

# **North Carolina Supplemental Retirement Plans**

**Administrative Budgets**

**Fiscal Year 2015-16**

**September 17, 2015**



**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 07.31.15:
    - \$8.08 billion in total assets – 401(k)
    - \$1.18 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 – 14.69%
      - Social Security/Medicare – 7.65%
      - State Health Plan - \$5,435
- Split expenditures based on plan asset size, unless it is an exclusive charge to one of the plans.
- DST's move to Atlantic Avenue will drive change to 2015/2016 cost allocation methods, which the Supplemental Retirement Plans will participate in.

Expansion Justification - 2015-16 Budget proposes an increase of \$181,245 for:

- Supplemental Retirement Plans participate in Departmental Expense Allocation.
- Updating Salary based on changes in divisions.
- Compensation Study.

### Revenue and Fund Balance Projections

Based on the revenue assumptions detailed in the Key Facts section, the Table below contains the revenue as of July 31<sup>st</sup>, 2015.

Revenue Projections	NC 401(k)	NC 457(b)
Administrative Account Balance as of April 2015:	\$4,783,325	\$676,493
Estimated fee collected during the year based on assumptions:	\$1,750,000	\$250,000
Interest Earned	\$150,000	\$120,000
<b>Total</b>	<b>\$6,683,325</b>	<b>\$1,046,493</b>
Less Proposed Expenses	(\$1,987,173)	(\$353,903)
<b>Projected Balance for June 2016</b>	<b>\$4,696,152</b>	<b>\$692,590</b>

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

Changes from Total  
FY 2014 - 2015

	Both Plans	401(k)	457(b)	BUDGET	Comments
<b>Percentage of Allocation between the Plans :</b>		<b>85%</b>	<b>15%</b>		
<b>Personnel</b>					
<b>Salaries</b>	<b>\$ 908,428</b>	<b>\$ 772,164</b>	<b>\$ 136,264</b>	<b>\$ 37,883</b>	
RSD Director	\$ 39,161	\$ 33,287	\$ 5,874		
Deputy Director SRP	\$ 99,858	\$ 84,879	\$ 14,979		
Operations Analyst SRP	\$ 46,640	\$ 39,644	\$ 6,996		
Communications Officer SRP	\$ 60,604	\$ 51,513	\$ 9,091		
Compliance Officer SRP	\$ 48,676	\$ 41,375	\$ 7,301		
Marketing Officer SRP	\$ 60,604	\$ 51,513	\$ 9,091		
Asst. Gen Counsel - SRP	\$ 86,000	\$ 73,100	\$ 12,900		
Gen Counsel - OST	\$ 7,547	\$ 6,415	\$ 1,132	\$ 1,925	Updated position allocation
Asst. Gen Counsel DST	\$ 28,600	\$ 24,310	\$ 4,290	\$ 10,477	Updated position allocation
Chief Finance Officer	\$ 10,838	\$ 9,212	\$ 1,626	\$ 4,106	Updated position allocation
Deputy Director, Accounting	\$ 14,300	\$ 12,155	\$ 2,145	\$ 4,225	Updated position allocation
Accounting Supervisor	\$ 11,175	\$ 9,499	\$ 1,676		
Admin Asst. SRP	\$ 26,393	\$ 22,434	\$ 3,959		
Executive Assistant RSD	\$ 6,600	\$ 5,610	\$ 990		
Retirement Communications & Content Manager	\$ 17,960	\$ 15,266	\$ 2,694		
Communications Specialist	\$ 4,478	\$ 3,806	\$ 672		
Procurement Specialist SRP	\$ 83,000	\$ 70,550	\$ 12,450	\$ 4,147	Updated position allocation
Chief Investment Officer	\$ 19,019	\$ 16,166	\$ 2,853	\$ 1,469	Updated position allocation
Portfolio Director	\$ 12,102	\$ 10,287	\$ 1,815	\$ 1,951	Updated position allocation
Portfolio Manager	\$ 24,875	\$ 21,143	\$ 3,731	\$ 9,583	Updated position allocation
New IMD/SRP Position	\$ 200,000	\$ 170,000	\$ 30,000		
<b>Benefits</b>	<b>\$ 272,528</b>	<b>\$ 231,649</b>	<b>\$ 40,879</b>	<b>\$ 11,364</b>	
RSD Director	\$ 11,748	\$ 9,986	\$ 1,762		
Deputy Director	\$ 29,957	\$ 25,464	\$ 4,494		
Operations Analyst	\$ 13,992	\$ 11,893	\$ 2,099		
Communications officer	\$ 18,181	\$ 15,454	\$ 2,727		
Compliance Officer	\$ 14,603	\$ 12,412	\$ 2,190		
Marketing Officer	\$ 18,181	\$ 15,454	\$ 2,727		
Asst. Gen Counsel - SRP	\$ 25,800	\$ 21,930	\$ 3,870		
Gen Counsel - OST	\$ 2,264	\$ 1,924	\$ 340	\$ 578	Updated position allocation
Asst. Gen Counsel DST	\$ 8,580	\$ 7,293	\$ 1,287	\$ 3,143	Updated position allocation
Chief Finance Officer	\$ 3,251	\$ 2,764	\$ 488	\$ 1,231	Updated position allocation
Deputy Director, Accounting	\$ 4,290	\$ 3,647	\$ 644	\$ 1,267	Updated position allocation
Accounting Supervisor	\$ 3,353	\$ 2,850	\$ 503		

