



## MEMORANDUM

TO: Teachers' and State Employees' Retirement System (TSERS) Board of Trustees;  
Local Governmental Employees' Retirement System (LGERS) Board of Trustees

FROM: Patrick Kinlaw  
Director of Policy, Planning, and Compliance  
Retirement Systems Division (RSD)

DATE: April 28, 2022

SUBJECT: Annual Report on Inactive Employers

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This document is RSD's annual report to the Boards of Trustees on inactive employers, pursuant to G.S. 128-23.1(b) and 135-5.5(b).

G.S. 128-23.1 provides that RSD may grant an employer's written request to become "inactive," if the employer has no employees qualifying for membership in LGERS, and the employer has made no employer contributions for at least one month. G.S. 128-23.1(b) provides, "Not later than April 30 of each calendar year, [RSD] shall make a report to the Board on all employers who were determined to be inactive employers in that preceding calendar year." Substantially similar provisions apply to TSERS, under G.S. 135-5.5.

Inactive employer status is different from ceasing participation in the Retirement System, as described under G.S. 128-30(i) for LGERS, and under G.S. 135-8(i) and 135-5.3(f) for TSERS. Once an inactive employer resumes employing individuals qualifying for membership, the employer is required immediately to resume mandatory participation in the Retirement System with respect to those employees. During inactive status, RSD requests that the employer provide quarterly updates on the status of any vacant positions that would require Retirement System membership and the funding of such positions in the employer's budget.

During 2021, two employers under LGERS became inactive:

- Town of Cahah's Mountain (LGERS employer #91461); remains inactive
- Neuse Regional Library - Jones County (LGERS employer #95205); resumed active status effective January 1, 2022

During 2021, no employers under TSERS became inactive.

A number of employers, all under LGERS, have gone a period of at least several months without reporting any eligible employees, but have not requested to be designated as "inactive." As of December 2021, that list included the following employers who have not since resumed reporting eligible employees:



**North Carolina**  
Total Retirement Plans



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

- Andrews ABC Board (LGERS employer #92027)
- Bessemer City ABC Board (LGERS employer #93677)
- Craven County Tourism Authority (LGERS employer #92503)
- Holly Ridge Housing Authority (LGERS employer #96733)
- Lillington ABC Board (LGERS employer #94327)
- Tabor City ABC Board (LGERS employer #92457)
- Town of Eureka (LGERS employer #99641)
- Town of Lake Lure ABC Board (LGERS employer #98137)
- Town of Morven (LGERS employer #90461)
- Town of Richfield (LGERS employer #98461)

RSD continues its efforts to assist these employers in ensuring they are meeting their reporting obligations. This includes making the employers aware of the option of requesting inactive status if it would apply to them.