



North Carolina
Total Retirement Plans
401k | 457 | 403b



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

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Retirement Readiness Message from Steve Toole

As we begin 2018, let me take this opportunity to **thank you for partnering with us**. Thank you for sharing our important mission of preserving, protecting and sustaining the retirement systems for NC public servants and for offering the NC Total Retirement Plans to help your employees supplement their pension benefits. You know that members who contribute on their own in the Plans 401(k), 457 or 403(b) are much more likely to be retirement ready than those who participate in the NC pension plan alone.

You're a big part of making sure that your employees participate in an NC Total Retirement Plan and stay in even after retirement. By offering these high-quality, very low-fee plans, you give your employees the best chance to save for the secure retirement they envision.

In 2017, we simplified the Plans' investment lineup, significantly lowered investment management fees, added new field educational counselors, initiated successful targeted outreach to those nearing retirement and those not enrolled in the Plans, enhanced the participants' mobile online experience, transitioned our three Plans to one record-keeping partner, and much more!

Although we've accomplished a lot, there's more work to be done! Our commitment to high-quality, low-cost supplemental offerings will continue into 2018, and we're counting on you to help us encourage enrollment in these Plans. The more employees who participate, the more we can all rest easier knowing that there will likely be more NC public servants who will enjoy a comfortable retirement. (You already know that the Plans serve as a great recruiting and retention tool. Studies show that more than half of employees would likely switch employers for a similar job that offered better retirement benefits.)

In 2018, we'll be reaching out to you to share some great news about big changes coming to the asset allocation tool GoalMaker® and significant enhancements to the new myNCRetirement Statement (formerly the Annual Benefits Statement). Plus, we're also working on some enhancements to our employer portal on the NCPlans.prudential.com website and improved onboarding resources for new hires, too. We will keep you posted in this newsletter on all these improvements and more.

Thank you for your partnership, and best wishes for a happy and healthy new year!



Steve Toole, Executive Director
NC Retirement Systems,
Retirement Systems Division
NC Department of State Treasurer



Keep It Up

Congratulations to the employers listed below, who have adopted the NC 457 and/or NC 401(k) Plans or the NC 403(b) Program, have committed to making an employer contribution or increasing their employer contribution, or have adopted Contribution Accelerator during 2017 (through September 30)!

Employers Adopting A New Plan

Counties

Bertie County
Cabarrus County
Guilford County
Iredell County

Municipalities

City of Belmont
City of Southport
Town of Biscoe
Town of Carolina Beach
Town of Wadesboro
Town of Weaverville

Schools

Catawba County Schools
Hyde County Schools
Mount Airy City Schools
Tyrrell County Schools
Wayne County Public Schools

Charter Schools

Central Park School for Children
Cornerstone Charter Academy
Raleigh Charter High School
Roxboro Community School

Community Colleges

Alamance Community College
Caldwell Community College
Cleveland County Community College
Roanoke-Chowan Community College
Robeson Community College
South Piedmont Community College

Other

Airport Commission of Forsyth County
Albemarle Dst. Jail Comm.
Asheboro Housing Authority
Land of Sky Regional Council of Governments
Marion ABC Board
NC Department of Military and Veteran Affairs
Rocky Mount/Wilson Airport Authority
Western Piedmont Council of Governments
Western Piedmont Regional Transit Authority

Employers Adding an Employer Contribution

Albemarle Regional Health Services
Granville County
Indian Trail ABC Board
Marion ABC Board
Town of Carolina Beach
Town of Red Springs
Village of Sugar Mountain
Western Piedmont Council of Governments

Employers Increasing their Employer Contribution

City of Archdale
Laurinburg-Maxton Airport Comm.
Town of Forest City
Town of Kernersville
Town of Laurel Park
Town of Mills River
Town of Woodfin

Employers Adopting Contribution Accelerator

Counties

Randolph County
Yadkin County

Charter Schools

Cornerstone Charter Academy
Lake Norman Charter School
Roxboro Community School

Municipalities

Town of Davidson
Town of Jamestown
Town of Mills River
Town of Morrisville
Town of Stanley
Town of Topsail Beach

Other

Guilford Fire District 13
Raleigh Housing Authority
Summerfield Fire District



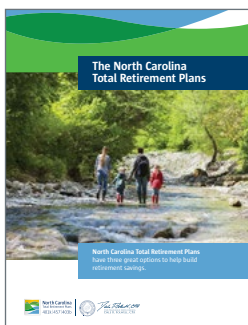
Contributions Fuel Your Employees' Financial Future

One of the best ways you can help your employees achieve retirement readiness is by encouraging them to contribute as much as they can to their NC 401(k), NC 457 or NC 403(b) account(s). But did you know that there are *several* ways that they can do so?

