



Local Governmental Employees' Retirement System (LGERS) Employer Overview

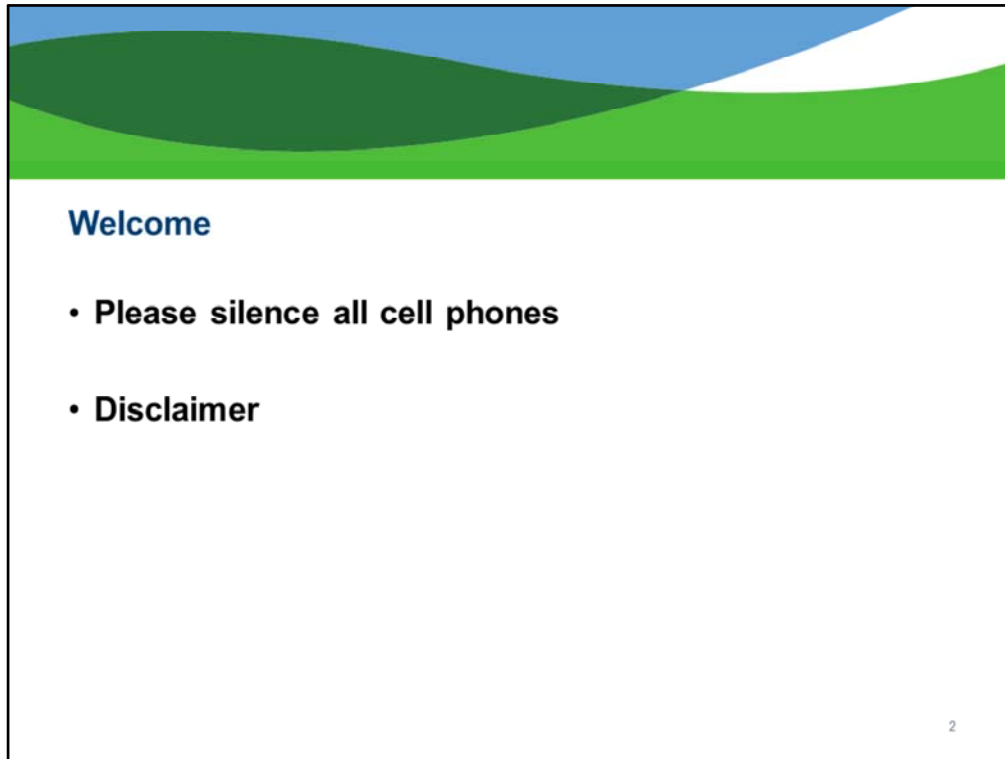


North Carolina
Total Retirement Plans

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Please silence all cell phones.

This presentation is based on current legislation and is subject to change without notice. This material is to be used for training purposes only. Please contact the North Carolina Retirement Systems Division for guidance or assistance.



LGERS Employer Overview

- Plan Type
- Membership Requirements
- Active Member Death Benefits
- Beneficiary Designation
- Service
 - Purchases
 - Transfers
 - Reciprocity
 - Refunds
- Retirement
 - Eligibility
 - Benefit Formula
 - Unused Sick Leave
 - Payment Options
 - NC 401(k)/NC 457 Transfer Benefit Option

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LGERS Employer Overview (Continued)

- Member/Employer Responsibilities Prior to Retirement
- Optional Insurance
 - Dental, Vision, Voluntary life
- Contributory Death Benefit
- Retirement Forms
- Taxes
- Re-employment
- Online Resources
- Disability Retirement
- Additional Law Enforcement Officer (LEO) Benefits



Plan Type - 401(a) Defined Benefit Plan

- Qualified under Internal Revenue Code 401(a)
- Guaranteed monthly lifetime benefits based on defined formula
- Benefits not based on employee and employer contributions typical of 401(k) plans



LGERS Membership Requirements

- An employee of a participating unit who works in a regular position which requires 1,000 hours or more of work per year must be a contributing member of LGERS (see LGERS 1,000 Hours Membership Requirement section under the Frequently Asked Questions on our website at www.MyNCRetirement.com for additional detailed information)
- A participating unit is any county, city, town or other local government which has agreed to participate in the System
- Employees of an Agricultural Extension Service who are members of the Federal Employees' Retirement System may not join LGERS

