



TEACHERS' AND STATE EMPLOYEES' RETIREMENT SYSTEM & LOCAL GOVERNMENTAL EMPLOYEES' RETIREMENT SYSTEM

Operations Update

January 26, 2023



North Carolina
Total Retirement Plans



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STATE TREASURER OF NORTH CAROLINA
DALE R. FOLWELL, CPA



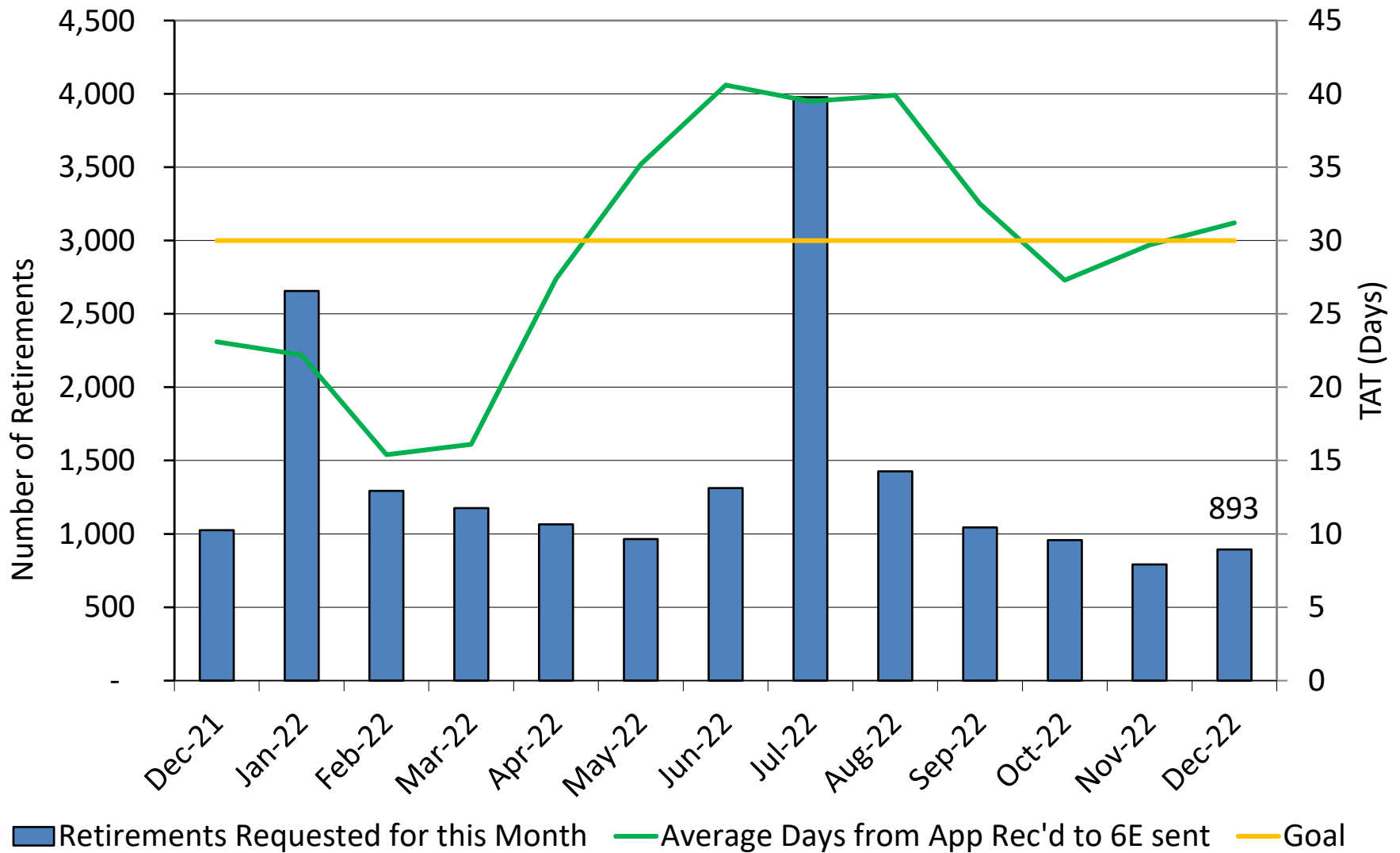
North Carolina
Total Retirement Plans