Check out the chart below, which outlines the types of contributions public employees can make to these Plans, contribution limits—and even how any employer contributions to the supplemental retirement plans may affect employees' ability to contribute to the Plans.

	NC 457 PLAN	NC 401(k) PLAN*	NC 403(b) PROGRAM*
Pre-tax and/or Roth Contributions	<ul style="list-style-type: none"> Made by payroll deduction No minimum Maximum is \$18,000 in 2017 (\$18,500 in 2018; amount is not reduced by rollovers into the Plan from other eligible retirement plans) 	<ul style="list-style-type: none"> Made by payroll deduction No minimum Maximum is \$18,000 in 2017 (\$18,500 in 2018; amount is not reduced by rollovers into the Plan from other eligible retirement plans) 	<ul style="list-style-type: none"> Made by payroll deduction No minimum Maximum is \$18,000 in 2017 (\$18,500 in 2018; amount is not reduced by rollovers into the Plan from other eligible retirement plans)
Employer Contributions	Employer contributions, if applicable, reduce the annual maximum employee contribution allowance.	Employer contributions, if applicable, do not reduce the annual maximum employee contribution allowance.	Employer contributions, if applicable, do not reduce the annual maximum employee contribution allowance.

	NC 457 PLAN	NC 401(k) PLAN*	NC 403(b) PROGRAM*
Age 50+ Catch-Up Contributions	<p>If age 50 or older by December 31, the member may contribute an additional \$6,000 to the Plan for a total maximum deferral of \$24,000 in 2017 (\$24,500 in 2018).</p> <p>Cannot be used in conjunction with the three-year catch-up contribution</p>	<p>If age 50 or older by December 31, the member may contribute an additional \$6,000 to the Plan for a total maximum deferral of \$24,000 in 2017 (\$24,500 in 2018).*</p> <p>*Limit is for total combined contributions</p>	<p>If age 50 or older by December 31, the member may contribute an additional \$6,000 to the Plan for a total maximum deferral of \$24,000 in 2017 (\$24,500 in 2018).*</p> <p>*Limit is for total combined contributions</p>
Additional Catch-Up Contributions	<p>Available to members who are within three years of the taxable year in which normal retirement age is attained and who did not contribute the maximum allowed in prior years. Maximum contribution is \$36,000 in 2017 (\$37,000 in 2018).</p> <p>Cannot be used in conjunction with the Age 50+ catch-up provision</p>	Not available	<p>If permitted by your district, for an employee who has at least 15 years of service with a public school system, his or her 403(b) elective deferral limit is increased by the lesser of:</p> <ul style="list-style-type: none"> • \$3,000, • \$15,000, reduced by the amount of additional elective deferrals made in prior years because of this rule, or • \$5,000 times the number of the employee's years of service for the organization, minus the total elective deferrals made for earlier years. <p>If an employee qualifies for the 15-year rule, his or her elective deferrals under this limit can be as high as \$20,500 for 2017.</p>



For more information on other characteristics of the Plans, refer to the brochure titled [The North Carolina Total Retirement Plans](#).



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Make the Most of Your Retirement Education Counselors

Your North Carolina Total Retirement Plans Retirement Education Counselor is a salaried team member whose primary role is to help North Carolina public employees reach their retirement savings goals and to help employers like you who partner with us.

Your Retirement Education Counselors do this in many ways, including through:

- Individual appointments with participants and with employers, in person and over the phone;
- Webinars and new hire orientations for employees; and
- Group meetings that address a wide range of retirement planning topics.

Be sure to leverage the benefits of your Counselors. Contact your [Retirement Education Counselor](#) for assistance!





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IRS Increases Retirement Plan Contribution Limit for 2018

Good news! The IRS recently announced that they have increased the retirement plan contribution limit from \$18,000 (in 2017) to \$18,500 in 2018 for those employees under the age of 50. Plan participants who will be 50 or older by December 31, 2018, may contribute up to \$24,500 to their Plan accounts.

