



NORTH CAROLINA  
DEPARTMENT OF STATE TREASURER  
RETIREMENT SYSTEMS DIVISION

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JANET COWELL  
TREASURER

STEVEN C. TOOLE  
DIRECTOR

January 7, 2014

TO: Members of the Board

FM: Sam Watts, Policy Director

RE: Employer Contribution Rate and Local System Court Cost Offset for Law Enforcement Officers

The December 31, 2013 valuation of the Local Governmental Employees' Retirement System (LGERS) indicates that the normal contribution component of the Annual Required Contribution (ARC) is 7.00% of payroll for law enforcement officers. This represents a reduction of 0.55% from the current year contribution rate. The court cost offset for the 2016 Fiscal Year is -0.14% and the death benefit rate for law enforcement officers, which is a mandatory benefit, is 0.14%. Thus, the minimum net payable employer rate for law enforcement officers is 7.00%. Any COLA or rate adjustment greater than the minimum rate decided by the Board of Trustees for general employees should be similarly reflected in the law enforcement rate.

The Law Enforcement ARC would be derived as follows:

Current Year Contribution Rate	7.55%
Decrease in Contribution Rate	-0.55%
Contribution Rate for FY 2016	7.00%
Court Cost Offset	-0.14%
Death Benefit	0.14%
Net Payable Contribution	7.00%