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Operations

Retirement Processing - Retirements Requested, TAT

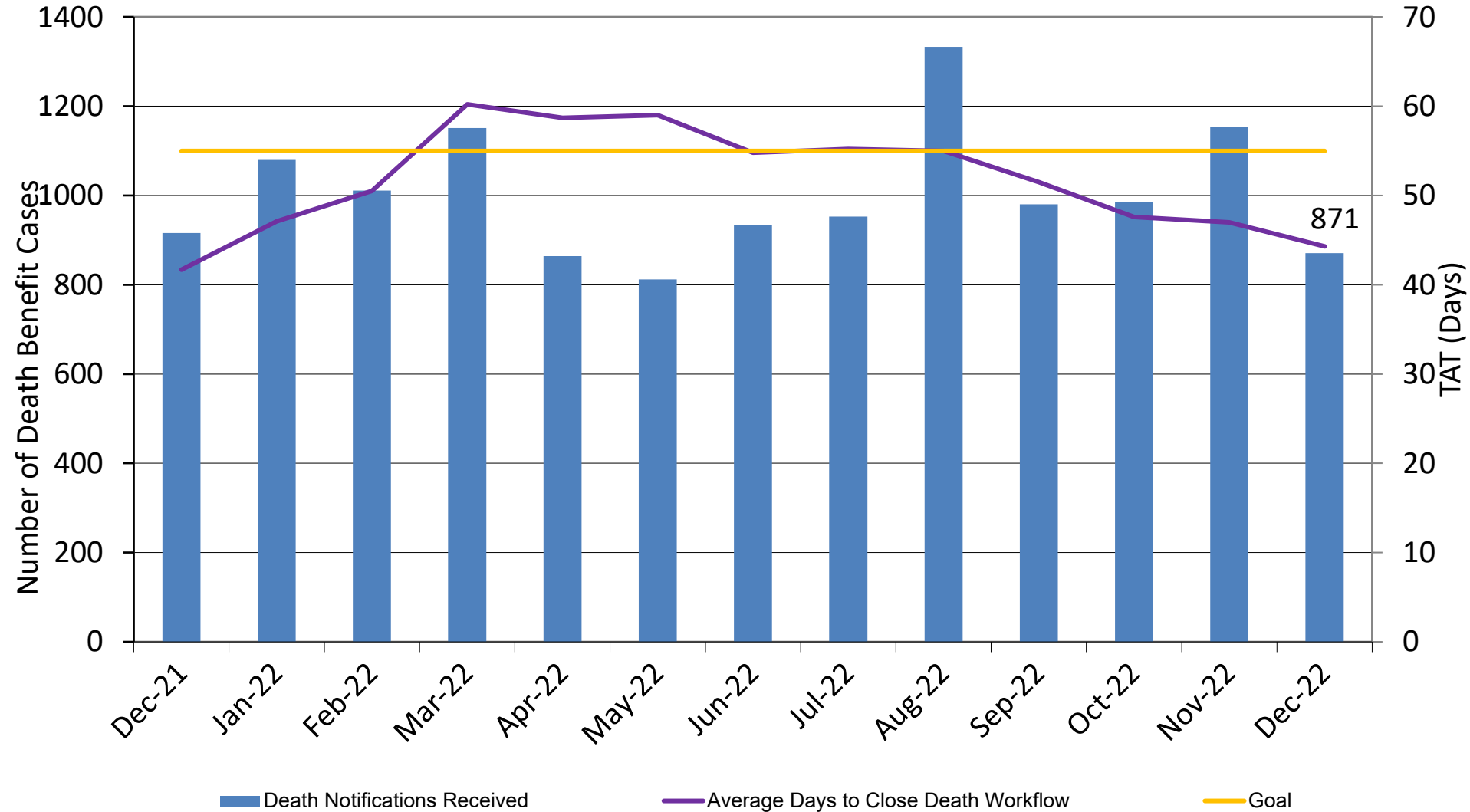


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Benefit Processing - Death Notifications

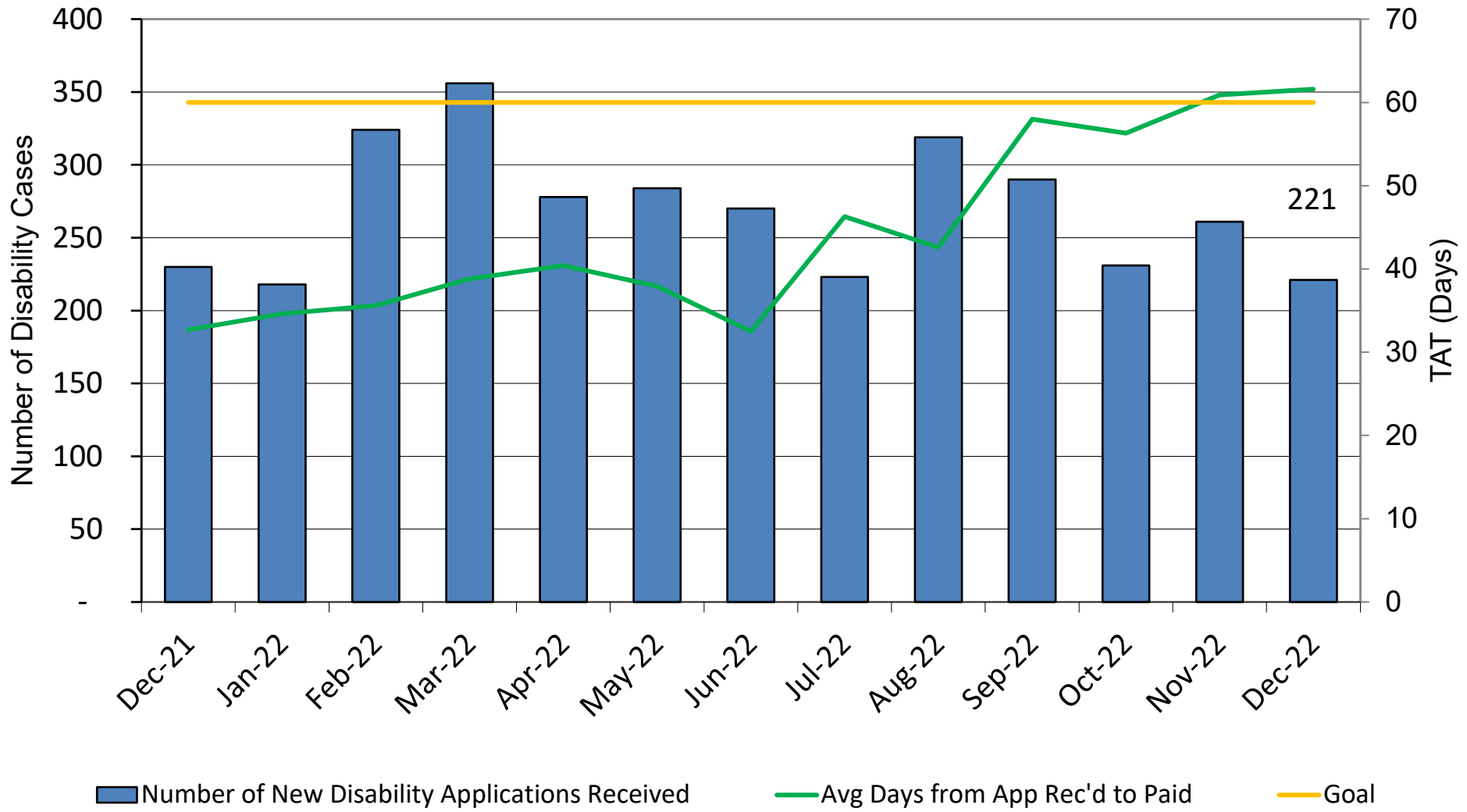


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Benefit Processing - Disability Applications

