



# GET STARTED GUIDE

For the NC 401(k) Plan and the NC 457 Plan

September 2020



## **NC 401(k) Plan and NC 457 Plan**

### **Requirements and Information for Participating Employers**

The NC 401(k) Plan and the NC 457 Plan are voluntary defined contribution retirement plans that are offered as optional employment benefits to certain state and local governmental employees in North Carolina.

The plans are established by North Carolina law and their respective plan documents; the plans are also subject to the Internal Revenue Code and its regulations.

Each plan is a single plan sponsored by the State of North Carolina with many participating local and state governmental employers.

The plans are sponsored by the State of North Carolina and are administered by the Department of State Treasurer and the Supplemental Retirement Board of Trustees.

The Department and the Board have contracted with Prudential to provide recordkeeping and communications services for the plans.

Your responsibilities as a participating employer in one or both of the plans are summarized in this document. By participating in the NC 401(k) Plan and/or NC 457 Plan, you agree to the administration of the plans according to the Internal Revenue Code and its regulations, the NC General Statutes, the plan documents, and the policies adopted by the Board or the Department (“Applicable Law and Policy”).

If you have questions or require additional information, please email [NCPlans@prudential.com](mailto:NCPlans@prudential.com).

### **Welcome to the NC Supplemental Retirement Plans!**

Information • Features • Contributions • Payroll • Compliance and Corrections • Compensation  
Additional Resources and Information

NC 401(k) • NC 457 • email: [NCPlans@prudential.com](mailto:NCPlans@prudential.com) • website: [NCPlans.prudential.com](http://NCPlans.prudential.com)



## **Information: Getting Started**

### **Information for Prudential: Employer Information**

Complete the [Employer Participation Form](#) and, if applicable, the [Employer Contributions Program Form](#).

For us to effectively serve you, please keep the information current, including the name and contact information of your authorized representatives. Email the forms, including updated forms, to Prudential, at [NCPlans@prudential.com](mailto:NCPlans@prudential.com).

### **Information for Prudential: Employee Information**

Determine employee eligibility for the plan and whether such employee is a law enforcement officer (“LEO”). See page 4 for additional information.

Email the list to Prudential at [NCPlans@prudential.com](mailto:NCPlans@prudential.com) or via the [Prudential Sponsor Center](#).

### **Keep the information current**

Notify Prudential of any change in the employment, eligibility, or LEO status of plan participants, including termination, military leave, other leave, and return from leave, as soon as possible and no later than 30 days after the event.

### **Information for Your Employees**

#### Local Support

Notify your employees of their eligibility to participate in the plan(s). Need help with a communications plan? Prudential stands ready to assist. For assistance, contact your local Retirement Education Counselor—their contact information is available [here](#).

#### Participant Account Access and Plan Information

Encourage your employees to log into their account for changes in or questions about their deferral elections, beneficiaries, loan repayments, contact information, or account access. Employers are not permitted to make deferral or other changes on behalf of employees. To log into their account, employees can visit [NCPlans@prudential.com](mailto:NCPlans@prudential.com). For general plan information, your employees can visit [NCPlans.prudential.com](http://NCPlans.prudential.com).



## Employee Data Coordinated with Prudential

Prior to each payroll date, review the employee deferral rate change and loan reports on the [Prudential Sponsor Center](#).

You are responsible for deducting and sending to Prudential the correct amount of employee deferrals and loan repayments included in these reports.

Review the monthly Court Cost Allocation report on the [Prudential Sponsor Center](#) to ensure that the list of eligible LEOs is correct.

### Required Features

As single plans with multiple employers, most of the features of the NC 401(k) and NC 457 Plans are uniform across all employers and are considered required features by the plan documents or other Applicable Law and Policy.

For example, your employees have access to the following:

- Pre-tax and after-tax (Roth) deferrals
- Loans
- Hardship withdrawals

### Discretionary Features

As an employer, you are allowed to elect the following features for your employees in the plans:

- Employer contributions (e.g., matching, across-the-board), provided that for the NC 401(k) Plan, (1) you make employer contributions as required by state law and (2) any other contributions comply with the restrictions in the plan document (see page 5); and
- Contribution Accelerator, which allows your employees the option to automatically increase their contributions annually, up to 8% of their compensation.

Learn more about the [NC 401\(k\) Plan](#) and the [NC 457 Plan](#) at [NCPlans.prudential.com](https://ncplans.prudential.com).



## Plan Features Document

Saving for retirement is an important step toward living out a financially secure future and your participation election means you are providing an important benefit to your employees. North Carolina Total Retirement Plans have a variety of key features and unique differences.

To help navigate the plans, we created a chart to identify these differences. This also serves as a resource for you to enhance the benefits you provide. A plan comparison grid is available on the plans' [information and enrollment page](#) and within the [Plan Comparison Flyer](#).

