NC Total Retirement Planning Conference
How to make the most of your benefits
February 2021
Meet Your Retirement Readiness Team
Today we will cover....

- When can I retire?
- What will I receive?
- Retirement Payment Options
- The Retirement Application Process
New Employee

- Enroll in Supplemental Retirement Plan: NC 401(k) NC 457 NC 403(b)
- Select beneficiaries
- Check for rollovers

Mid-Career

- Review your myNCRetirement Statement (MRS)
- Review beneficiaries
- Increase contributions

Nearing Retirement

- Review your MRS
- Review beneficiaries
- Calculate benefits
- Review payment options
- Create a “My Social Security” account
- Consider age 50 catch-up
- Set retirement date
- Look for one-time contributions
**Retirement Benefits Overview**

**Defined Benefit**
*NC Pension Plan (TSERS, LGERS)*
- Your retirement benefit – a guaranteed monthly lifetime benefit
- Based on the defined benefit formula and the option you select

**Defined Contribution**
*NC 401(k)*
*NC 457*
*NC 403(b)*
- Voluntary participation
- Your benefits under these plans are based on your contributions and investment results
How is Your Pension Funded?

$1.00 you contribute
$1.80 your employer contributes
$5.40 investments contribute

PENSION
Retirement Eligibility

Unreduced Benefit (Full Retirement)
- Age 65 with 5 years of membership service*
- Age 60 and 25 years of creditable service
- 30 years at any age

Reduced Benefit (Early Retirement)
- 60 with 5 years of membership service*
- 50 with 20 years of creditable service

* Creditable service for LGERS
Retirement eligibility for Law Enforcement Officers is handled differently. See your handbook for more information.
Retirement Options

MAXIMUM ALLOWANCE
Largest lifetime benefit you’re eligible to receive, but it stops at your death.

OPTION 2
You receive a smaller benefit until you die. Then, your beneficiary receives the same amount for life.

OPTION 3
You receive a smaller benefit until you die. Then, your beneficiary receives half that amount for life.

OPTION 4
You receive a larger benefit until you reach age 62, then your payment drops.

OPTION 6-2
Same as Option 2, but if your beneficiary dies first, your benefit increases to the Maximum Allowance.

OPTION 6-3
Same as Option 3, but if your beneficiary dies first, your benefit increases to the Maximum Allowance.
Are you retirement ready?

According to industry experts, being “retirement ready” means that you’re on track to replace at least 80 percent of your pre-retirement income through retirement.

- ≈ 44% are ready
  Pension and Social Security

- ≈ 71% are ready
  Pension, Social Security and SRP(s)
Understanding whether you’re *actually* ready for retirement is hard. So we made it easier.

Log in to ORBIT and download your customized *myNCRetirement Statement* to see if you have a GAP or a SURPLUS.
### What if I have a GAP?

<table>
<thead>
<tr>
<th>Enroll</th>
<th>Allocate</th>
<th>Consolidate</th>
<th>Increase</th>
<th>Catch-Up</th>
</tr>
</thead>
<tbody>
<tr>
<td>NC 401(k)</td>
<td>Your investments</td>
<td>Into NC 401(k), NC 457, NC 403(b)</td>
<td>Your contributions regularly</td>
<td>By making additional contributions if you are 50 or older</td>
</tr>
</tbody>
</table>

Rollover assets may be assessed fees or other surrender charges. Please contact current account provider for this information.
Supplement Retirement Plan Features:
NC 457 and NC 401(k) Plans and NC 403(b) Program

- Strong oversight of funds and fund managers
- Portfolios available for members at every career/life stage, even into retirement
- Unique opportunities to transfer into pension account
- Competitive fees
- Ease of investment selection
GoalMaker

Not interested in choosing your own investments? GoalMaker has you covered.

Choose your expected retirement age and risk tolerance
GoalMaker rebalances your portfolio each quarter

As you get closer to retirement, your portfolio is adjusted automatically

Model portfolios are available to help you save *before and after* retirement

Choose your expected retirement age and risk tolerance

Model portfolios are available to help you save *before and after* retirement

Choose your expected retirement age and risk tolerance
Death Benefits in the NC Pension Plans
Active Member Death Benefits

- Survivor’s Alternate Benefit
- Return of Contributions
- Death Benefit
Retiree Death Benefits

1. **Survivor Benefit**
   Lifetime benefit begins for beneficiary if member chose Option 2, 3, 6-2 or 6-3

2. **Active Death Benefit**
   This employee benefit continues for retirees for 180 days after retirement

3. **Guaranteed Refund**
   Complete refund of all remaining unused member contributions

4. **Contributory Death Benefit**
   - Optional benefit
   - Monthly contributions
   - Payable up to $10,000

North Carolina Total Retirement Plans
Initiating Retirement
Online Retirement now available!

ORBIT
IT’S HERE!

