

November 13, 2024 at 2:30 p.m.  
Via Videoconference and PBS North Carolina Livestream  
UNC System Office  
223 S. West Street, Room 1809  
Raleigh, NC 27603

## **AGENDA**

### **OPEN SESSION**

- A-1. Approval of the Open Session Minutes .....Carolyn Coward
  - a. September 11, 2024
  - b. October 17, 2024
- A-2. Retirement Program Overview.....Michael Vollmer and Brian Usischon

### **CLOSED SESSION**

- A-3. Approval of the Closed Session Minutes of September 11, 2024 .....Carolyn Coward
- A-4. Executive Compensation Matter ..... Thomas Walker

### **OPEN SESSION**

- A-5. Adjourn

## Closed Session Motion

### Motion to go into closed session to:

- Prevent the disclosure of information that is privileged or confidential under Article 7 of Chapter 126 of the North Carolina General Statutes, or not considered a public record within the meaning of Chapter 132 of the General Statutes.
- Consult with our attorney to protect attorney-client privilege.
- Consider the qualifications, competence, performance, or condition of appointment of a public officer or employee or prospective public officer or employee.

**Pursuant to:** G.S. 143-318.11(a)(1), (3), and (6).

## DRAFT MINUTES

September 11, 2024 at 1:15 p.m.  
Via Videoconference and PBS North Carolina Livestream  
UNC System Office  
223 S. West Street, Room 1809  
Raleigh, North Carolina

This meeting of the Committee on University Personnel was presided over by Chair Carolyn Coward. The following committee members, constituting a quorum, were present either in person or via videoconference: Temple Sloan, Woody White, Swadesh Chatterjee, and Jimmy D. Clark.

Chancellors participating were Robin Cummings, Sharon Gaber, and Aswani Volety. Shayna Hill, chair of the UNC Staff Assembly, and Wade Maki, chair of the UNC Faculty Assembly, were also in attendance.

Staff members present included Thomas Walker, Mary Griffin Inscoe, and others from the University of North Carolina System Office.

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### 1. Call to Order and Open Session Minutes (Item A-1)

The chair called the meeting to order at 1:16 p.m. on Wednesday, September 11, 2024, and reminded all committee members of their duty under the State Government Ethics Act to avoid conflicts of interest and appearances of conflicts of interest. The chair asked if there were any conflicts or appearances of conflicts with respect to any matter coming before the committee. No members identified any conflicts at the time. The minutes from the July 24, 2024, and August 9, 2024, meetings were approved by unanimous consent.

### 2. 2023-24 Annual Report of the Committee on University Personnel (Item A-2)

The committee voted to accept the 2023-24 Committee on University Personnel Annual Report for submission to the full board.

**MOTION:** Resolved, that the Committee on University Personnel approve the 2023-24 Committee on University Personnel Annual Report and submit it to the full Board of Governors.

**Motion:** Temple Sloan

**Motion carried**

### 3. Employee Turnover Rates (Item A-3)

The committee received a presentation on recent turnover trends for employees across the University of North Carolina System showing that after the rise in turnover in 2022-23, and the subsequent implementation of sign-on and retention bonus programs, voluntary turnover rates have largely returned to pre-COVID levels over the past 12 to 18 months. Overall, the university's voluntary turnover rates are

trending better than benchmark data from the national College and University Professional Association for Human Resources.

#### **4. Closed Session**

The chair called for a motion to move into closed session.

**MOTION:** Resolved, that the Committee on University Personnel move into closed session to prevent the disclosure of information that is privileged or confidential pursuant to Article 7 of Chapter 126 of the North Carolina General Statutes [G.S. 143-318.11(a)(1)]; to consult with an attorney employed or retained by the public body in order to preserve the attorney-client privilege between the attorney and the public body, which privilege is hereby acknowledged [G.S. 143-318.11(a)(3)]; and to consider the qualifications, competence, performance, or conditions of appointment of a public officer or employee or prospective public officer or employee [G.S. 143-318.11(a)(6)].

**Motion:** Temple Sloan

**Motion carried**

#### **THE MEETING MOVED INTO CLOSED SESSION AT 1:32 P.M.**

(The complete minutes of the closed session are recorded separately.)

#### **THE MEETING RESUMED IN OPEN SESSION AT 2:28 P.M.**

There being no further business and without objection, the meeting adjourned at 2:28 p.m.

