

North Carolina Supplemental Retirement Plans

Administrative Budgets

Fiscal Year 2016-17

September 15, 2016



North Carolina
Total Retirement Plans

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

Key Facts:

- Revenue Assumptions
 - For the purpose of budget forecasting, the plans' 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 administrative fee balances
 - As of June 30, 2016:
 - \$8.1 billion in total assets – NC 401(k)
 - \$1.1 billion in total assets – NC 457(b)
 - 0.025% Asset-based administrative fee on the NC 401(k) and NC 457(b) Plans
 - Administrative reimbursement accounts balance:
\$4.9 million for NC 401(k) and NC 457(b) plans combined.
- Expenditure Assumptions
 - Full employment throughout Fiscal Year 2016-17
 - Benefit contribution rates
 - NC – 16.2%
 - Social Security/Medicare – 7.65%
 - State Health Plan - \$5,471
- Split expenditures pro rata based on plan asset size, unless it is an exclusive charge to one of the plans.

Personnel Action Update:

- Reclassification of Supplemental Retirement Plan's personnel:
Executive Assistant position allocation increased from 75% to 100% Supplemental Retirement Plans to \$46,000.

Revenue and Fund Balance Projections

Based on the revenue assumptions detailed in the Key Facts section, the table below contains the revenue as of June 30, 2016.

Revenue Projections	NC 401(k)	NC 457(b)
Administrative Account Balance as of June 2016:	\$4,340,146	\$569,692
Estimated fee collected during the FY year based on assumptions:	\$1,750,000	\$250,000
Interest earned assuming Administrative Accounts projected that return will equal previous 12 months' average crediting rate:	\$136,000	\$24,000
Total	\$6,226,146	\$843,692
Less Proposed Expenses	(\$2,147,471)	(\$379,368)
Projected Balance for June 2017	\$4,078,675	\$464,324

401(k) & 457(b) Budget proposal for FY 2016-2017

401(k) & 457(b) Budget proposal for FY 2016-2017				Changes from Total FY 2016 - 2017 BUDGET	
	Both Plans	401(k)	457(b)		
Percentage of Allocation between the Plans :				85%	15%
Personnel	Board approved in June				
Salaries	\$1,058,642	\$ 1,116,091	\$ 948,678	\$ 167,414	\$ 18,290
Benefits	\$317,593	\$ 334,827	\$ 284,603	\$ 50,224	\$ 5,487
Salary reserve	\$50,906				
Subtotal	\$1,427,141	\$ 1,450,919	\$ 1,233,281	\$ 217,638	\$ 23,777
Services					
<i>Departmental Allocation</i>					
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	\$ 154,800	\$ 131,580	\$ 23,220		
Investment Consultant	\$ 375,000	\$ 318,750	\$ 56,250		
Legal	\$ 60,000	\$ 51,000	\$ 9,000		
Tax Compliance - EYE	\$ 60,000	\$ 51,000	\$ 9,000		
Proxy Voting Service	\$ 25,000	\$ 21,250	\$ 3,750		
Fee Benchmarking Services	\$ 30,000	\$ 25,500	\$ 4,500		
Subtotal	\$ 891,270	\$ 757,238	\$ 134,033		
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	\$ 50,000	\$ 42,500	\$ 7,500		
NAGDCA Conference Registration	\$ 9,000	\$ 7,650	\$ 1,350		
NAGDCA Fees	\$ 650	\$ 553	\$ 98		
Travel & Sustenance	\$ 40,000	\$ 34,000	\$ 6,000		
Subtotal	\$ 99,650	\$ 84,703	\$ 14,948		
Total Staffing Expenditure	\$ 1,450,919	\$ 1,233,281	\$ 217,638		
Total Expenditures	\$ 2,526,839	\$ 2,147,471	\$ 379,368	\$	23,777