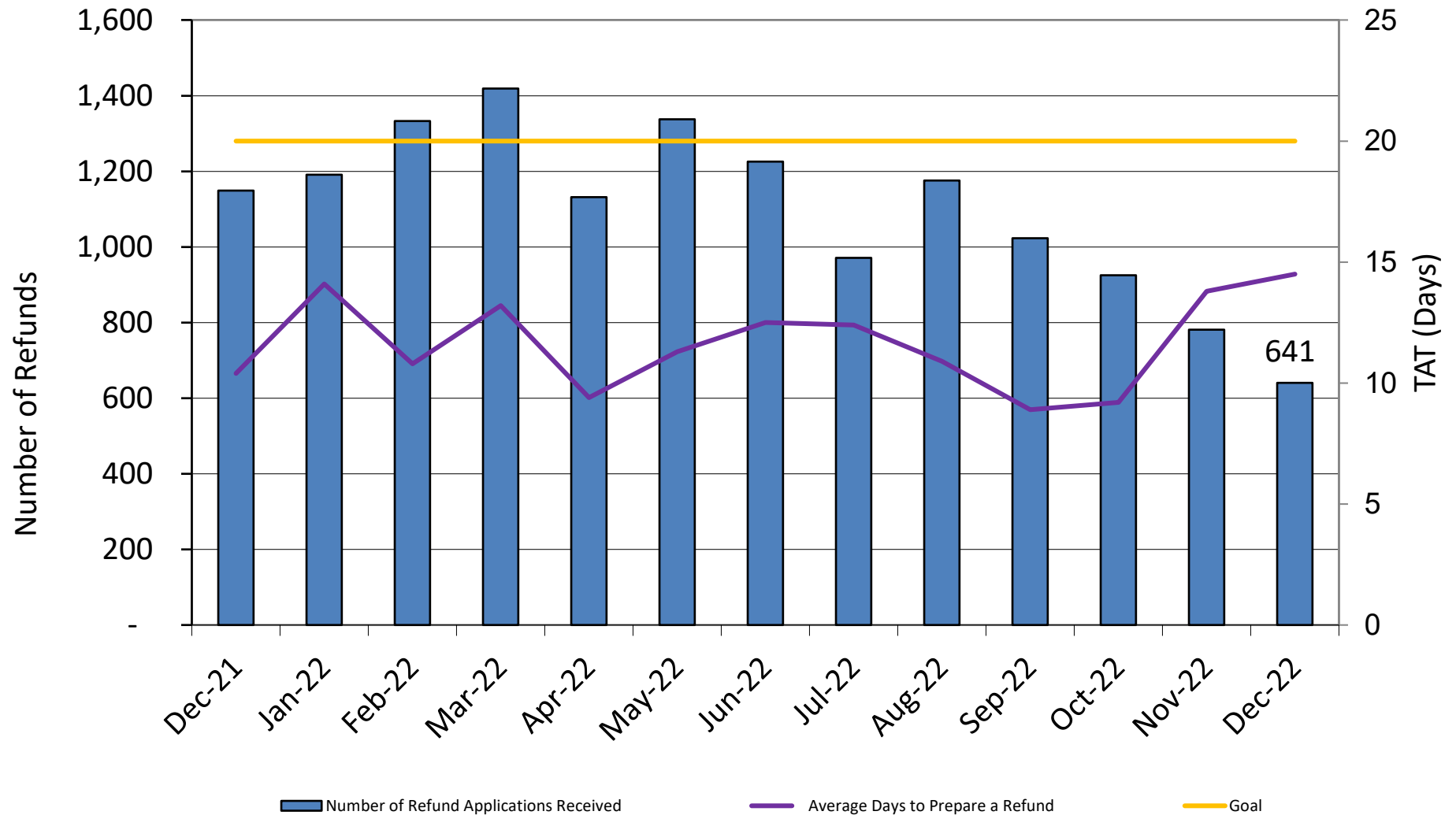


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Benefit Processing - Refund Requests

