



# Signature NEWSLETTER



North Carolina  
Total Retirement Plans  
401k | 457



*Dale R. Folwell, CPA*  
DALE R. FOLWELL, CPA  
STATE TREASURER OF NORTH CAROLINA

3<sup>RD</sup> QUARTER 2022

## A message from Treasurer Dale R. Folwell, CPA



Being secure is a top priority for most of us. We buy insurance to protect life, health and home. Passwords are used to safeguard online accounts and information. And there is a sense of security in our career and our ability to earn an income. Every day we take an action that helps us feel confident and prepared for a future event.

Retirement deserves the same level of thought, preparation and an overall awareness of your needs. Having chosen a career to teach, protect or otherwise serve the citizens of North Carolina, you are a member of one of the largest and most secure pensions in the world. This lays a solid foundation for future income. But to achieve financial security in retirement, you need to look at the *full picture*.

**The good news** – You are already on the right path by contributing to the NC 401(k) Plan and/or NC 457 Plan (the Plans). With recent market volatility your commitment may be tested, but stay the course and continue to save. Note that your account balance is tied to the investment options YOU choose, including contributions and market performance — not to a

recordkeeper (Empower) or the North Carolina Supplemental Retirement Board of Trustees (Board). However, you can feel secure in knowing that the Plans have strong, managed oversight by the Board and staff. They work hard to monitor investments and provide tools and resources to help you on your retirement journey.

**Plan and save for your legacy.** Consider what you will do and how you will live in retirement. And take time now to name or review your beneficiary(ies) because this action will *provide security* for your loved ones. Remember, updating a beneficiary in one account does not automatically update it in other accounts. You will need to name a beneficiary for your pension, NC 401(k) and/or NC 457 Plan, and outside banking and benefit accounts.

Thank you for your participation in the Plans and your service to the citizens of North Carolina.

Sincerely,

*Dale R. Folwell, CPA*

Dale R. Folwell, CPA  
State Treasurer of North Carolina

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The Supplemental Retirement Board of Trustees provides strong oversight with a **participant-first** mentality to offer plans that deliver valuable and cost-efficient options. Empower acts as the Plans' recordkeeper. Investment options and performance are dependent on individuals' portfolio decisions and daily market fluctuations. Account performance is not tied to Empower or the Board. The NC Plans are offered *exclusively* to public servants of North Carolina, like you.



## myNCPlans.com—bookmark the *new* destination for the NC 401(k) and NC 457 Plans!

Now you can use [myNCPlans.com](https://myncplans.com) to access the NC 401(k) and NC 457 Plans' website and log in to your account — the same way you always have! Temporarily, the previous web address, NCPlans.prudential.com, will continue to function.

## October is National Retirement Security Month: Retirement is in YOUR future

National Retirement Security Month (NRSM) — a nationwide effort to promote public awareness about the importance of saving for retirement — takes place every October.

### Why NRSM is important

NRSM reminds you to plan for your future in retirement. It can be easy to put off the retirement planning process with everyday distractions — and even more difficult to determine whether you are saving enough for retirement.

Putting the right retirement savings plan in place *today* can help give you the financial flexibility to do more of what you want in the *future*.

### Learn more about planning for retirement and the tools that can help you prepare:

- Check your Member Annual Retirement Statement (MARS) in ORBIT.<sup>1</sup>
- Use the Retirement Income Calculator (RIC) to help you learn how much money you may need to save for retirement. To use the RIC, log in to your account at [myNCPlans.com](https://myncplans.com).
- Make sure your beneficiary designations are up to date across all benefit providers and accounts.
- Review your investments to make sure they align with how you feel about investing and your retirement savings timeline.
- Attend a retirement planning conference or webinar. To view the current list of webinars, go to [myNCPlans.com](https://myncplans.com) and click on *Upcoming Employee Events* in the QUICK LINKS section on the left side of the page.

Make the most of National Retirement Security Month and plan for your financial future!

*Spend some time thinking about how you envision your future*

*What activities do you plan to engage in?  
What new things do you want to learn?  
Where do you want to live?  
Where would you like to travel?  
Who do you want to spend your time with?*

*Consider the retirement income you'll need to live the life you want in retirement*





## Participants in action\*

- 924 group meetings
- 3,122 prerecorded webinar views
- 13,279 Retirement Education Counselor 1:1s
- 13,802 participants have increased their contributions

\*YTD data as of June 30, 2022.