Read more about the NEW online retirement application in ORBIT

North Carolina
Total Retirement Plans

Dale R. Folwell, CPA
State Treasurer of North Carolina
Online Retirement Application Process

**STEP 1**
- Get an Estimate of Your Retirement Benefits
- Start Your Online Retirement Application
- Retirement Analyst/Employer Verify Your Data
- Make Your Retirement Benefit Selections

**STEP 2**
- Submit All Required Documents

**STEP 3**
- Retirement Analyst Processes Your Application
- You Are Notified that Your Retirement is Approved!
- Make Your Health Benefit Decisions
Track Your Progress

Apply for Retirement Online

Congratulations! Your retirement is now complete!

Orbit account updated with your current ORBIT account is linked to your work email you can get the periodic emails we send to retirees about legislative changes and other updates that may impact your retirement benefits.

- **REMEMBER:** If you're planning to return to work in the future, make sure you understand the return to work laws for your retirement system, so you don't jeopardize the retirement benefits you just selected. [Learn more](#).
- If you are a member of one of the North Carolina Total Retirement Plans: NC 401(b), 457 and 403(b), [click here](#) to learn about what you can do with your supplemental retirement account when you retire.
- Please note: If you are eligible, the State Health Plan will automatically enroll you into a health plan, even if you did not have coverage as an active employee. You will receive a letter from the State Health Plan outlining your health plan options and any necessary actions. For more information, please read the [Planning for Retirement page](#) on the State Health Plan website.

North Carolina Total Retirement Plans
Retirement Processing Reminders

Retirements are always effective on the first day of the month.

First retirement payment is mailed to your home address; all others will be direct deposited.

Applications should be submitted as soon as possible (but not more than 120 days from retirement).

A list of this year’s pay days is available on our website.

Applications are processed in the order received.

Payments are usually made on the 25th of each month unless it’s on a holiday or weekend.
Health Coverage and Optional Insurance
To learn more about the options available to you, call the State Health Plan at 855-859-0966 or visit the plan’s website at www.shpnc.org.
Optional Dental and Vision Insurance and Identity Theft Protection

- Enrollment is optional
- Retirees pay full cost
- Premiums will be deducted from monthly retirement benefit

Call us at: 855.627.3847

NORTH CAROLINA RETIREMENT SYSTEMS SUPPLEMENTAL BENEFITS
ncretiree.com

Dental
Vision
Identity Theft
When NCFlex coverage is lost due to retirement, termination of employment or other losses of eligibility, employees and covered dependents may continue certain benefits.

View Options: https://files.nc.gov/ncoshr/NCFLex-Continuation-Options-at-Retirement.pdf
Optional Transfer Benefit for NC 401(k) and NC 457 Plans
Transfer all or a portion of your NC 401(k)/NC 457 funds to your pension account. Learn more about transfer benefits from these helpful resources.

State Employees’ Credit Union  
www.nclifetimeincome.org

North Carolina Retirement Systems  
www.myncretirement.com

Prudential Retirement  
www.ncplans.prudential.com
### Move Outside Retirement Savings
Into NC 401(k), NC 457 Plan and/or NC 403(b) account(s)

<table>
<thead>
<tr>
<th></th>
<th>Money Remains Tax-deferred</th>
<th>Avoid Taxes and Penalties</th>
<th>Simplify Retirement Planning</th>
<th>Potentially Lower Investment management fees</th>
<th>Easier to Manage and Maintain Asset Allocation</th>
<th>Transfer Benefit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consolidated Account</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
</tr>
<tr>
<td>Multiple Accounts</td>
<td>✔</td>
<td>✔</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* Rollover assets may be assessed fees or other surrender charges. Please contact current account provider for this information.
Plan Withdrawal Options
from NC 401(k), NC 457 or NC 403(b)

Do Nothing
Keep your funds in the plans.

Rollover
Roll funds into an IRA or new employer’s plan.

Begin Withdrawals*
Withdraw all or some, or begin installment payments.

Transfer
Transfer all or some pre-tax assets to TSERS/LGERS.

*Payments are subject to a mandatory 20 percent federal income tax withholding, and for withdrawals from the NC 401(k), 403(b) Plan, may be subject to a 10 percent tax penalty if taken prior to age 59 1/2. Note: if you plan to retire and return to employment with another NC plan sponsor, your options will differ.
Returning to Work After Retirement
Important Rules for Returning to Work

**TSERS**
- Wait six months before working for TSERS employer

**LGERS**
- Wait one month before working for LGERS employer

- You can volunteer in a bonafide position with no loss of benefits.

- You can work for an employer that doesn’t participate in the system from which you retired.
Online Member Portal: Manage Your Retirement Account

ORBIT.myNCRetirement.com

Active employees
• Retirement estimates (bring estimates to appointments)
• Service purchase cost estimates
• NC 401(k)/457 Transfer Benefit estimates
• myNCRetirement Statements
• Online retirement application

Retirees
• View account information
• Choose tax withholding preferences
• View 1099-R
• Generate income verification letters
Login to ORBIT

Login to manage your retirement account and gain access to the full features of the ORBIT, including pre-filled forms, retirement calculations and more.

