

Policy, Planning, and Compliance Updates

- 1) Public Pension Coordinating Council (PPCC) Standards Awards
 - 15th straight year for TSERS, 10th for LGERS
- 2) Legislative activity from end of 2024
 - Legislative memo with addendum (*in appendix*)
- 3) Certain materials in meeting appendix
 - Re-employment earnings limitation for 2025 (*in appendix*)
 - 2024 N.C. Annual Comprehensive Financial Report (*in appendix*)
 - Aspire Trade High School financial statements (*in appendix*)
 - KIPP Gaston satisfaction of lien (*in appendix*)
- 4) Administrative rules approved 12/19/24 by RRC; effective 1/1/25
 - 20 NCAC 02B .0216 and .0401; 20 NCAC 02C .0213, .0403, and .0405
- 5) Judicial decisions
- 6) Introduction to later agenda items
 - TSERS and LGERS investment reports (*in appendix*)
 - GRS pension and OPEB report (*in appendix*)

Timeline of Assumption/Method and Policy Reviews

2025

Jan. 2025: BOTs to establish/recommend contribution rates eff. July 2025

Oct. 2025: BOTs to accept 12/31/2024 valuations including actuary's recommendations of contribution rates eff. July 2026 based on assumptions and policies adopted in 2021

Oct. 2025 (estimated): Actuary presents five-year experience study of calendar years 2020-2024, analyzing rate of return, salary increases, mortality, etc.

2026

Jan. 2026: BOTs to establish/recommend contribution rates eff. July 2026 based on assumptions and policies adopted in 2021

Jan. 2026 (estimated): BOTs to adopt new actuarial assumptions or methods informed by experience study

Apr. 2026 (estimated): BOTs to define funding policies (new ECRSPs, actuarial funding w/o ECRSP, etc.) eff. July 2027

Oct. 2026: BOTs to accept 12/31/2025 valuations including actuary's recommendations of contribution rates eff. July 2027 based on assumps./policies adopted in 2026

2027

Jan. 2027: BOTs to establish/recommend contribution rates eff. July 2027 based on assumptions and policies adopted in 2026

Jun. 2027: End of current ECRSPs (FYE 2027)

Jul. 2027: Beg. of any new policies (FYE 2028)

Oct. 2027: BOTs to accept 12/31/2026 valuations including actuary's recommendations of contribution rates eff. July 2028 based on assumptions and policies adopted in 2026

Contribution-Based Benefit Cap (CBBC) Liabilities

- 871 retirements since January 2015 have required an additional employer contribution based on the CBBC as of 01/08/2025
 - 367 invoices are for LGERS employers
 - 504 invoices are for TSERS employers
- Total CBBC liabilities invoiced as of 01/08/2025 exceeds \$97.2 million
- Average invoice cost: \$111,605.35
 - CBBC liabilities range in cost from less than \$100 to more than \$850,000
- For 830 of the retirements, employers have paid required contributions in full
 - Total CBBC liabilities collected: exceeds \$92.5 million

Alternative Repayments of Overpayments

- Alternative repayment is available for an overpayment “entirely due to administrative error on the part of” RSD (G.S. 128-31(c1); G.S. 135-9(c1); 20 NCAC 02B .0215; 20 NCAC 02C .0212)
- In quarter ended 12/31/24, no alternative repayment requests were approved or denied by RSD