



# Administrative Code: Proposed Rule

Supplemental Retirement Board of Trustees

September 20, 2018



**North Carolina**  
Total Retirement Plans  
**401k | 457 | 403b**



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## What is the Administrative Procedures Act (APA)?

- The APA regulates agencies' discretion in the implementation of their statutory authority
- The APA restricts:
  1. Agencies' ability to act without a rule; and
  2. The scope of the state's regulatory regime
- The APA establishes a process for agencies to adopt rules
  1. Publication
  2. Comment
  3. Review



## What is the Board's authority?

- NCGS § 135-91(c) allows the Board to establish rules
- NCGS allows the Board to charge an administrative fee for each of the plans
  - NC 401(k) Plan: NCGS § 135-91(e)
  - NC 457 Plan: NCGS § 143B-426.24(h2)
  - NC 403(b) Program: NCGS § 115C-341.2(c)
- Clarification of Session Law 2018-84 regarding administrative fees for the NC 457 Plan and the NC 403(b) Program



## What is the process?

- Proposal: Board proposes rule by adopting draft rule at special board meeting (October 1-November 6)
- Publication and comment: Draft rule is published in *North Carolina Register* and public comment period is held (March 15-May 14)
- Review #1: Draft rule is reviewed and approved by Joint Legislative Commission on Governmental Operations (JLCGO) (by June 13)
- Final: Board adopts final rule at special board meeting (June 14-19)
- Review #2: Final rule is reviewed and approved by Rules Review Commission (RRC) (July 18)
- Effect: Rule takes effect (August 1)



Timeline is subject to feedback from Office of Administrative Hearings, OSBM, RRC, JLCGO, public, and others



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## What is the Proposal from Staff?

- Codify the administrative fee as a rule of the Board (*i.e.*, include the administrative fee in NC Administrative Code)
- Draft rule from staff will complement the Board's upcoming work on:
  1. Expense account balance;
  2. Fee review; and
  3. Ongoing process for evaluating and changing the expense account balance and the fee
- Will consist of the administrative fees plus the process for waiving the fees for a specific period of time

# Questions



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# Thank you



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