

TITLE 20 – DEPARTMENT OF STATE TREASURER

Notice is hereby given in accordance with G.S. 150B-21.2 that the Supplemental Retirement Board of Trustees and the Department of State Treasurer intends to adopt the rules cited as 20 NCAC 11 .0101 and .0102.

Link to agency website pursuant to G.S. 150B-19.1(c): <https://www.nctreasurer.com/inside-the-department/opengovernment/proposed-rules/pages/default.aspx>

Proposed Effective Date: June 1, 2019

Instructions on How to Demand a Public Hearing: *(must be requested in writing within 15 days of notice): Any person may request a public hearing on the proposed rules by submitting a request in writing no later than January 30, 2019 to Laura Rowe, Rulemaking Coordinator, Department of State Treasurer, 3200 Atlantic Avenue, Raleigh, NC 27604.*

Reason for Proposed Action: *The Supplemental Retirement Board and the Department of State Treasurer do not receive any appropriations to operate the NC 401(k) Plan, the NC 457 Plan, or the NC 403(b) Program. Instead, to the knowledge of the Department, the operational expenses of the Board and the Department have historically been funded through an administrative fee charged to participants who opt to enroll in the Supplemental Retirement Plans. The Board and the Department will use the administrative fee receipts to fund the administration of the Plans, including Departmental personnel costs and investment consulting and auditing fees.*

Comments may be submitted to: Laura Rowe, 3200 Atlantic Avenue, Raleigh, NC 27604, email dst.ncac@nctreasurer.com

Comment period ends: March 18, 2019

Procedure for Subjecting a Proposed Rule to Legislative Review: If an objection is not resolved prior to the adoption of the rule, a person may also submit written objections to the Rules Review Commission after the adoption of the Rule. If the Rules Review Commission receives written and signed objections after the adoption of the Rule in accordance with G.S. 150B-21.3(b2) from 10 or more persons clearly requesting review by the legislature and the Rules Review Commission approves the rule, the rule will become effective as provided in G.S. 150B-21.3(b1). The Commission will receive written objections until 5:00 p.m. on the day following the day the Commission approves the rule. The Commission will receive those objections by mail, delivery service, hand delivery, or facsimile transmission. If you have any further questions concerning the submission of objections to the Commission, please call a Commission staff attorney at 919-431-3000.

Fiscal impact (check all that apply).

- State funds affected
- Environmental permitting of DOT affected
Analysis submitted to Board of Transportation
- Local funds affected
- Substantial economic impact (\geq \$1,000,000)
- Approved by OSBM
- No fiscal note required by G.S. 150B-21.4

CHAPTER 11 – SUPPLEMENTAL RETIREMENT PLANS

SECTION .0100 – ADMINISTRATIVE FEES

20 NCAC 11 .0101 ADMINISTRATIVE FEES: NC 401(K) AND NC 457 PLANS

(a) The Board and the Department shall charge an administrative fee at an annual rate of 0.025 percent of the assets in each account in the Supplemental Retirement Income Plan of North Carolina and in each account in the North Carolina Public Employee Deferred Compensation Plan.

(b) The Board and the Department may waive the administrative fee in Paragraph (a) of this Rule for a period of up to 12 months based upon the following factors:

- (1) The balance of the administrative expense account for the plans;
- (2) Department projections of future expenses to administer the plans; and
- (3) Department projections of future receipts available for the administration of the plans.

(c) The Board and the Department shall provide notice of a fee waiver on the plans' website and on participants' quarterly statements.

History Note: Authority G.S. 135-91(e); 143B-426.24(h2);
Eff.

20 NCAC 11 .0102 ADMINISTRATIVE FEES: NC 403(B) PROGRAM

(a) The Board and the Department shall charge an administrative fee at an annual rate of 0.050 percent of the assets in each account in the North Carolina Public School Teachers' and Professional Educators' Investment Plan.

(b) The Board may waive the administrative fee in Paragraph (a) of this Rule for a period of up to 12 months based upon the following factors:

- (1) The balance of the administrative expense account for the plan;
 - (2) Department projections of future expenses to administer the plan; and
 - (3) Department projections of future receipts available for the administration of the plan.
- (c) The Board and the Department shall provide notice of a fee waiver on the plan's website and on participants' quarterly statements.

History Note: Authority G.S. 115C-341.2(c);
Eff.