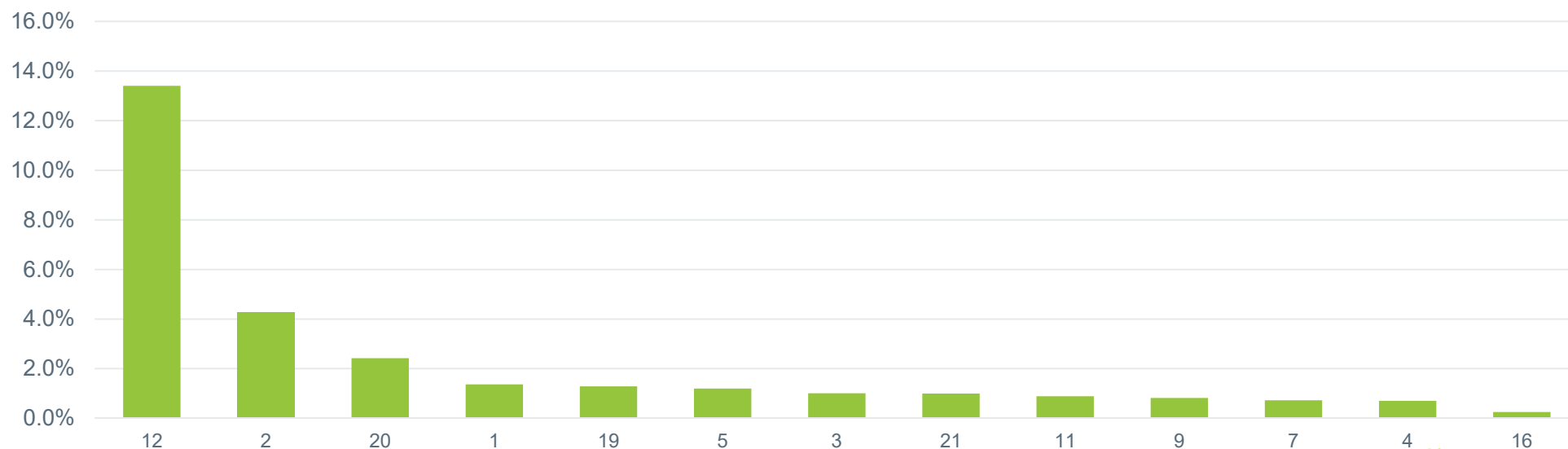
Note: Plans 4, 9, and 19 indicated that they had managed accounts but did not provided participant utilization data. .