## Updating your beneficiary is more important than you may think

Here is some important information you need to know. Your beneficiary designations for the NC 401(k) Plan, the NC 457 Plan and your pension benefit ([ORBIT.myNCRetirement.com](https://www.orbit.nc.gov/retirement)) are individually selected. Log in and choose a beneficiary(ies) for each. We encourage you to review beneficiaries for all benefit providers and accounts.

### **Without a beneficiary designation in place, there could be unintended consequences:**

- There could be a significant delay in the distribution of your account assets.
- The people you intend to receive your account balance may not be the ones to actually receive it, even though they may hire an attorney to put in a claim for your retirement savings.
- If the money goes to your estate, it could be subject to additional delays and taxes, such as estate taxes (that may not have been due if a beneficiary designation had been in place).

### **If you have an outdated beneficiary designation:**

- The beneficiary on file for your Plan account(s) will receive your retirement savings. For example, if you are divorced, and your former spouse is on file as beneficiary, the precedent is that they will receive your retirement savings.
- Your wishes (as outlined in your will) do not supersede your beneficiary designation on file.

### **Beneficiary designation takeaways**

- Visit [myNCPlans.com](https://www.myNCPlans.com) and log in to review your current beneficiary(ies).
- Keep your beneficiary designation(s) on track by scheduling a time, once a year at least, to check your beneficiary designation(s). Mark your calendar or put a reminder in your phone.





## Keeping your money in the Plan(s) after you retire

The NC 401(k) Plan and NC 457 Plan can provide benefits through *all stages* of your retirement journey. The Plans were uniquely designed to take you up to and *through retirement*.

### Staying in the Plans offers you:

- A strong-performing, competitively priced fund lineup<sup>2</sup>
- Thorough investment oversight
- Integration with the state’s pension system
- Personalized assistance through dedicated Retirement Education Counselors (RECs) and Retiree Advocates

Not only can you stay in the Plans after you retire, but you can even roll over money from **other** qualifying retirement plans into your Plan account(s).\*

\*A rollover may be permitted after you retire as long as you have an open account and money in the Plan(s).

### Rolling your retirement savings to an IRA could cost you more

The fees associated with retail share investments in an Individual Retirement Account (IRA) tend to be higher than the fees related to institutional share investments (like investments within the **NC 401(k) and NC 457 Plans**). And that can cost retirement savers thousands of dollars in the long run.\*\*

\*\*Source: “Small Differences in Mutual Fund Fees Can Cut Billions From Americans’ Retirement Savings,” Pew Charitable Trusts, June 30, 2022 <<https://www.pewtrusts.org/en/research-and-analysis/issue-briefs/2022/06/small-differences-in-mutual-fund-fees-can-cut-billions-from-americans-retirement-savings>>.

### The advantages of having all your retirement savings in one place

	Money remains tax deferred	Avoid taxes and penalties	Convenience	Potentially lower cost	Easier to manage and maintain asset allocation	Transfer Benefit
Consolidated account	✓	✓	✓	✓	✓	✓
Multiple accounts	✓	✓				

<sup>1</sup> MARS is released once a year for those members with error-free data and at least one year of consecutive contributing service as of December 31.

<sup>2</sup> Source: BenchmarkDC Executive Summary for North Carolina Supplemental Retirement Plans (for the 5 years ending December 31, 2020), CEM Benchmarking, Inc., located at myNCRetirement.com > Governance > Boards of Trustees and Committees > Boards and Committees Meeting Archives > Supplemental Retirement Board of Trustees Meeting—08/26/2021.

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Participants using the Retirement Income Calculator should consider other assets, income and investments (e.g., equity in a home, Social Security benefits, individual retirement plan investments, etc.) when assessing the adequacy of the estimated income stream as provided by this tool. The Retirement Income Calculator is hypothetical and for illustrative purposes only and is not intended to represent performance of any specific investment, which may fluctuate. There is no assurance that retirement income objectives will be met. It is possible to lose money by investing in securities.

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