	Total FY 2014-2015 Budget			Changes from Total FY 2014 - 2015		Comments
	Both Plans	401(k)	457(b)	BUDGET		
Percentage of Allocation between the Plans :	85%		15%			
Admin Asst.	\$ 7,918	\$ 6,730	\$ 1,188			
Executive Assistant RSD	\$ 1,980	\$ 1,683	\$ 297			
Retirement Communications & Content Manager	\$ 5,388	\$ 4,580	\$ 808			
Communications Specialist	\$ 1,343	\$ 1,142	\$ 201			
Procurement Specialist	\$ 24,900	\$ 21,165	\$ 3,735	\$ 1,244	Updated position allocation	
Chief Investment Officer	\$ 5,706	\$ 4,850	\$ 856	\$ 441	Updated position allocation	
Portfolio Director	\$ 3,631	\$ 3,086	\$ 545	\$ 586	Updated position allocation	
Portfolio Manager	\$ 7,462	\$ 6,343	\$ 1,119	\$ 2,874	Updated position allocation	
New IMD/SRP Position	\$ 60,000	\$ 51,000	\$ 9,000			
<b>Subtotal</b>	<b>\$ 1,180,957</b>	<b>\$ 1,003,813</b>	<b>\$ 177,143</b>	<b>\$ 49,247</b>		
<b>Services</b>						
<u>Departmental Allocation</u>						
General Administration	\$ 53,565	\$ 45,432	\$ 8,133	\$ 17,599	Updated per departmental allocations	
Information Technology	\$ 107,617	\$ 91,277	\$ 16,340	\$ 55,442	Updated per departmental allocations	
Financial Operations Division	\$ 25,288	\$ 21,448	\$ 3,840	\$ 8,957	Updated per departmental allocations	
Audit	\$ 124,000	\$ 103,000	\$ 21,000			
Investment Consultant	\$ 375,000	\$ 318,750	\$ 56,250			
Legal	\$ 60,000	\$ 51,000	\$ 9,000			
Other Contracts	\$ 100,000	\$ 85,000	\$ 15,000			
Proxy Voting Service	\$ 25,000	\$ 21,250	\$ 3,750			
Fee Benchmarking Services	\$ 30,000	\$ 25,500	\$ 4,500			
<b>Subtotal</b>	<b>\$ 900,470</b>	<b>\$ 762,658</b>	<b>\$ 137,813</b>	<b>\$ 81,998</b>		
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			
<b>Subtotal</b>	<b>\$ 85,000</b>	<b>\$ 72,250</b>	<b>\$ 12,750</b>			
<b>Other</b>						
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	\$ 50,000		
Travel & Sustenance	\$ 40,000	\$ 34,000	\$ 6,000			
<b>Subtotal</b>	<b>\$ 174,650</b>	<b>\$ 148,453</b>	<b>\$ 26,198</b>	<b>\$ 50,000</b>		
Total Staffing Expenditure	\$ 1,180,957	\$ 1,003,813	\$ 177,143			
Total Expenditures	<b>\$ 2,341,077</b>	<b>\$ 1,987,173</b>	<b>\$ 353,903</b>	<b>\$ 181,245</b>		