Self-Directed Brokerage Account

Brokerage Providers



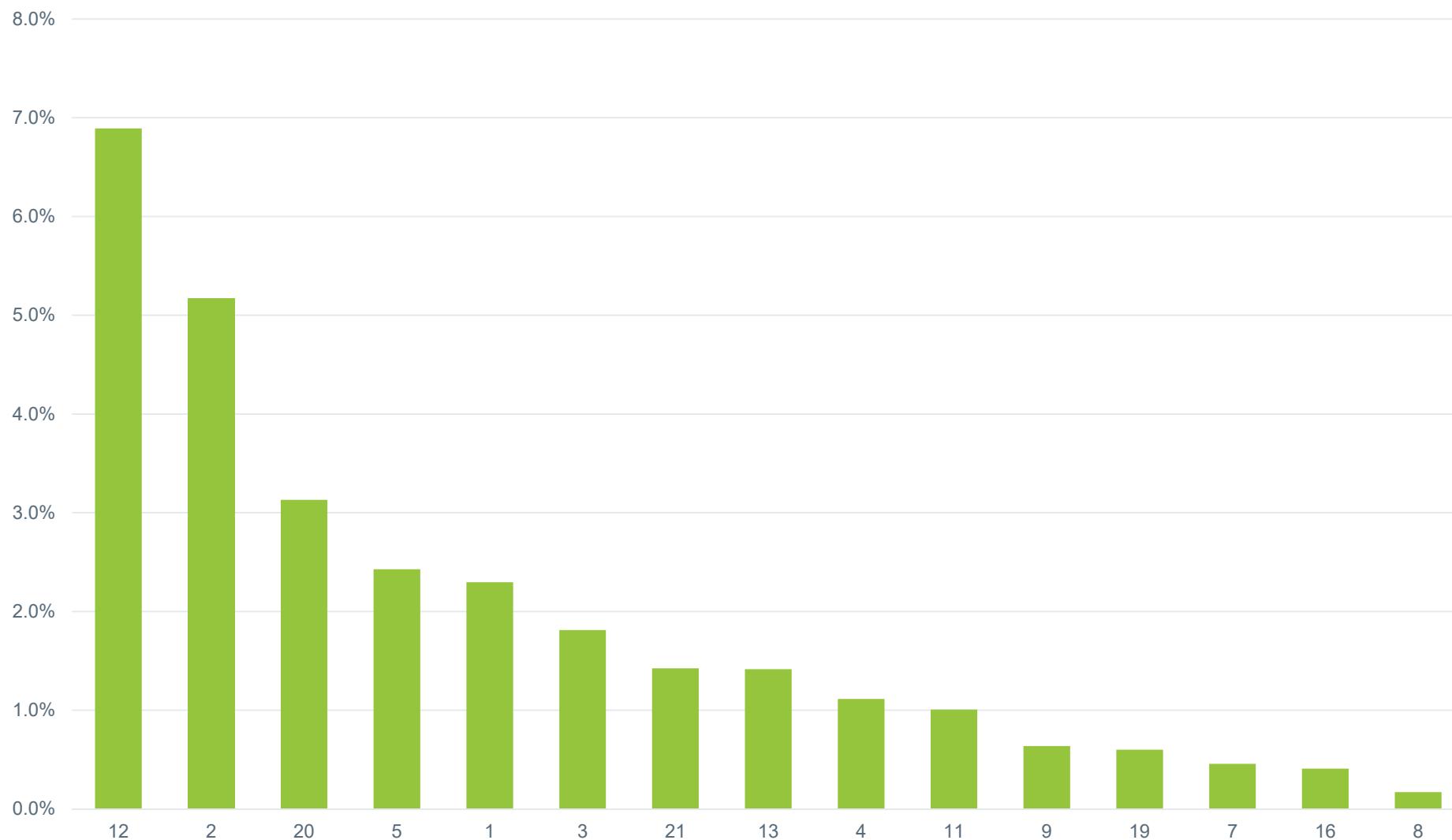
Percentage of Plan Participants with Assets in the SDBA



Plans 8 and 13 indicated that they had brokerage accounts but did not provide the participant utilization.