Passwords are case-sensitive.

Forgot your Password
Forgot your User Name

Are you a first-time user?
If so, you will need to register to create your account.

Estimators

If you would like to calculate benefits without pre-filled personal information, use the options below.
To calculate benefits with your information pre-filled, please login.

Retirement Benefit
NC 401(k)/457 Transfer Benefit
Service Purchase

Forms and Applications

Need to download forms without any pre-filled information? ORBIT provides convenient access to forms for printing without logging in.

NOTE: To access forms with your information pre-filled, please login.
Home/Active Member

A Message from the Treasurer

Welcome to the redesigned ORBIT for members! ORBIT is an online tool that provides you with full, secure access to your personal retirement account information 24 hours a day. Our staff has worked diligently to make ORBIT more responsive for those on mobile devices such as cell phones and tablets. In addition, we have enhanced ORBIT’s security features to help protect your personal information.

Lastly, we incorporated our N.C. Total Retirement Plans’ branding to maintain a consistent look and feel with our Retirement Systems website. We hope you like the new look and our comprehensive approach to retirement planning for our members.

The Department of State Treasurer is committed to providing you with information that will help you make informed decisions about your future. I encourage you to familiarize yourself with your account information, understand your savings options, and utilize the education and planning resources available on our website. Please contact the North Carolina Retirement Systems at 1-877-NCSECURE (1-877-627-3287) if you have additional questions.

Thank you for your service to North Carolina.

- Dale R. Folwell, CPA
North Carolina State Treasurer
Create Custom Benefit Estimate

Custom Benefit Estimate

A customized benefit estimate can be generated by completing the information below and clicking on the Calculate button. Please enter a retirement age or retirement/termination dates.

NOTE: The Retirement Estimator is intended to assist you in estimating your monthly (early reduced or regular unreduced) service retirement benefits. It does not calculate disability retirement benefits, and it cannot replace the Retirement System's actual calculation of benefits, and it cannot replace the Retirement System's actual calculation of benefits when you retire. If you have Agricultural Extension service, are converting from disability to service retirement, or have multiple accounts, this estimate will not be accurate, and you should contact the Retirement System for more information.

(*) Required Information
If you enter retirement age, then retirement and termination dates are not required and vice-versa.

Calculate Benefit using Retirement Age

- Please Enter a Retirement Age *

Calculate Benefit using Retirement/Termination Dates

- Retirement Date *
  - Month
  - Year
- Termination Date *
  - Month
  - Year

Service Status *
- Select Service Status

Beneficiary Name

Beneficiary Birth Date
- MMDDYYYY

Accumulated Sick Leave Days

Estimated Monthly Social Security Benefit at Age 62

Estimated Annual Leave Payout

Estimated Bonus Payout

Estimated Service Credit Years You are Planning to Purchase

Calculate  Cancel
Know how much you may need.
Monitor your progress.
See if you’ve saved enough.

Available for participants in the NC 401(k), NC 457 and NC 403(b)

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.
Helpful Reminders

• Update Your Beneficiaries

• Create a Social Security Administration account at [ssa.gov](http://ssa.gov)
Resources

- Member handbooks
- MyNCRetirement.com
- ORBIT Help
- Video tutorials
Fund your future.
Fund your everyday.

An NC ABLE account helps people with disabilities dream, plan, save and invest without jeopardizing disability benefits.

Learn more at NC.SaveWithABLE.com.
Questions
North Carolina Total Retirement Plans and the North Carolina Total Retirement Plans logo are service marks of the North Carolina Department of State Treasurer.

GoalMaker’s model allocations are based on generally accepted financial theories that take into account the historic returns of different asset classes. But, of course, 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 portfolio continues to correspond to their changing attitudes and retirement time horizon.

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

Amounts withdrawn, except for qualified withdrawals from a Roth 401(k) and 403(b), are generally taxed at ordinary income tax rates. Amounts withdrawn before age 59½ may be subject to a 10% federal income tax penalty, applicable taxes and plan restrictions. Penalty does not apply to 457 programs. Neither Prudential Financial nor any of its affiliates provide tax or legal advice for which you should consult your qualified professional.

Retirement products and services are provided by Prudential Retirement Insurance and Annuity Company (PRIAC), Hartford, CT or its affiliates. PRIAC is a Prudential Financial company.

Prudential Retirement provides the communications and recordkeeping services for the NC 401(k) and NC 457 Plans and the NC 403(b) Program. With the exception of the NC Stable Value Fund and the NC Fixed Income Fund, the 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.

Decisions regarding the NC Total Retirement Plans are your responsibility. The State, the Department of State Treasurer and Prudential are not responsible for your retirement decisions, investment elections and returns. You are encouraged to speak with your financial, legal and tax advisors to determine the retirement savings strategy that will help you reach your retirement goals.

©2019 Prudential Financial, Inc. and its related entities. Prudential, the Prudential logo and the Rock symbol are service marks of Prudential Financial, Inc. and its related entities, registered in many jurisdictions worldwide.