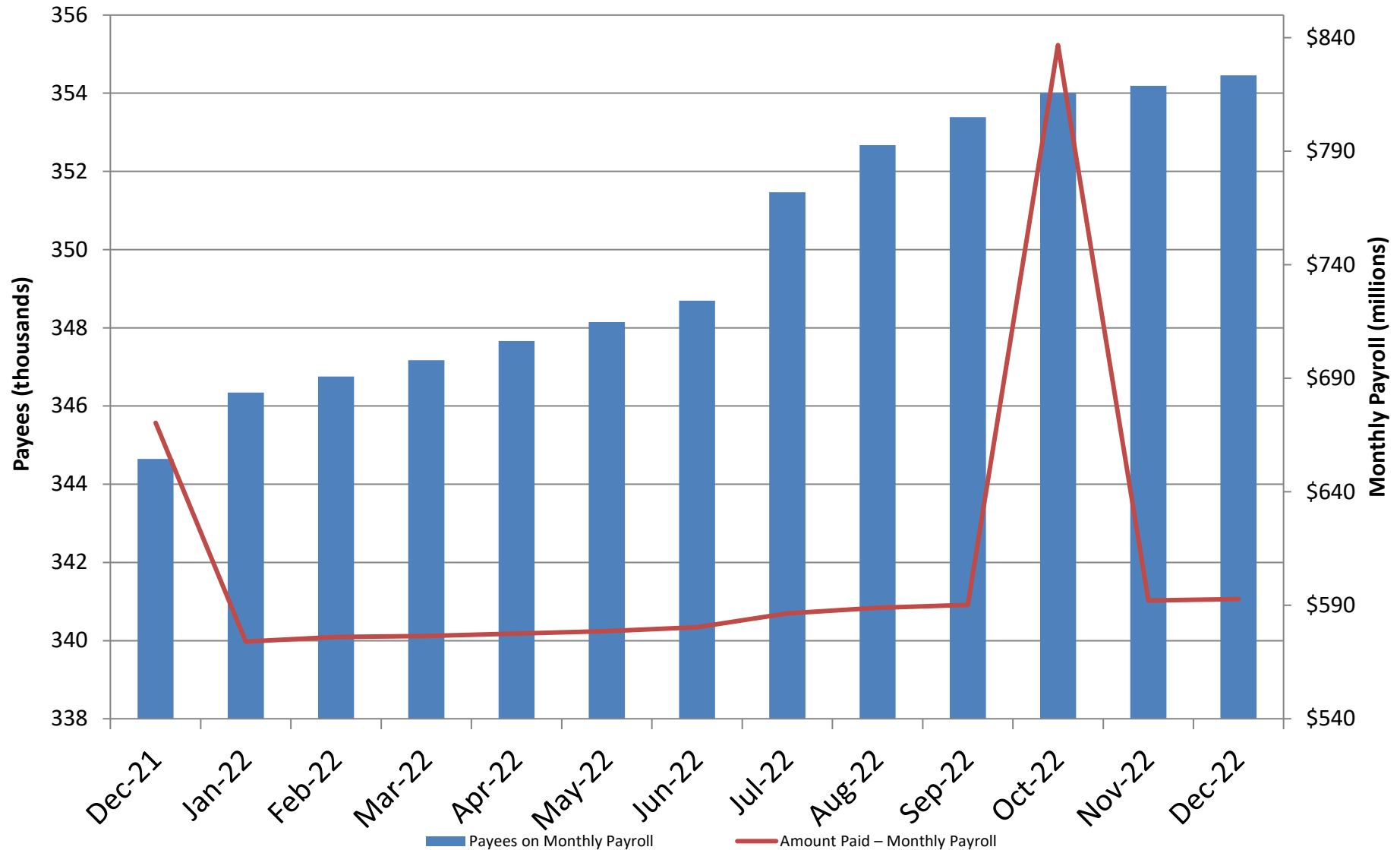


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Payroll Processing - Monthly Payroll



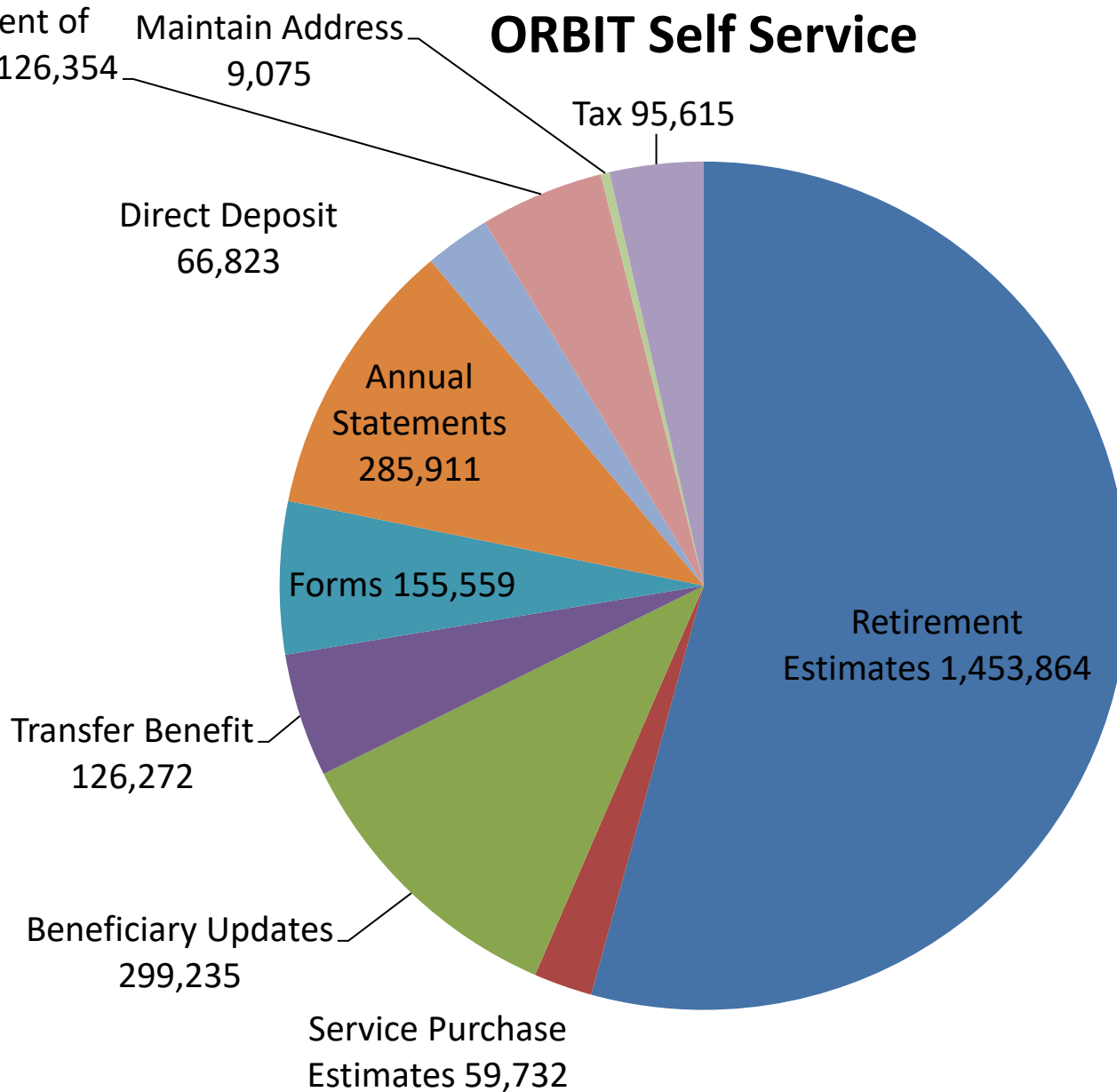
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ORBIT Self Service

Data is for last 12 months.