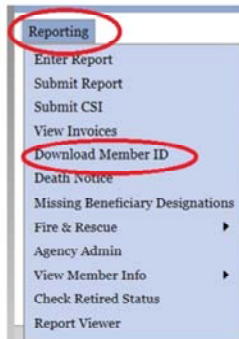



Enrolling Member

- With ORBIT- First REG Salary Record
 - Posting of REG record will create Membership
 - Member ID number will be created
 - Designation of Beneficiaries is separate
- If previously a member of the Retirement System, Member ID number would have already been assigned

Downloading Member ID Number

- **Step One** - Login to Orbit Self Service
- **Step Two** - Select "Download Member ID"





Downloading Member ID Number

- **Step 3** - Choose your search parameters

Reporting

Member Details - Search Criteria

Retrieve Only New Members

Retrieve only new members - members that have been recorded in the system since the last time member information was downloaded which was: 03/13/2017

Next>>

Retrieve Members By Date

Retrieve all members that have been recorded in the system since a specific date.

Start Date:


Next>>

Retrieve Members By SSN

Retrieve members by SSN

SSN: (999999999) or (999-99-9999)


Next>>



Reporting Return-to-Work Retirees

- The current waiting period for LGERS retirees who to return to work in the LGERS system is the first month of retirement.
- Contributory Employment
 - Retirees who return to work in positions which require membership, must notify the Retirement Systems to suspend their benefits.
 - These retirees must be reported as contributing members once again, under plan code "LOCG", "LOCF" or "LOCL" including salary and contributions.
- Non-Contributory Employment
 - Retirees who return to work in temporary, interim, part-time or any position which does not require membership, are subject to a yearly earnable allowance.
 - These retirees must be reported under the plan code "LOCRS" with salary only. Their benefits are not suspended, unless they exceed the Earnable Allowance Limit.
- Employers are now subject to penalties for failing to report return-to-work retirees on the monthly ORBIT reports, which is 10% of the unreported compensation. Reference House Bill 642 – Effective July 1, 2009.

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ORBIT System Security

The Retirement Systems and all agencies are expected to do their best to protect the security of all member information.

Authorized users:

When agency personnel contact the Retirement Systems for assistance with ORBIT reporting issues, their authorization to do so is verified. It is recommended that your agency contact the Retirement Systems twice a year to ensure that your contact information in our system is kept current.


Functions:

- Payroll
- HR
- Finance
- IT
- General

Only ONE User/Password administrator should be assigned at each agency and one person should manage access to ORBIT. Authorized users at each agency should not use the same login credentials.

Written authorization on agency letterhead is required for updates to agency access.

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Resources for Employers

www.myncretirement.com

ORBIT Information for Employers

- File Format Requirements
- Schedule for Submitting Contributions
- Reference Materials
 - New User Guides
 - Reporting Checklist
 - Employer Reporting Updates
 - Invoices
 - FAQ's
 - Compensation and Pay Data
 - Email: OER@nctreasurer.com
 - Toll Free Number: 1-877-627-3287 – Ask for Employer Reporting, or choose the Employer Reporting Option

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What the New Employee Will Experience




- When the member designates his or her beneficiary(ies) and enters the email address in ORBIT an email notification will be sent to member
- The notification will include:
 - A letter from the Treasurer
 - Highlights of Your Retirement Benefits
 - LGERS Quick Reference Guide
 - Supplemental Retirement Plans Fact Sheet
 - Acknowledgement letter listing designated beneficiary(ies)



ORBIT Registration (Continued)



- This process is designed to be a quick and easy way for new employees to learn about the Retirement System and to complete beneficiary designations.
- If the member does not enter an email address in ORBIT, he or she will not receive a confirmation notice. However, the member's ORBIT account will be updated.
- If the member does not designate a beneficiary through ORBIT, the member should complete and return Form 2, *Designating Beneficiary(ies) for Return of Contributions*, and *Designating Beneficiary(ies) for the Death Benefit*.