### ***We come to you!***

We provide the support you need in person, by phone, online, or in a virtual setting, including Prudential Sponsor Center resources, overall plan features, and required administrative tasks. Your participants have access to [Retirement Education Counselors](#) and formalized meetings. It's easy for you to set up a group meeting. Simply contact us, provide a room or venue to accommodate your staff and let employees know when we will be there!



## Contributions

### Employee Deferrals (Contributions)

All eligible employees are permitted to make pre-tax and/or after-tax (Roth) deferrals (employee contributions) from compensation. See pages 6-7 for more information on the definition of compensation in each plan.

### Employer Contributions

Employers are not required to make contributions for employees, except for LEO contributions as required by state law, but if you elect to make contributions:

- You are responsible for ensuring that any contributions to the NC 401(k) Plan comply with the restrictions in the plan document (summarized in the [Employer Contributions Program Form](#)); and
- You must complete an [Employer Contributions Program Form](#) (even if you currently provide employer contributions). Email the form to Prudential at [NCPlans@prudential.com](mailto:NCPlans@prudential.com), and keep the information current.

### LEO Contributions (NC 401(k) Plan only)

Each LEO that you employ is entitled by state law to the following:

- 5% of compensation (payable by the employer)
- A portion of court costs

You are responsible for determining the status of an employee as a LEO according to state law. See N.C.G.S. § 143-166.50(e) (Local LEOs) or § 143-166.30(e) (State LEOs) for more information.

### Account Maintenance

Update Contact(s) and Emails

Manage Participants

Generate & Download Reports

Research Plan(s)

Use online educational tools

If you need additional information, please email Prudential at [NCPlans@prudential.com](mailto:NCPlans@prudential.com).



## **Payroll**

Your payroll obligations include the following:

- Establish payroll processes as reasonably requested by Prudential;
- Properly process and withhold your employees' deferrals and loan repayments from your employees' pay, based on the information provided by Prudential, and as soon as administratively practical, remit to Prudential the correct employee deferrals, loan repayments, and employer contributions;
- Process and remit separately pre-tax employee deferrals, after-tax (Roth) employee deferrals, pre-tax employer contributions, after-tax (Roth) employer contributions, and loan repayments; and
- Send Prudential the correct deferral and loan repayment files that correspond to the amounts remitted to Prudential. Prudential will confirm receipt of your file.

## **Compliance and Corrections**

- Cooperate with the Board, the Department, and Prudential to allow the plans to be administered according to Applicable Law and Policy.
- Request from Prudential the return of employer or participant contributions that the employer remitted based on a mistake of fact. The recovery must be made within one year after the date of the mistaken contributions.
- Inform Prudential as soon as possible of any operational errors that you discover, including incorrect contribution or loan repayment amounts.
- Make any payments and take other actions that are necessary to correct any prior failures by the employer to comply with such restrictions and obligations.
- Cooperate with the plans' auditor, including site visits by the auditor and providing data, information, and documents as requested by the auditor.

## **Compensation**

Employee deferrals are made from compensation, and employer contributions are often based on an employee's compensation. The definition of compensation differs between the NC 401(k) Plan and the NC 457 Plan and in both plans includes more than just an employee's base pay.



## NC 401(k) Plan Compensation

Compensation in the NC 401(k) Plan generally includes all salaries and wages but does not include payouts for unused sick leave upon leaving employment or expenses, reimbursements, or allowances. For the complete definition, see Section 1.08 (Compensation) of the plan document, available at [myNCRetirement.com](http://myNCRetirement.com).

## NC 457 Plan Compensation

Compensation in the NC 457 Plan generally includes income reported in Box 1 of IRS Form W-2. For the complete definition, see Section 2.15 (Includible Compensation) of the plan document, available at [myNCRetirement.com](http://myNCRetirement.com).

## Additional Resources and Information

### *Websites*

[Prudential Sponsor Center](#) (Prudential's website for exchanging information on behalf of employees).

Participant Website is available at [NCPlans.prudential.com](http://NCPlans.prudential.com) (including forms for participants).

### *Frequently Asked Questions*

[FAQs for Employers](#)

[FAQs for Participants](#)

### *Plan Descriptions and Governance Documents*

[Plan Comparison Flyer](#)

[Investment Options](#) in the NC 401(k) and NC 457 Plans

[Fee Disclosure](#)

[Plan Governance](#)

[Plan Document for the NC 401\(k\) Plan](#)

[Plan Document for the NC 457 Plan](#)





[Loan Policy](#)

[Information on the Board](#)

[Board Meetings](#)

*Member Retirement or Separation*

Prudential will work with you through the steps of retirement or separation. When a member is no longer employed with you, the member can remain in the Supplemental Retirement Plans to benefit from low fees and Board oversight.

***We are here for you!***

Prudential will provide you with administrative tools and resources on the [Prudential Sponsor Center](#). It's easy for you to retrieve materials and resources to properly manage the administration of accounts and operational processes. Prudential is fully staffed to help you with inquiries, education issue resolution and processes. You have access to the service team via [email](#) and self-service tasks through the [Prudential Sponsor Center](#).