

Signature

NEWSLETTER



North Carolina
Total Retirement Plans
401k | 457



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

A Message from Treasurer Dale R. Folwell, CPA



Good news! As of Jan. 1, 2024, the annual recordkeeping fee for the NC 401(k) and NC 457 Plans (the Plans) has been reduced to \$25. This follows the administrative fee reduction delivered in September. Our goal is to make sure you have strong retirement savings options and I want to thank staff, the Supplemental Retirement Board of Trustees, and our partners at Empower for continuing to find and deliver value for participants like you.

The North Carolina Supplemental Retirement Plans are available to public servants in the state of North Carolina. I encourage you to talk with your coworkers about the steps you are taking to be financially secure in retirement. These conversations are a catalyst for action and open the door for you to evaluate what may need to be improved.

It is important to make sure that you are taking advantage of all the benefit offerings available. Did you know there are over 550 employers that offer a contribution? A list of these employers is available on myNCPlans.com. The Plan participation rate at

local governments, where many employers offer a contribution, is twice the rate of state employees. To help close this gap and further retirement readiness, I have asked the legislature to consider a \$25 monthly match for all state employees.

This quarter, the Plans will be migrating to a new platform. To prepare for the upgraded online experience, log in to your account at myNCPlans.com and review your personal information, including current contributions and beneficiary designations. Important communications around the migration will continue to be sent.

Thank you for your service to the people of North Carolina, and I wish you the best health and happiness in the new year.

Sincerely,

Dale R. Folwell, CPA

Dale R. Folwell, CPA
State Treasurer of North Carolina



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The Plans now save you more money than ever before

The Department of State Treasurer is committed to lowering costs, increasing value and reducing complexity for all NC 401(k) and NC 457 Plan (the Plans) participants. The Supplemental Board of Trustees (Board) voted to reduce the administrative fee — and negotiated a reduced fee for recordkeeping and communications. This means more money remains in your account!



GoalMaker enhancements coming soon

In early 2024, improvements are coming to GoalMaker®, the Plans' optional asset allocation tool that helps you select an investment model based on your investing style.

While enhancements are coming to GoalMaker, many of the popular features that participants have come to rely on will remain the same:

- GoalMaker is composed of the Plans' investments
- GoalMaker's asset allocation is based on age, risk and years up to or in retirement
- There is no additional cost to elect GoalMaker



New and improved GoalMaker experience

Original GoalMaker

Participants choose a **static GoalMaker model**, then transition to a new, more conservative model each time they reach a specific age range.

Quarterly rebalancing is done **on a single date**, for all participants who have elected GoalMaker.

9 portfolios per risk category and they were established based on years to, or in, retirement.

Enhanced GoalMaker

More simplified approach

Participants are mapped to a single North Carolina GoalMaker **model that will become more conservative over time**. This is sometimes referred to as a "glidepath."

This provides for a more simplified approach.

Rebalancing based on date of birth

Quarterly rebalancing is done on a rolling basis **based on an individual's date of birth**.

This provides for a more personalized approach.

Wider range of models

Increases the number of **models for each risk category** so participants can align to a more tailored GoalMaker experience.

This provides for a wider range of models to support your investing objectives.



Plan fees reduced ... *again!*

September 1, 2023: Administrative Fee Reduction

Each account's administrative fee was reduced to 0.01% (equal to 10 cents for each \$1,000 in an account), effective September 1, 2023. Over the past five years, the Board has lowered or temporarily waived the administrative fee three times — saving participants more than \$5.5 million.

January 1, 2024: Recordkeeping Fee Reduction

The annual recordkeeping fee will be reduced to \$25.



SECURE 2.0 Act: What *you* need to know

The SECURE 2.0 Act was designed to help American workers achieve retirement security. It includes several provisions that impact NC 401(k) and NC 457 Plan participants, as shown in the table below:

Summary of SECURE 2.0 provisions	Effective Date
Required minimum distribution (RMD) age increases to: <ul style="list-style-type: none"> • 73 for individuals who reach age 72 after Dec. 31, 2022 • 75 for individuals who reach age 74 after Dec. 31, 2032* 	Jan. 1, 2023
Eliminates the requirement for Plan participants to receive RMDs for Roth accounts during their lifetime.	Jan. 1, 2024
Expands the definition of qualified public safety employees to include certain corrections officers and forensic security employees, thus making them eligible for the age 50 exception to the 10% early withdrawal penalty. This is applicable to the NC 401(k) Plan only.	Dec. 30, 2022
For purposes of the RMD rules, a surviving spouse may elect to be treated as the deceased Plan participant.	Jan. 1, 2024
Reduces the penalty for failure to take RMDs from 50% to 25%.	Jan. 1, 2023
Extends the age 50 exception to the 10% early withdrawal penalty to those qualified public safety employees who have separated from service and have attained age 50 — or have attained 25 years of service , whichever comes first. This is applicable to the NC 401(k) Plan only.	Dec. 30, 2022

A NEW online experience is coming in early 2024

Your retirement online account will be upgraded to a new technology platform in the first quarter of 2024. Your Plan account(s), current investments, contribution rates and beneficiary elections will automatically transfer to the new digital experience.

What you can look forward to

- **New account website** — Manage your retirement account with the help of enhanced planning features and tools.
- **New app for on-the-go access** — Available for iOS® and Android™ environments.



NC 401(k) and 457 Plans' participants in action

24,940

participants have increased their contributions

48,223

attended group meetings

20,305

Empower Retirement Education Counselor meetings with individuals

*YTD data as of 9/30/2023.

* As of January 1, 2023, the IRS generally requires you to start taking required minimum distributions (RMDs) at age 73. (If you turned 72 in 2022 and delayed your first-time RMD until April 1, 2023, you must take your 2022 RMD by April 1, 2023, and your 2023 RMD by December 31, 2023.)

*On April 1, 2022, Empower acquired the full service retirement business of Prudential Financial Inc. Following an initial transition period, Empower will become the sole administrator of this business. Empower refers to the products and services offered by Empower Annuity Insurance Company of America and its subsidiaries. Empower is not affiliated with Prudential Financial Inc. or its affiliates. For additional information, please review the **important information** associated with this acquisition.*

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 continues to correspond to their investment objectives, risk tolerance and retirement time horizon.

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Empower Retirement, LLC provides the communications and recordkeeping services for the NC 401(k) and NC 457 Plans. The investments offered to you within the NC 401(k) and NC 457 Plans are not offered by or affiliated with Empower Retirement, LLC.

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