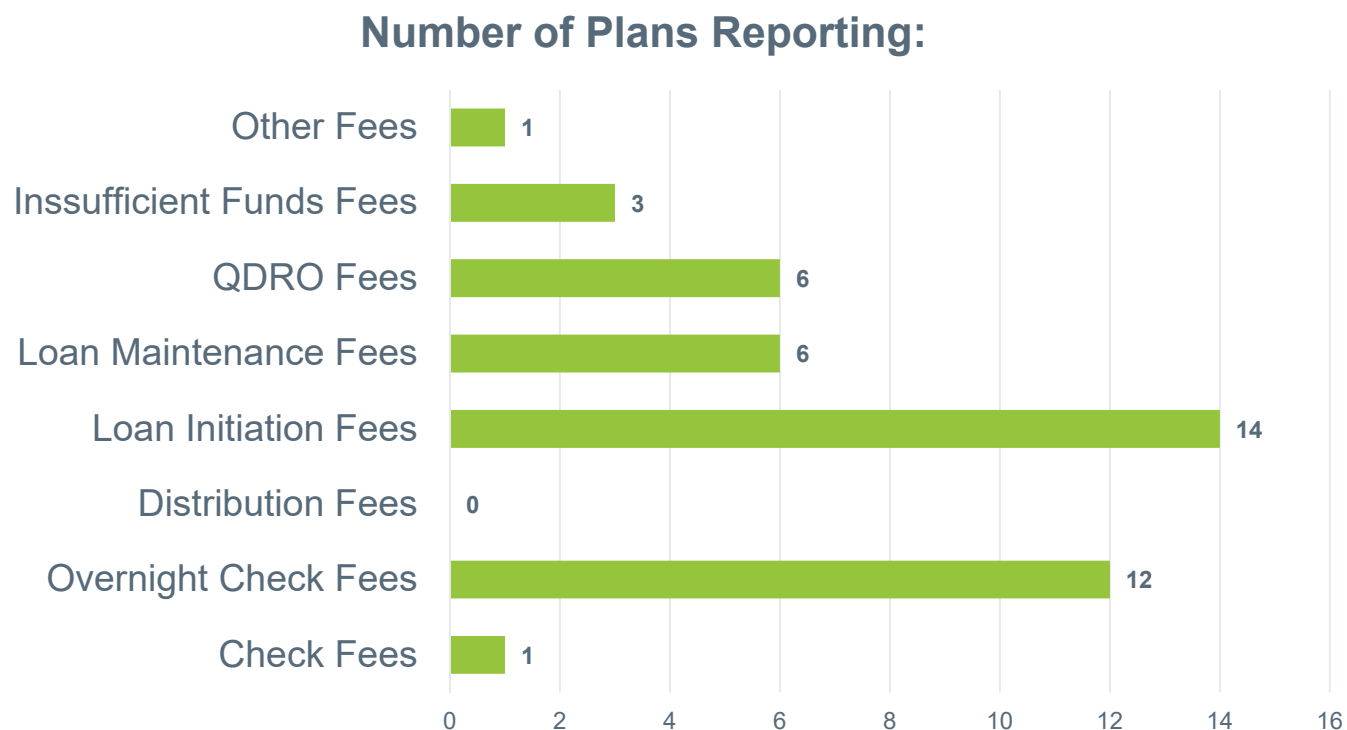
Self-Directed Brokerage Account

Percentage of Plan Assets in the SDBA



Plan 8 did not indicate if the Plan assesses recordkeeping fees on the brokerage account assets.

