



Signature

NEWSLETTER



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

4TH QUARTER 2021

A Message from Treasurer Dale R. Folwell, CPA



I want to recognize YOU for taking the initiative and staying the course as a participant in the North Carolina Supplemental Retirement Plans.

In December, the Supplemental Retirement Board of Trustees made a decision to focus on what we do best – the NC 401(k) and NC 457 Plans. As a result, we will no longer offer the NC 403(b) Program to employers or participants and will wind down the program over the course of this year. Communication will continue around this important decision.

Our Plans continue to be among the largest and **LOWEST COST** plans of their type in the country. With more than 292,000 participants and over \$16 billion in assets, the size of the NC 401(k) and NC 457 Plans helps keep performance high and fees reduced again. In October, the annual recordkeeping and communications fee for plan participants was reduced from \$28 to \$26 (\$6.50 per quarter) per account. That means more money back into your pockets.

As keeper of the public purse, it is one of my goals to continue highlighting the value of the Plans and to make sure that every eligible participant has the opportunity to maximize their retirement savings. This includes being able to roll outside assets into your accounts and keeping your money in the Plans up to and through retirement. In other words, you never have to transfer your money elsewhere – even after retirement!

I encourage you to visit myNCRetirement.com to learn more about the exclusive value available to you as a participant of the Plans, and to make use of the educational resources, tools and calculators.

As we start a new year, it is also a good time to review your personal information with the North Carolina Retirement Systems, including contributions to your supplemental retirement savings and your beneficiary designations.

Thank you for your service to the people of North Carolina and best wishes for a happy and healthy New Year.

Sincerely,

Dale R. Folwell, CPA

Dale R. Folwell, CPA
State Treasurer of North Carolina

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When It Comes to Your Future, 'Information is Power'

In this newsletter, we'll help you learn about market volatility and important enhancements to your online experience within your North Carolina Supplemental Plan account(s).



Market Volatility—What You Need to Know and How to Help Manage It

What is market volatility and why does it matter?

Market volatility is when the prices of investments move up and/or down quickly, and this is something that can make investors nervous. Even so, market volatility is something you need to be familiar with. This familiarity can help you avoid having a knee-jerk reaction to market swings. Plus, it's key to remember that you're in it for the long term.

Putting market downturns into perspective

Long-term investing is *different* from investing or saving for the short term. When you invest for the long term, you won't need access to your money right away—perhaps not for several years. Plus, what is happening in the markets at any point in time may not have a great effect on your retirement savings overall.

Stock market returns often impact mindsets

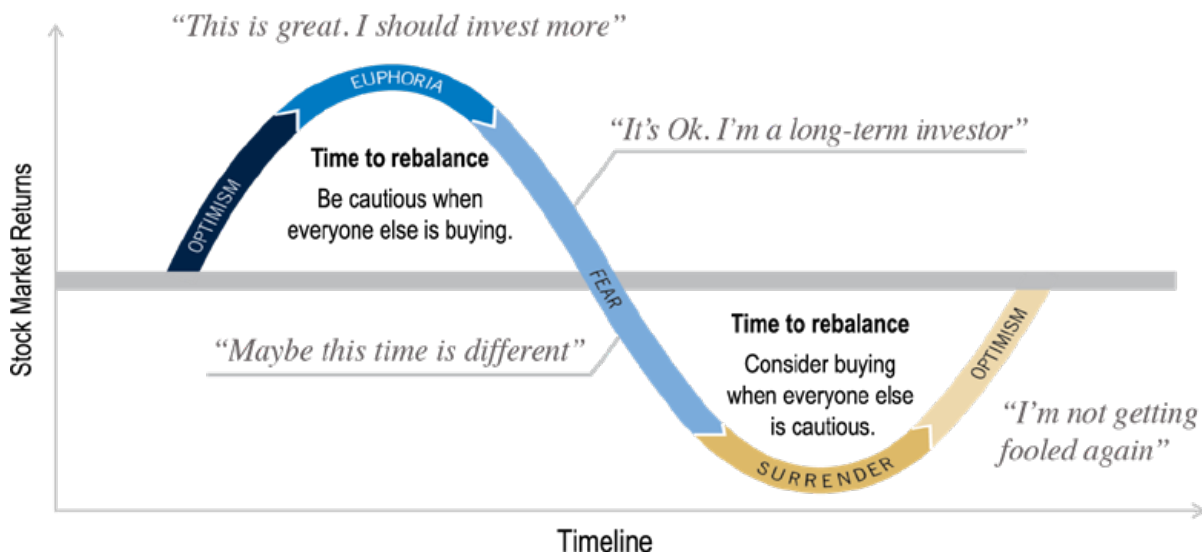
Many investors experience certain feelings throughout a market cycle—and this can make it difficult to keep a long-term perspective. For example:

- When the market is “up,” you may feel happy or optimistic.
- When the market starts to turn “down,” you may become anxious (although seasoned investors often recognize this as normal).
- When the market is nearing its “bottom,” you may have a sense of surrender (however, experienced investors often see this as a good time to buy since they view investments as “on sale”).
- When the market starts to go up again, optimism often returns.
- It's important to keep things in perspective. With long-term retirement investing, time is on your side.

Putting market downturns in perspective

Headlines can make it difficult to keep the long-term perspective in mind.

How some investors may feel during a typical market cycle



Source: PGIM Investments, “Guide to Navigating Uncertain Markets,” 2020.



Market Volatility—What You Need to Know and How to Help Manage It (cont.)

The pros of investment variety

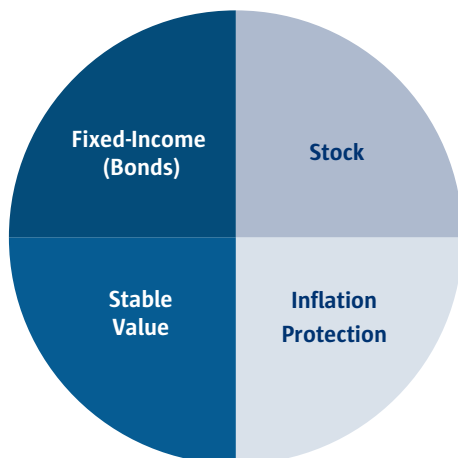
Sometimes, when one kind of investment is performing well, another may not because economic and market conditions affect investments differently. And, since you don't know which investment type will perform well next year or the year after, investing in a variety of funds may help you to better weather the rough spots in the market.

Asset allocation can help you choose your investments and help you manage risk. It involves spreading your money across different types of asset classes—stock, fixed income, and stable value investments.

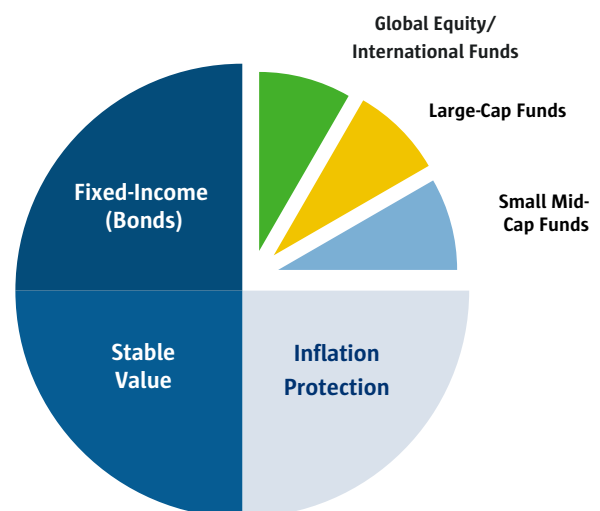
Diversification takes things a step further. To diversify, you choose an appropriate mix of investments, not only across the major asset classes like stocks and bonds, but also *within* them—such as investing in large-cap, small-cap and international equity funds, for example.

Keep in mind that the application of asset allocation and diversification concepts does not assure a profit or protect against loss in a declining market. **It is possible to lose money by investing in securities.**

Asset allocation



Diversification



GoalMaker Helps Select Your Investment Mix

Choosing your investment mix just might be one of the most important steps you take when it comes to preparing for retirement. If you want to make selecting your investments easier, you may wish to consider using GoalMaker®, the plans' optional asset allocation tool that combines your investor style with model portfolios, to help you select your investments. GoalMaker is available at no additional cost and can help you put asset allocation and diversification to work in your account(s), to and through retirement. To learn more about GoalMaker, visit [NCPlans.prudential.com](https://ncplans.prudential.com) and select the "Choose Investments" page.