Exciting Resource Coming to YOU in 2018

We know that you have a lot on your plate when a new employee arrives! It's challenging to inform new employees about all the great benefits available to them as NC public servants, so we're partnering with the NC pension staff to create a New Hire Orientation Kit for all your new employees. The kit will be available online at myncretirement.com and include helpful information for setting up their online accounts. It will even include an orientation video that talks about the NC pension system and the supplemental retirement plans. Stay tuned for more details!

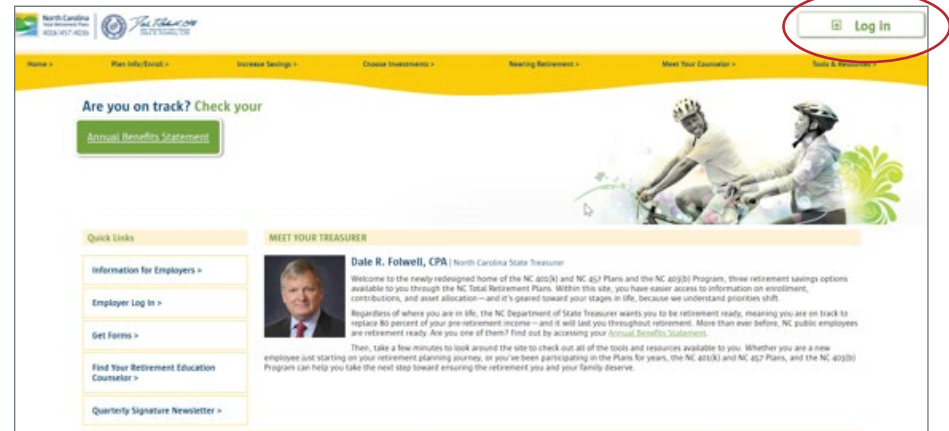
Help Your Employees Navigate Their Way to a More Secure Retirement

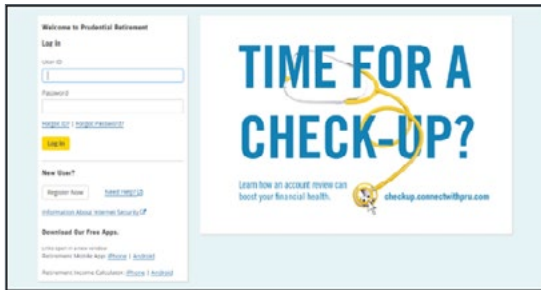
The days of blank retirement forms filling your filing cabinets and employees waiting for forms to be received by mail are OVER! Your employees can visit [NCPlans.prudential.com](https://ncplans.prudential.com) to log in to their NC 401(k), NC 457 or NC 403(b) account(s) to handle transactions quickly and easily, and the best part is that you don't have to keep up with the latest versions of paper forms!

Prudential Retirement® recently enhanced the participant website with a new look and improved site navigation.

The website is now mobile-responsive — each page display adjusts based on the device being used (laptop, tablet, or smartphone). And it's Web Content Accessibility Guidelines (WCAG) compliant, so pages are accessible to individuals with disabilities.

Following is an overview of many of the screens you and your participants will see when you visit [NCPlans.Prudential.com](https://ncplans.prudential.com) and click on the “Log In” button in the upper right corner of the screen.

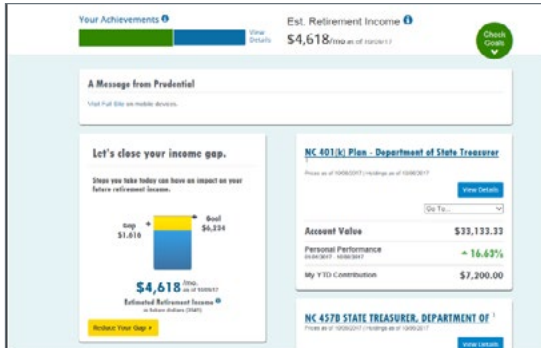




LOG IN PAGE:

On this page, the participant enters his or her user ID and password.

New users must click on the “Register Now” button and follow the instructions to gain online access to their account(s).