Transactional Fees



Fee Information

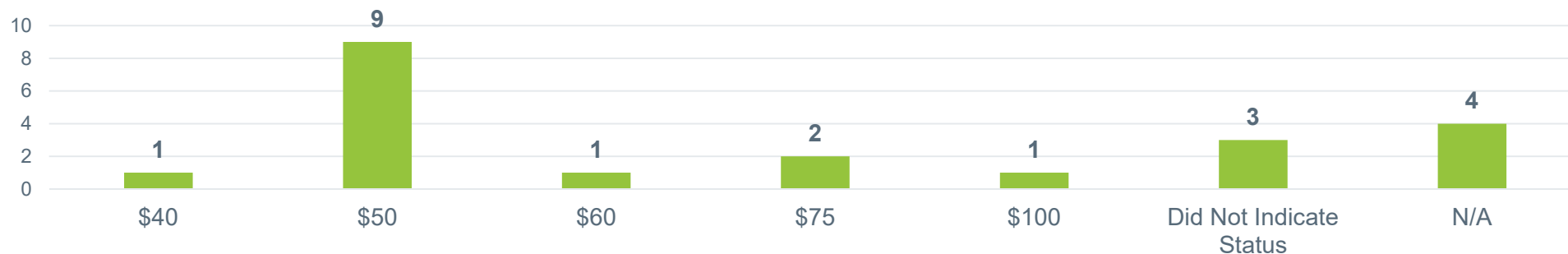
QDRO fees range from \$250-\$300

No plans have distribution fees

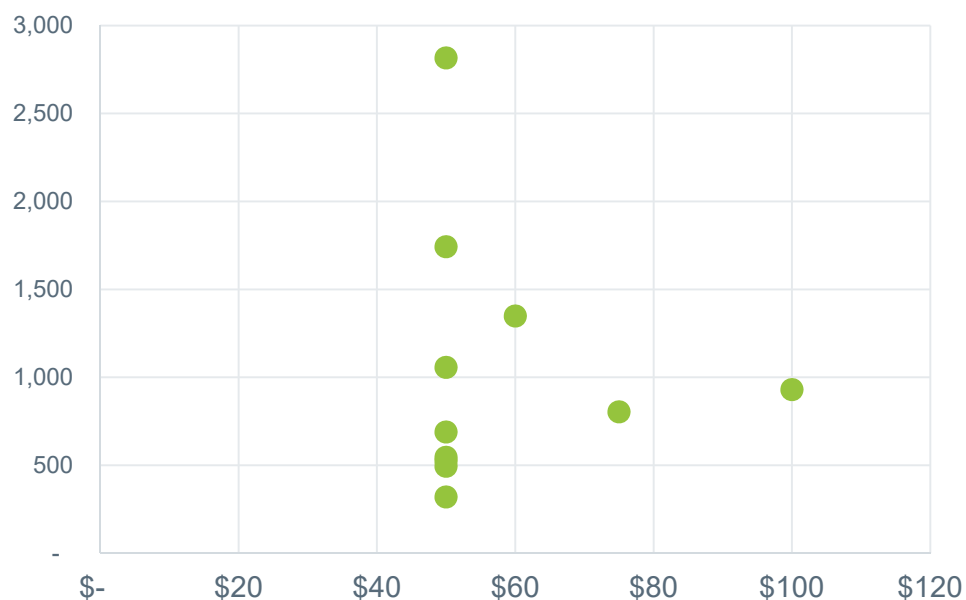
Overnight Check fees are most commonly \$25 (9 plans)

Transactional Fees

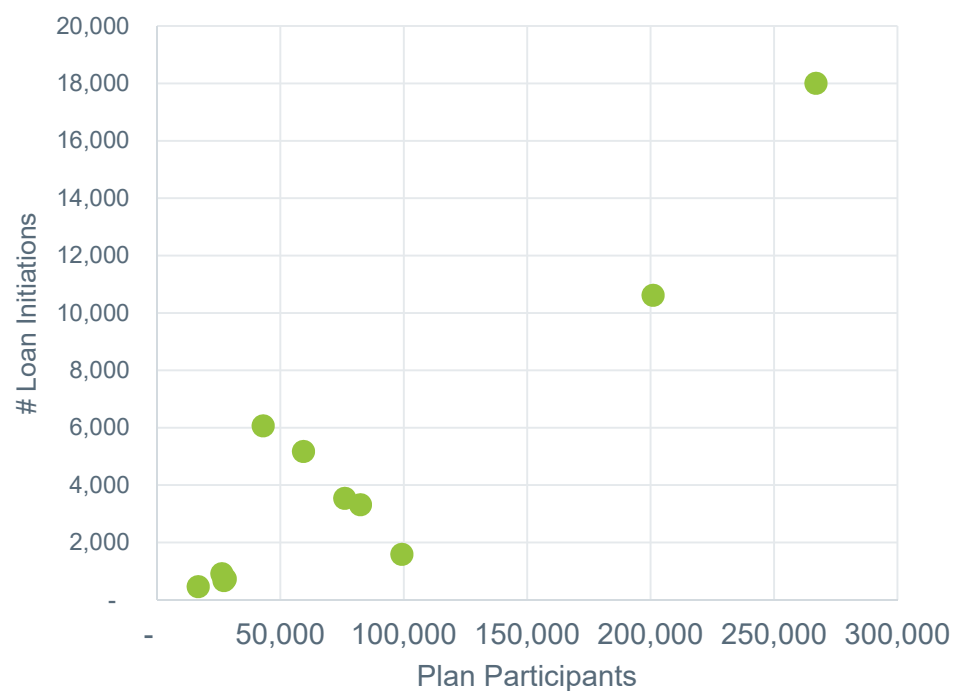
Number of Plans Reporting Loan Initiation Fees of:



Loans per 20k Participants vs. Loan Initiation Fee



Loan Volume vs. Plan Participants



Appendix: Notes on Survey Data

- All data is as reported by plan sponsors.
- For Plan 8, number of accounts was used as a proxy for total unique SSNs.
- All reported data is annual as of 12/31/2016, except for Plan 4, which provided data as of 6/30/16.
- Plan 8 did not provide plan reserves. Plans 1 and 14 indicated that there are no professional services or internal costs and no plan reserves.
- Plans 3, 5, 8, and 18 did not provide details on internal staffing resources.

PORTLAND

CHICAGO

NEW YORK

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