



Retirement Monitor – TSERS Special Edition, July 15, 2016
A monthly newsletter for public sector human resources and payroll specialists from the Retirement Systems Division of the North Carolina Department of State Treasurer.

2016-2017 Contribution Rates for Teachers' and State Employees' Retirement System Employers

The 2016-2017 contribution rates for the Teachers' and State Employees' Retirement System (TSERS) were set with the approval of the state budget, House Bill 1030, which was signed into law on Thursday, July 14, 2016.

Employer Contribution Rates from July 1, 2016, to December 31, 2016

The employer contribution rate payable **from July 1, 2016, to December 31, 2016**, for TSERS members increased, effective July 1, 2016, from 15.32% to 16.12% of the covered payroll of members. The contributions will be deposited as follows:

Retirement System Pension Fund	9.98%
Death Benefit Trust Fund	0.16%
Retiree Health Benefit Fund	5.60%
Disability Income Plan	<u>0.38%</u>
	16.12% from July 1, 2016, to December 31, 2016

An additional 5% employer contribution for state-employed law enforcement officers is required in the NC 401(k) Plan. Therefore, the total budgeted employer contribution for law enforcement officers is 21.12% effective July 1, 2016. Of this 21.12%, 5% is payable to Prudential Retirement (the NC 401(k) Plan administrator), and 16.12% is payable to the Retirement Systems Division **from July 1, 2016, to December 31, 2016**.

Employer Contribution Rates from January 1, 2017, to June 30, 2017

The employer contribution rate payable **from January 1, 2017, to June 30, 2017**, for TSERS members will increase, effective January 1, 2017, to 16.54% of the covered payroll of members. The contributions will be deposited as follows:

Retirement System Pension Fund	9.98%
Death Benefit Trust Fund	0.16%
Retiree Health Benefit Fund	6.02%
Disability Income Plan	<u>0.38%</u>
	16.54% from January 1, 2017, to June 30, 2017

An additional 5% employer contribution for state-employed law enforcement officers is required in the NC 401(k) Plan. Therefore, the total employer contribution for law enforcement officers will be 21.54% effective January 1, 2017. Of this 21.54%, 5% is payable to Prudential Retirement (the NC 401(k) Plan administrator), and 16.54% is payable to the Retirement Systems Division **from January 1, 2017, to June 30, 2017**.

NOTE: The NC Retirement Systems' Payroll Services Section will be updating our system with the new employer contribution rates on Friday, July 15, 2016.

The new contribution rate became effective July 1, 2016. Your July Contribution Summary Instruction (CSI) report should include the new required rate of 16.12%; otherwise your report will be out of balance. Please ensure that your software is updated to calculate the new rate prior to submission of your agency's July 2016 ORBIT report.

Please share this information with your Chief Administrative Officer, Chief Financial Officer, and Personnel/Benefits Officer.

Employer Contribution Rate for Participants in the Optional Retirement Program

The total employer contribution rate for participants in the Optional Retirement Program (ORP) has changed, effective July 1, 2016, to 12.82%. Of this amount, 5.98% of the covered payroll of ORP participants is payable to the Retirement Systems Division **from July 1, 2016, to December 31, 2016**. The contributions will be deposited as follows:

Retiree Health Benefit Fund	5.60%
Disability Income Plan	<u>0.38%</u>
	5.98% from July 1, 2016, to December 31, 2016

The total employer contribution rate for participants in the Optional Retirement Program (ORP) will increase, effective January 1, 2017, to 13.24%. Of this amount, 6.40% of the covered payroll of ORP participants is payable to the Retirement Systems Division **from January 1, 2017, to June 30, 2017**. The contributions will be deposited as follows:

Retiree Health Benefit Fund	6.02%
Disability Income Plan	<u>0.38%</u>
	6.40% from January 1, 2017, to June 30, 2017