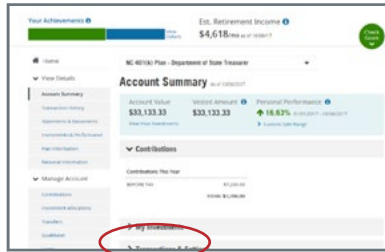


LANDING PAGE:

Once the participant enters his or her user ID and password, this page will appear. It shows users, at a glance:

- The retirement planning progress they’ve made through the “Your Achievements” meter;
- Their estimated monthly retirement income;
- Any important message(s) from Prudential;
- Any estimated retirement income gap the participant may have;
- Their current account value;
- Their account performance information; and
- Their total year-to-date contributions.

Clicking on the name of the Plan will bring the user to the Account Summary screen.

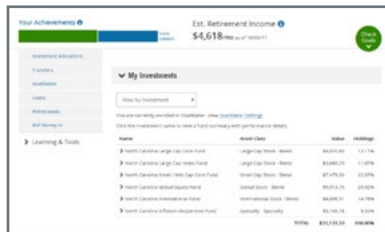


ACCOUNT SUMMARY SCREEN:

This redesigned screen makes it quicker and easier for users to access information and perform transactions. It gives participants a high-level summary of their account, including their current account value, vested amount and personal account performance.

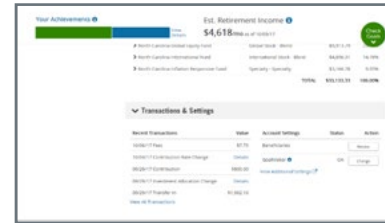
Using the left navigation bar gives participants easy access to other screens they can navigate to in order to manage their account.

By clicking on the “My Investments” bar, participants can access the My Investments screen.



MY INVESTMENTS SCREEN:

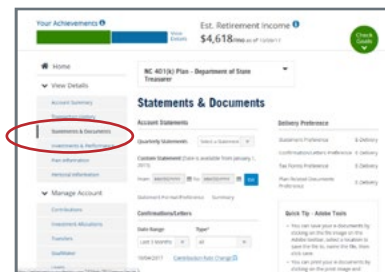
From this screen, participants can see how the money within their account is invested. Using the left navigation bar, they can easily transfer money among the Plan’s investments, select a GoalMaker® portfolio, request to roll money into the Plan from other eligible retirement plans... and *much* more.



TRANSACTIONS & SETTINGS SCREEN:

For the first time, all transactions and settings are now in one place. Participants access this screen by clicking the “Transaction History” button on the left navigation bar of the Account Summary screen.

From this Transactions & Settings screen, users now get a snapshot of in-progress and recent transactions. They can also view all the current settings for their account—including, for example, their beneficiary designation.



STATEMENTS & DOCUMENTS SCREEN:

Participants can reach the Statements & Documents screen by clicking on the “Statements & Documents” button on the left navigation bar.

From this screen, users can:

- View their quarterly statements;
- View a custom statement for a time frame they specify;
- Retrieve confirmations and letters; and
- Specify their delivery preferences for statements and other Plan-related communications.

Outreach Campaigns Promoting Benefits of Enrolling and Keeping Savings in the Plans Continue!

- Our monthly “nearing retirement” email outreach campaign, targeted to NC 401(k), NC 457 and NC 403(b) participants who have turned in Form 6 (indicating the date they wish to retire) continues. This campaign encourages these employees to keep their money in the Plan(s) after retirement, and to make a One Time Contribution to the Plan(s) before they retire.
- Also still in progress is our Enrollment Campaign, which contacts eligible participants on or near their birthday. Communications go out once per week. This campaign continues through mid-2018.





Questions?

If you have questions, please contact your [Retirement Education Counselor](#) or designated Account Manager. Email Prudential Retirement® at NCPlans@Prudential.com.

PRUDENTIAL RETIREMENT®

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Prudential Retirement provides the communications and recordkeeping services for the NC 401(k) and NC 457 Plans and the NC 403(b) Program. 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.

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.**

GoalMaker is an optional tool and available at no additional cost. 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. Prudential Financial encourages participants to consider their other assets, income and investments when enrolling in the GoalMaker program. We also recommend participants periodically reassess their GoalMaker investments to make sure their model portfolio continues to correspond to their investment objectives, risk tolerance and retirement time horizon.

Retirement Education Counselors are registered representatives of Prudential Investment Management Services LLC (PIMS), Newark, NJ, a Prudential Financial company.

Neither Prudential Retirement nor any of its representatives provide tax advice for which you should consult your qualified professional.

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0314006-00001-00

Tax catalog number 52608-01052018

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