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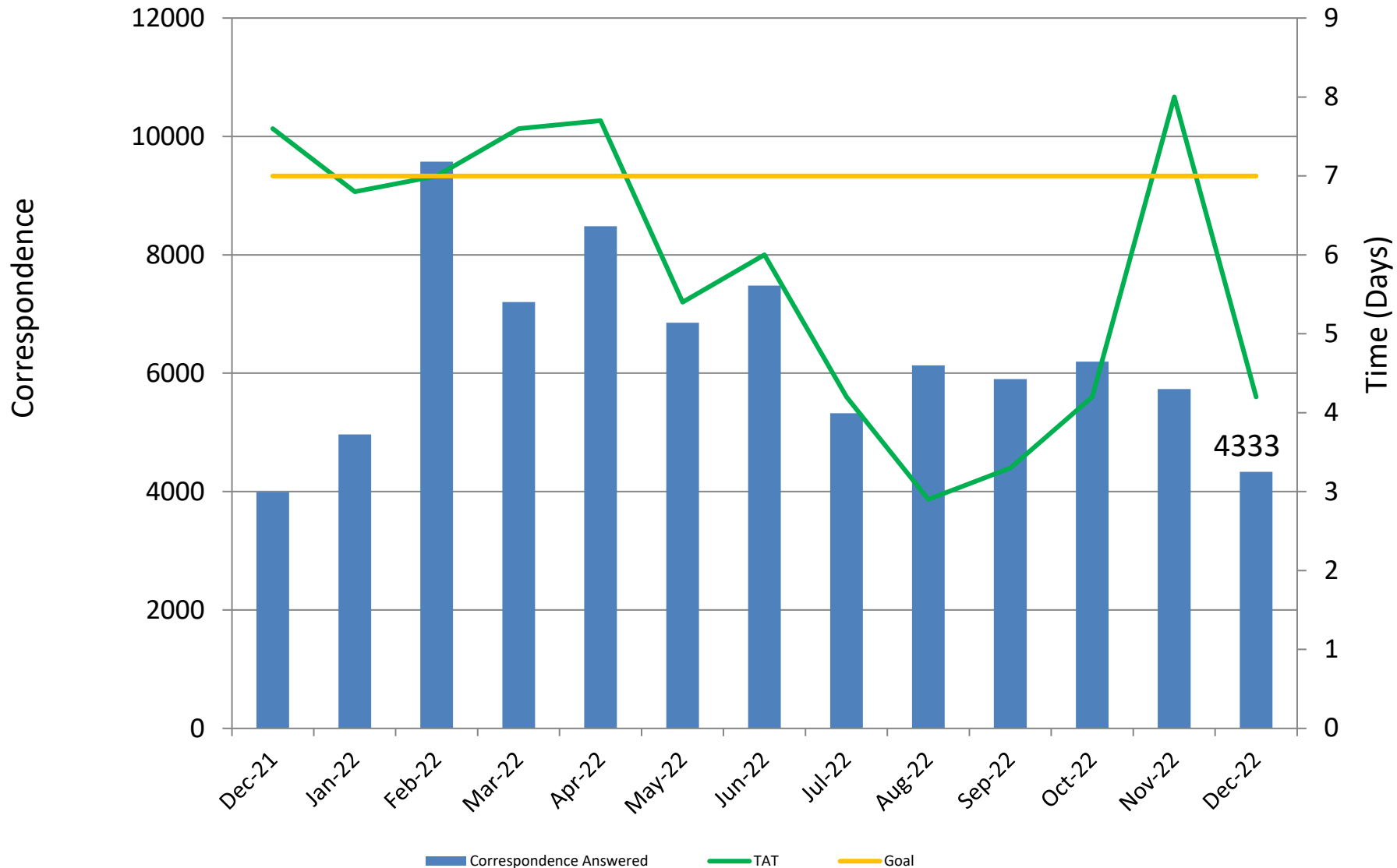
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Member Services

Educational Retirement Group - Correspondence

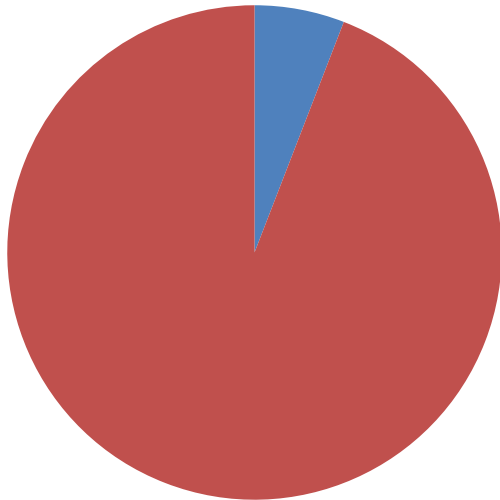


North Carolina
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Educational Retirement Group – 2022/2023 Fiscal Year Meetings and Webinars



	Count Jul 2022 - YTD	Attendees Jul 2022 - YTD
Employer	7	298
Webinar	112	3,006
Total	119	3,304
Annual Goal	108	

