



NORTH CAROLINA  
**DEPARTMENT OF STATE TREASURER**  
RETIREMENT SYSTEMS DIVISION

JANET COWELL  
TREASURER

STEVE TOOLE  
RETIREMENT SYSTEMS DIRECTOR

## **Retirement Administrative Changes Act of 2013**

One of the primary responsibilities of the Department of State Treasurer is to provide a safe and secure retirement for North Carolina's 875,000 public employees and retirees, including teachers, police officers, firefighters, and public servants from all over the state. These individuals rely on the integrity, knowledge, and judgment of the Department to ensure their pension is protected. This legislative proposal incorporates provisions that will clarify interpretations of current law and increase efficiency of administration of the 11 retirement systems administered by the Department.

The attached legislative proposal has three sections and improves administration of the Retirement Systems Division in a number of ways:

### **SECTION ONE: Extend Transfer Benefit Option to 403(b) Participants**

This section would allow participants in the State's new 403(b) program to make a one-time election at retirement or following retirement to transfer any portion of his or her eligible accumulated contributions, not including Roth contributions and earnings, in the NC 403(b) program to the Teachers' and State Employees' Retirement System, and receive a special monthly retirement allowance based upon this transferred balance. This transfer benefit option is currently available to participants in the State's 401(k) and 457 plans.

### **SECTION TWO: Clarify Timing of Social Security Offset for Long-Term Disability Benefits**

This section clarifies that the amount of any primary Social Security disability benefits that a member was eligible to receive during a given month will be subtracted from the member's long-term disability benefit payment in the month in which such benefits are payable. Currently, the statute allows benefits to be reduced in the month prior to the month in which the beneficiary receives his or her first Social Security benefit payment.

### **SECTION THREE: Establish Preservation of Benefits Plan**

This section creates a preservation of benefits plan for the purpose of providing benefits to a retiree or beneficiary of the North Carolina Retirement System whose benefits would otherwise be limited by section 415 of the Internal Revenue Code.

*Prepared by Retirement Systems Division Staff  
1/8/2013*