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Woody White, Secretary

## DRAFT MINUTES

October 17, 2024 at 10:15 a.m.  
Via Videoconference and PBS North Carolina Livestream  
UNC System Office  
223 S. West Street, Board Room  
Raleigh, North Carolina

This meeting of the Committee on University Personnel was presided over by Chair Carolyn Coward. The following committee members, constituting a quorum, were present either in person or via videoconference: Temple Sloan, Woody White, Swadesh Chatterjee, and Jimmy D. Clark.

Chancellors participating were Robin Cummings, Sharon Gaber, and Aswani Volety. Shayna Hill, chair of the UNC Staff Assembly, was also in attendance.

Staff members present included Thomas Walker, Mary Griffin Inscoe, and others from the University of North Carolina System Office.

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### 1. Call to Order

The chair called the meeting to order at 10:15 a.m. on Thursday, October 17, 2024, and reminded all committee members of their duty under the State Government Ethics Act to avoid conflicts of interest and appearances of conflicts of interest. The chair asked if there were any conflicts or appearances of conflicts with respect to any matter coming before the committee. No members identified any conflicts at the time.

### 2. Human Resources Update (Item A-1)

President Peter Hans shared a presentation on recent improvements in the administration of Human Resources throughout the University of North Carolina System, including the simplification of employee classification, the streamlining of salary ranges, the elimination of longtime vacant positions, and updated delegated approval authority for human resources actions.

There being no further business and without objection, the meeting adjourned at 10:37 a.m.

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Woody White, Secretary

## AGENDA ITEM

A-2. Retirement Program Overview ..... Michael Vollmer and Brian Usischon

**Situation:** The University works in a complex structure of retirement program administration that includes state, federal, and university-provided retirement programs. Faculty and staff employees who work 30 or more hours per week must participate in a retirement program. There are also voluntary plans and supplemental deferred compensation arrangements that have varying eligibility rules.

**Background:** The Office of State Treasurer administers the Teachers' and State Employees' Retirement System (TSERS) available to UNC System employees. The Board of Governors approved the establishment of the UNC System's Optional Retirement Program (ORP) in 1972 as an alternative to TSERS. In 2013, the Board authorized the Senior Administrative Officer Retirement Program (SAORP) for senior leaders across the UNC System and the Senior Athletic Employee Retirement Program (SAERP) for athletic directors and head coaches.

Participation in the ORP is governed by North Carolina General Statute 135-5.1 and the plan document approved by the Board. Participation in the SAORP is governed by Section 300.2.14[R] of the UNC Policy Manual, *Regulation for Deferred Compensation for Chancellors*, and Section 300.2.14.1[R] of the UNC Policy Manual, *Regulation for Defferred Compensation for Senior Academic and Administrative Officers Other than Chancellors or the President*, and the SAORP plan document.

**Assessment:** During this meeting System Office staff will provide a brief presentation on the various retirement plans offered to the University's benefit eligible workforce.