■ Employer Meetings

■ Webinars



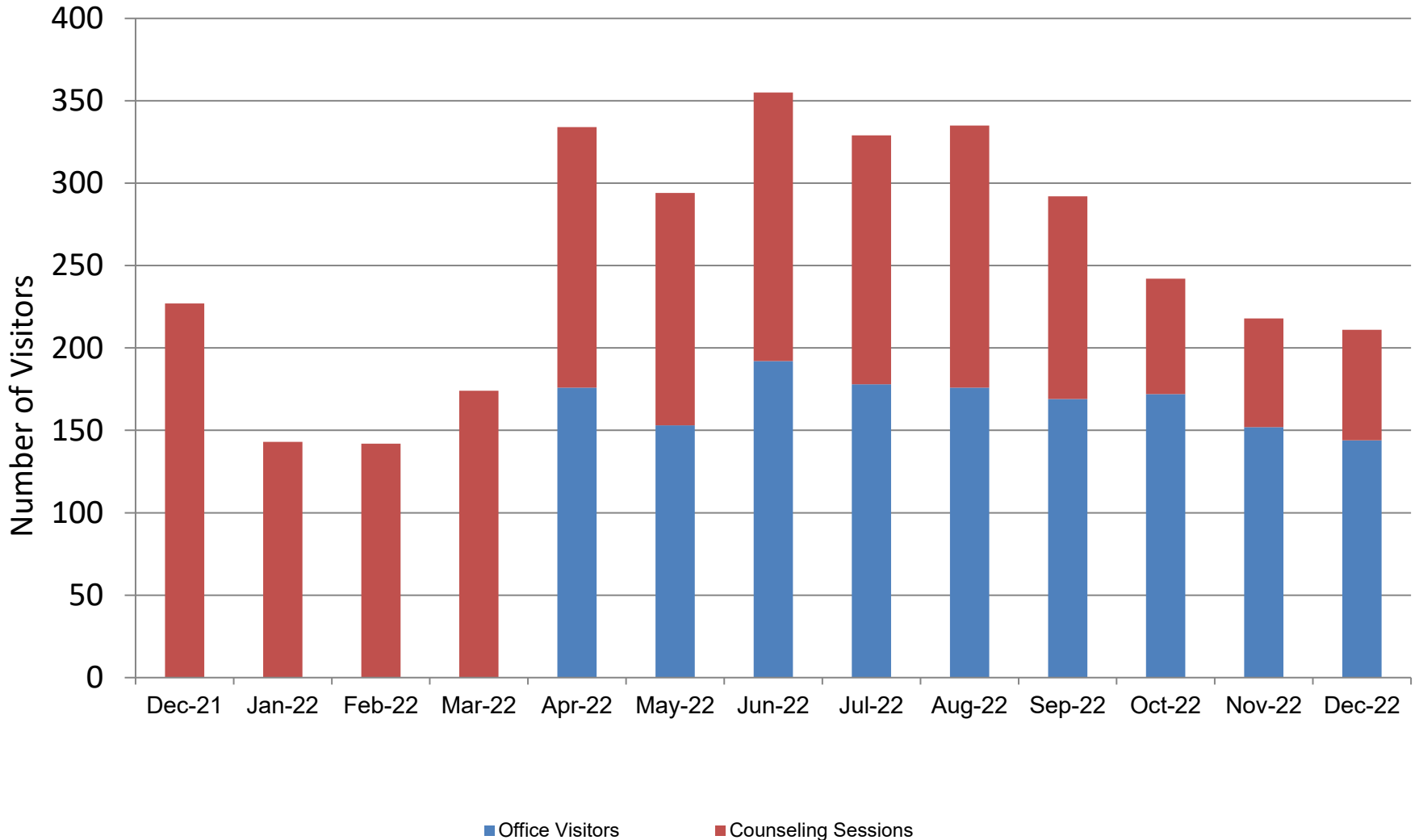
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FY 22/23 Counseling = 636
Annual Goal = 2,480