Plan Fees Reduced Again!

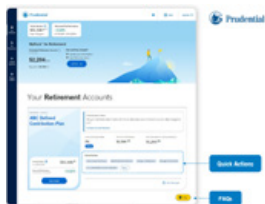
The NC 401(k) Plan, NC 457 Plan and the NC 403(b) Program now cost even less! Effective July 1, 2021, the annual recordkeeping and communications fee for plan participants was reduced from \$28 to \$26 (\$6.50 per quarter) per account. This fee reduction lets even more money stay in your account(s).



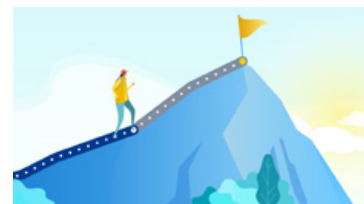
Website Enhancements Rolled Out in Early December

'Refreshed' Account Landing Page

Now, when you log in to your account, you'll see a new "Your Retirement Accounts" landing page — giving you one-click access to your account information, tools and retirement planning solutions.



- Provides you with easy access to model your changes up front to see the potential impacts
- Updates your outside savings automatically
- Includes a new section that focuses on how you may spend money in retirement



MyRock for Retirement Replaced the Retirement Income Calculator

The MyRockSM for Retirement calculator is simpler to use and it's a more engaging and encouraging tool that:

- Provides you with an inspirational front-and-center view of your progress
- Provides you with next-step action tips on how you can optimize and further personalize your retirement savings strategy

It goes where *you* do

MyRock for Retirement is mobile optimized, so you can access this valuable tool wherever and however you like.

Be sure to log in to your account at NCPlans.prudential.com and check out MyRock for Retirement *today!*

Have you already used the Retirement Income Calculator?

If so, all of your information will automatically appear in the MyRock for Retirement calculator.

Increased Contribution Limits for 2022

For calendar year 2022, the IRS maximum contribution amounts for defined contribution plans, such as the NC Supplemental Retirement Plans, have increased. You may wish to increase your contribution amount(s) to take advantage of these new higher limits! To make any changes to your account, log in to NCPlans.prudential.com.

For each plan: NC 401(k), NC 457 and NC 403(b)	Max. Contribution ¹
Standard Contributions	\$20,500
Catch-up Contributions (50 or older)	\$27,000
NC 457 Plan ²	
Three-Year Catch-up Contributions	\$41,000
Participating in BOTH the NC 401(k) AND 457 Plans ²	
Standard Contributions	\$41,000
Catch-up Contributions (50 or older)	\$54,000

¹ Employer contributions reduce the contribution limits in the NC 457 Plan, but not in the NC 401(k) or the NC 403(b).

² NC 457 Plan participants may not use age 50+ catch-up contributions in conjunction with Three-Year Catch-up Contributions.

PRUDENTIAL RETIREMENT®

For the NC 403(b) Program, shares of the registered mutual funds are offered through Prudential Investment Management Services LLC (PIMS), Newark, NJ, a Prudential Financial company. Retirement Education Counselors are registered representatives of PIMS.

GoalMaker's model allocations are based on generally accepted financial theories that take into account the historic returns of different asset classes. Past performance of any investment does not guarantee future results. Participants should consider their other assets, income and investments (e.g., equity in a home, Social Security benefits, individual retirement plan investments, etc.) in addition to their interest in the plan, to the extent those items are not taken into account in the model. Participants should also periodically reassess their GoalMaker investments to make sure their model portfolio continues to correspond to their investment objectives, risk tolerance and retirement time horizon.

Prudential Retirement provides the communications and recordkeeping services for the NC 401(k) and NC 457 Plans and the NC 403(b) Program. With the exception of the NC Stable Value Fund and the NC Fixed Income Fund, the investments offered to you within the NC 401(k) and NC 457 Plans are not offered by or affiliated with Prudential Financial or any of its companies or businesses. Prudential Retirement is a Prudential Financial business.

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