Compliance activities "at-a-glance"

April – June 2025

North Carolina Retirement Systems

NC 401(k) & NC 457 Plans

Vendor contract management and performance standards monitoring

- Recordkeeper met all performance standards except the Administrative Quality Standards.
- Custodian met all performance standards.
- Investment consultant met all performance standards.
- Proxy adviser met all performance standards.

Investment guidelines: daily monitoring

- All investment managers were compliant with their respective guidelines.
- Staff completed daily reviews of portfolio holdings during the quarter.
- Staff completed daily reviews for holdings of Communist Chinese Military Companies identified and prohibited under Executive Order 14032 during the quarter.
- Staff found no prohibited holdings from the divestment lists.

Corporate governance update

- Proxy adviser continues to provide email updates of revised recommendations.
- Department maintains Standing Instructions for voting proxies, which significantly reduces the need for manual voting. Department will continue with current standing policy guidelines.

Policy update

- Staff completed the review of departmental policies and procedures for Q2 2025.
- Staff completed tax documents for reclaims in several foreign markets.

Participant complaints and inquiries

- Recordkeeper received a total of two valid complaints.
- One was related to a workflow issue.
- One was related to Plan/Contract (Employer error)

Multi-employer plan management

- Recordkeeper continued to host webinars and do on-site visits to educate employers on plan administration, navigation, and compliance.
- Recordkeeper educated employers on payroll frequency and types of pay eligible for retirement plan contributions.
- Recordkeeper educated employers on checking the website for all participant deferral updates.
- Recordkeeper updated and rolled out several maintenance forms