Educational Retirement Group - Visitors and Counseling Sessions

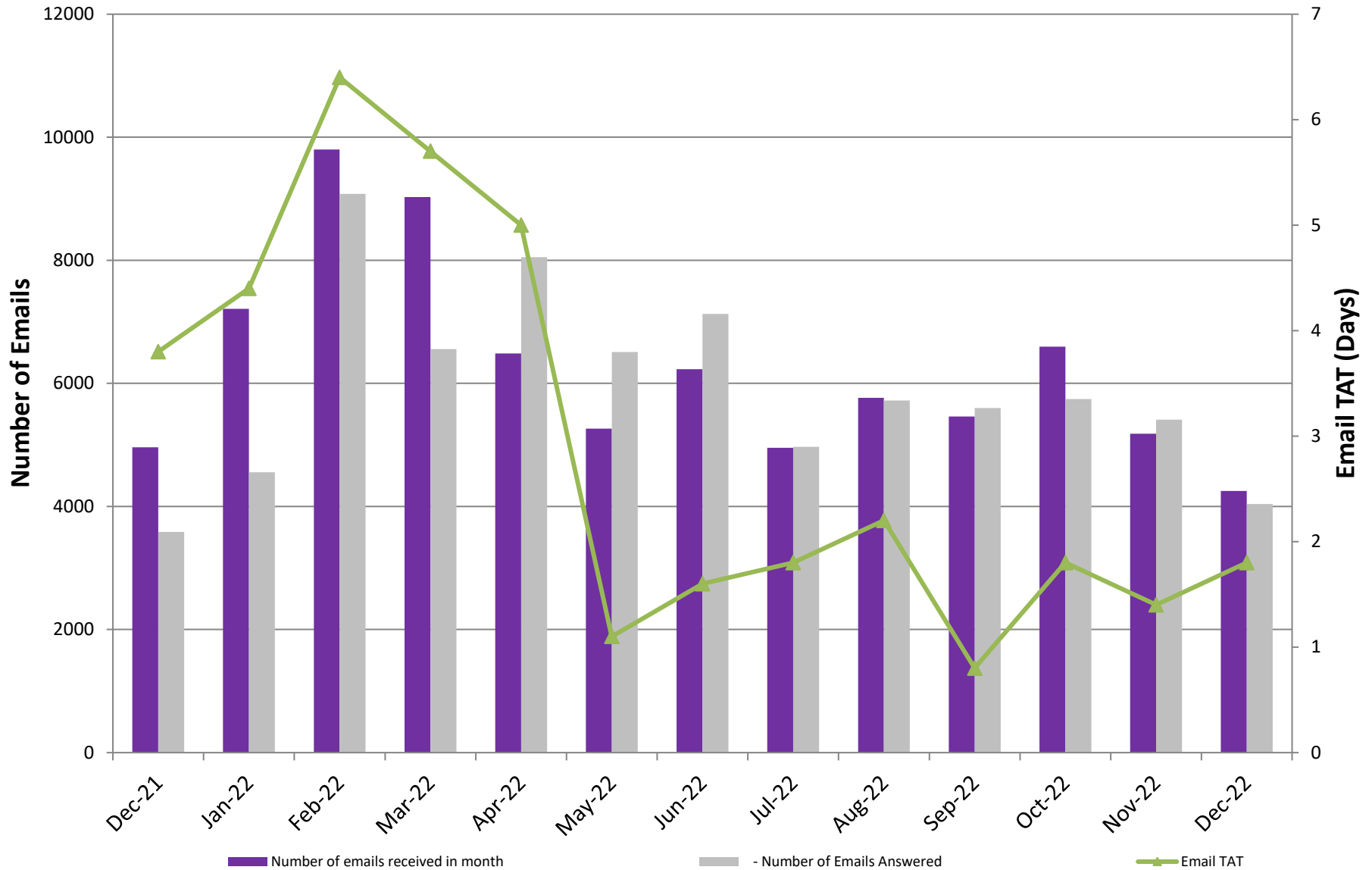


North Carolina
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Member Services - Emails Received and Answered

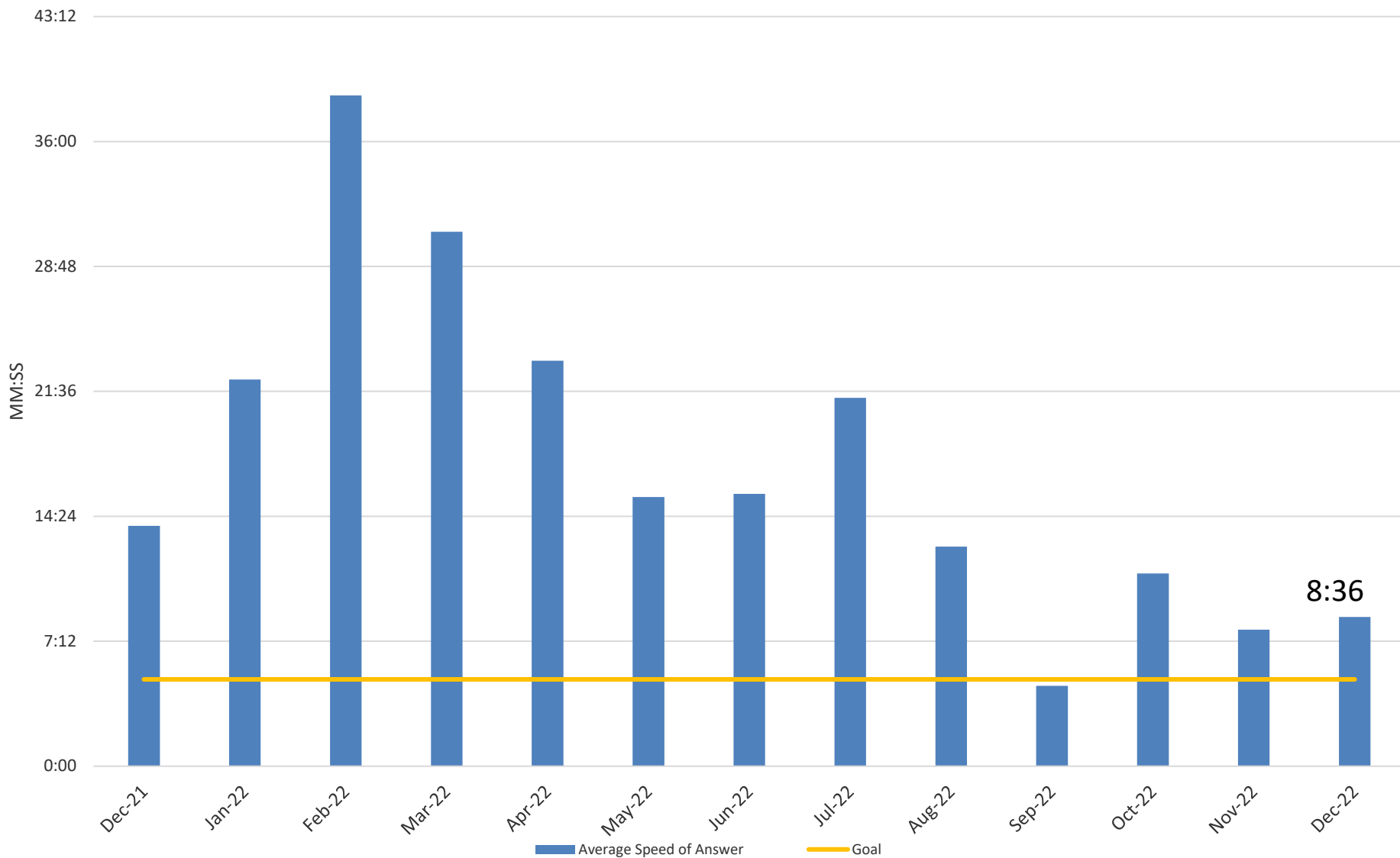


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Call Center - Average Speed of Answer

