



## Approval Process for Payment of Discontinued Service Retirement Teachers' and State Employees' Retirement System

STEPS	TIMELINE
<p>1) Employer determines employee's eligibility for Discontinued Service Retirement in accordance with N.C.G.S. 126-8.5 and requests a calculation of the cost.</p> <p><b>Eligibility – Discontinued Service Retirement</b>  <b>Employees age 50 to 55 with not less than 20 years of creditable service may be eligible for a reduced monthly retirement benefit. The reduction is equal to ¼ of 1% (3% per year) for each month that a retirement precedes a member's 55<sup>th</sup> birthday.</b></p> <p><b>Employees age 55 or older, with not less than 20 years of creditable service may be eligible for an unreduced monthly retirement benefit.</b></p>	Agency specific.
<p>2) Employer sends letter or email to N.C. Teachers' and State Employees' Retirement System (TSERS) to request calculation of Discontinued Service Retirement and provides the following information:</p> <ul style="list-style-type: none"> <li>▪ Name, address and phone number of employer and employer contact</li> <li>▪ Member's Name and ID# (or Last 4 Digits of SS#)</li> <li>▪ Member's Date of DSR (retirement date)</li> <li>▪ Member's Last Day Worked</li> <li>▪ Member's Annual Leave Balance (Hours)</li> <li>▪ Member's Bonus Leave Balance (Hours)</li> <li>▪ Member's Sick Leave Balance (Hours or Days)</li> </ul> <p>Contact the Retirement Systems Division at <a href="mailto:NCRetirement@nctreasurer.com">NCRetirement@nctreasurer.com</a></p>	As soon as applicable employee(s) is (are) identified.
<p>3) TSERS calculates cost for Discontinued Service Retirement and notifies employer.</p>	Approximately 2 weeks assuming there are no complications when the service audit is performed.
<p>4) After receiving TSERS cost, the employer determines whether to pay Severance Pay or Discontinued Service Retirement.</p>	
<p>5) If the employer decides to pay the Discontinued Service Retirement, a request must be sent to the Office of State Personnel along with supporting documentation to include:</p> <ul style="list-style-type: none"> <li>• A statement that a RIF has occurred in accordance with State Personnel policy and why it has occurred.</li> <li>• Name of employer and name, mailing address, e-mail address, and telephone number of contact submitting the request.</li> <li>• Information on the cost for payment of severance vs. discontinued service retirement.</li> </ul> <p>This documentation should be sent to the Office of State Personnel</p>	1-2 days
<p>6) Upon approval by the Office of State Personnel (OSP), this documentation will then be sent by OSP to the Office of State Budget and Management (OSBM) for approval.</p>	1-2 days
<p>7) Once approved by OSP and OSBM, if the employer elects to proceed with the Discontinued Service Retirement (DSR), the employer submits to TSERS a check for DSR along with a complete TSERS application (Form 6DSR along with other accompanying TSERS retirement forms as appropriate). The check for the cost must be attached to the application(s) at the time of mailing.</p>	Application may not be submitted more than 120 days prior to discontinued service retirement date.