**Action:** This item is for information only.





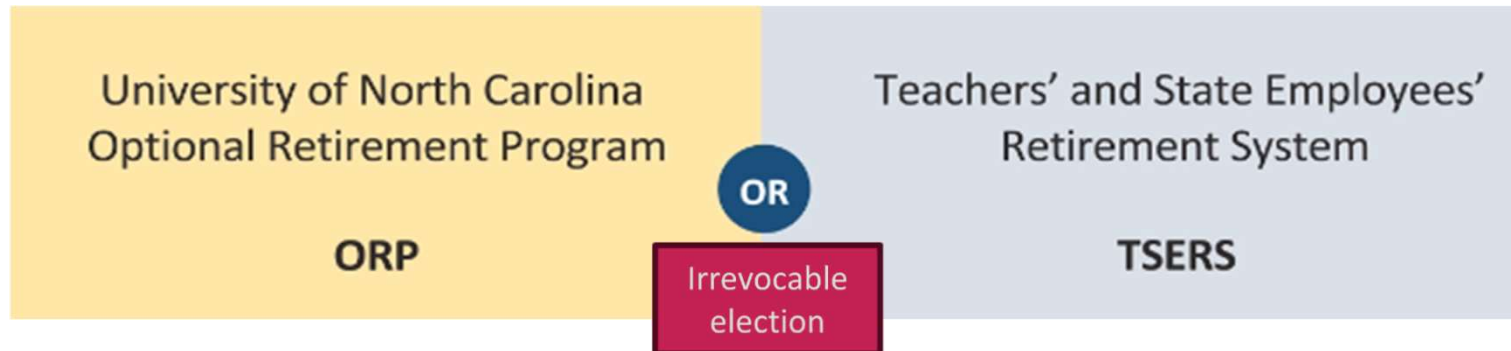
# UNIVERSITY RETIREMENT PLANS

November 2024



# University Retirement Plans

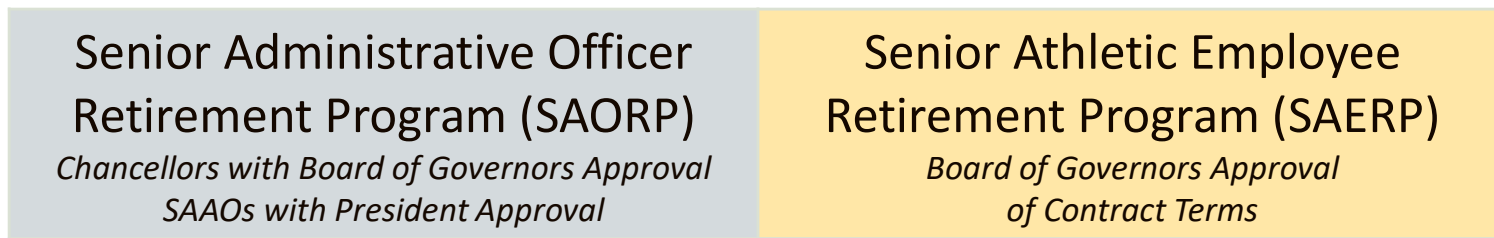
## Employer Sponsored Retirement Programs



## Voluntary Retirement Programs



## Senior Administrator Deferred Compensation Programs



# TSERS vs. ORP

Standard Retirement TSRS vs. ORP	Benefit to Employee	Benefit to Employer
<ul style="list-style-type: none"> <li>Teachers and State Employees' Retirement System</li> <li>Optional Retirement Program</li> </ul>	<ul style="list-style-type: none"> <li>Pension based on a formula, including years of service and average of four highest years of salary</li> <li>Portable 401(k) like plan</li> <li>Employee directs investments and distribution options.</li> </ul>	<ul style="list-style-type: none"> <li>Consistent for employees moving between Local Government, K-12 and State Government employment.</li> <li>Recruiting employees who prefer to direct their own retirement</li> <li>Recruiting employees who may not be career State employees.</li> </ul>
Plan Costs to the University	Annual Rate	Cost per Median Employee (\$72,000 salary)
<ul style="list-style-type: none"> <li>Teachers' and State Employees' Retirement System</li> </ul>	16.79% of Salary	\$12,089 per year
<ul style="list-style-type: none"> <li>Optional Retirement Program</li> </ul>	6.84% of Salary	\$4,925 per year

# Supplemental Deferred Compensation Plans

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SAORP and SAERP Retirement Programs	Benefit to Employee	Benefit to Employer
<ul style="list-style-type: none"><li>• <b>Deferred</b> compensation like plan</li><li>• <b>EMPLOYER</b> discretionary contributions</li><li>• Funding <b>must</b> be from non-state sources</li><li>• Contributions for participants are typically approved at 10% of base salary per year.</li></ul>	<ul style="list-style-type: none"><li>• Contributions are not subject to statutory taxes</li><li>• Tax deferred until distributions commence</li><li>• Employee controls investments and distributions</li></ul>	<ul style="list-style-type: none"><li>• Contributions are not subject to employer matching taxes</li><li>• Plans designed to allow for flexible contribution and vesting terms</li><li>• Recruitment and Retention Tool</li></ul>

# UNC ORP Record Keeper Consolidation

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In the Fall of 2023, the UNC System Office issued an RFP to consolidate its two plan record keepers, TIAA and Fidelity, into a single record keeper with the goal of achieving savings for plan members and improve plan administration.

TIAA was awarded the contract to be the sole record keeper for UNC's optional retirement plan.

The UNC System Office worked with TIAA and Fidelity to complete that conversion this past summer.

## Implementation Savings

All Participants – **\$3,100,000 per year**

- Investment Cost Savings: \$2,350,000 per year (reduction of 3 basis points)
- Record Keeper Fees: \$750,000 per year

Additionally for Previous Fidelity managed participants

- Average annual savings of **47% per year** or \$31 per account

THANK YOU

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# QUESTIONS?

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