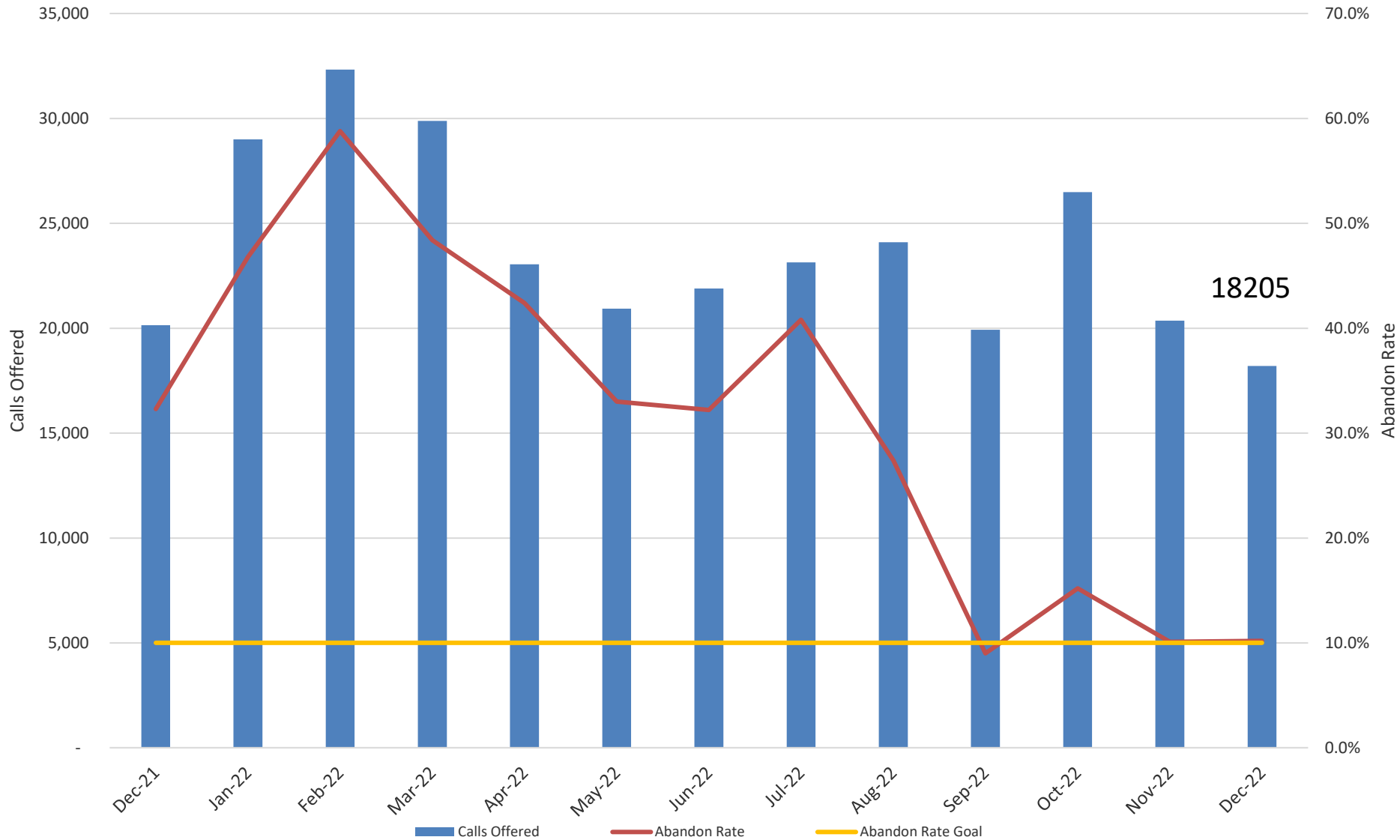


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Call Center - Calls Offered and Abandoned



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Policy, Planning & Compliance

Estimated Impact of Preliminary 2022 Investment Returns (Based on Estimated 2022 Calendar Year Return of -10.4%)

	<u>TSERS</u>	<u>LGERS</u>	<u>FRSWPF</u>	<u>NCNGPF</u>
Est. 2022 market value gain (loss) (-10.4% vs. +6.5%)*	(\$14.7 billion)	(\$5.6 billion)	(\$90 million)	(\$31 million)
Est. 2022 market value gain (loss) as pct. of funding liability*	(15%)	(15%)	(18%)	(20%)
<u>Gain/Loss Recognition in Actuarial Value of Assets:</u>				
Actuarial investment gain recognized in 2021 (based on Buck report Oct. 2022)	\$2.1 billion	\$0.8 billion	\$13 million	\$4 million
Funded status (unfunded liability) at 12/31/2021, after 2021 gain but before 2022 losses (from Buck report Oct. 2022)	(\$9.2 billion)	(\$3.2 billion)	\$12 million	\$23 million
Est. actuarial investment gain (loss) to be recognized 2022*	(\$1.6 billion)	(\$0.6 billion)	(\$10 million)	(\$4 million)
Est. actuarial investment gain (loss) scheduled to be recognized during the four years 2023-2026 if 6.5% return achieved every year 2023-2026*	(\$7.9 billion)	(\$3.1 billion)	(\$49 million)	(\$18 million)

* Asterisked items are estimated by RSD staff actuary based on historical information from Buck reports published October 2022. The assumed calendar year return of -10.4% for 2022 is an estimate and may change as asset valuations are finalized. Accordingly, the results on this page should be seen as estimates to inform decision-making with the understanding that they may change in either direction.



Contribution-Based Benefit Cap (CBBC) Liabilities

- 607 retirements since January 2015 have required an additional employer contribution based on the CBBC as of 01/06/2023
 - 232 invoices are for LGERS employers
 - 375 invoices are for TSERS employers
- Total CBBC liabilities invoiced as of 01/06/2023 exceeds \$62.0 million
- Average invoice cost: \$102,187.68
 - CBBC liabilities range in cost from less than \$100 to more than \$600,000
- For 530 of the retirements, employers have paid required contributions in full
 - Total CBBC liabilities collected: exceeds \$50.0 million



Other Policy, Planning, and Compliance Topics

- Federal legislation enacted Dec. 2022: **SECURE 2.0 Act of 2022** (Division T of Consolidated Appropriations Act of 2023, H.R. 2617)
- Appendix materials:
 - Actuarial review for Office of State Auditor
 - N.C. Annual Comprehensive Financial Report
 - Re-employment earnings limit inflationary increase
 - State minutes from July 2022 with detail requested Oct. 2022
- Buck Global / Gallagher
- Retiree return-to-work scenarios



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Thank you



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