Active Employee Death Benefits

Death Benefit (for general employees of participating units and all LEOs)


- Must have at least one year of contributing service prior to death
- One-time payment equal to the highest consecutive 12 months of salary during the 24 months preceding member's death
- Minimum \$25,000
- Maximum \$50,000
- Remains in effect for 180 days following the last date of service

Return of Contributions

- One-time payment equal to employee's contributions plus interest at 4 percent compounded annually on the prior year balance, OR
- Instead of return of contributions, Survivor's Alternate Benefit, if eligible
 - If no beneficiary, monies are paid to the member's "estate"

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On DB new Local ERs must wait 1 yr before making election



Active Employee Death Benefits (continued)

Survivor's Alternate Benefit (SAB) for general employees

IF member is not retired and dies while in active service or within 180 days of his/her last day of service;

AND member has one and only one eligible beneficiary for the return of contributions living at the time of his/her death;

AND member has reached age 60 with 5 years of creditable service or completed 20 years of creditable service regardless of age, or completed 15 years of creditable service as a firefighter or rescue squad worker if killed in the line of duty;*

THEN this beneficiary may choose to receive a lifetime monthly benefit under Option 2, instead of a lump sum return of contributions payment.

*NOTE: Unused sick leave cannot be used to meet minimum qualifications for SAB

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Active Employee Death Benefits (continued)

Survivor's Alternate Benefit for Law Enforcement Officers (LEOs)

IF LEO is not retired and dies while in active service or within 180 days of his/her last day of service;

AND LEO has one and only one eligible beneficiary for the return of contributions living at the time of his/her death;

AND LEO has completed 20 years of creditable service regardless of age, or reached age 50 with 15 years of creditable service as a LEO, or reached age 55 with 5 years of creditable service as a LEO, or if member is killed in the line of duty after completing 15 years of creditable service as a LEO;*

THEN this beneficiary may choose to receive a lifetime monthly benefit under Option 2, instead of a lump sum return of contributions payment.

*NOTE: Unused sick leave cannot be used to meet minimum qualifications for SAB

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Principal and Contingent Beneficiary

Principal

- May name more than one
 - Contingent not allowed if more than one principal
- If more than one principal beneficiary:
 - Beneficiaries share equally

Contingent

- Pays only if there is no surviving principal beneficiary
- Can name more than one



Notary Public Certification

- Must complete all blanks in certification
- Black ink seals are preferable (so seal will be clearly visible when forms are copied or faxed)
- Do not stamp seal over the commission expiration date
- Forms with strikeouts, white out or erasure marks in notary section will be rejected



Creditable Service - Total of All Service

- **Contributing membership service**
 - 6% of gross monthly wages and salary
 - Set by state law
 - Condition of full-time employment
- **Prior Service**
 - Service you performed for your employer, before you became a member of the Retirement System, for which you have received retirement credit
- **Military service under free provision (free for member; employer pays a portion of the cost effective 7/1/2011)**
- **Eligible service purchased**
- **Unused sick leave as allowed by law**



Service Purchases

- A member cannot just “buy time” in the Retirement System
- Member must meet all eligibility requirements to purchase additional service credit based on one or more service purchase categories
- The types of service a member can purchase are outlined in the Retirement Benefits Handbooks on our website at www.MyNCRetirement.com
- The best source of information for determining eligibility rules for each type of purchase is located on each service purchase form
 - Eligibility rules
 - Allowable service
 - Procedures
 - Certification



Service Purchase Cost Factors

- State law specifies how the cost of each type of creditable service that may be purchased is calculated. For example, the cost for purchasing previously withdrawn service in the Retirement System is often less expensive than the cost for purchasing other types of eligible retirement service credit.
- Many purchases are based on Full Actuarial Cost. Full actuarial cost represents the cost of the additional liability to the retirement system resulting from the purchase of the additional retirement credit.
- Some of the factors that affect full actuarial cost:
 - Current compensation (last 12 months)
 - Creditable service
 - Amount of service to be purchased
 - Current age of member
- A service purchase calculator that can assist a member in estimating the cost of the purchase types which are based on full actuarial cost is located in ORBIT, accessible through our website at www.MyNCRetirement.com.

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Service Purchase Categories

- Withdrawn LGERS or Teachers' and State Employees' Retirement System (TSERS) Service
- Active Military
- Full-time Out-of-State Governmental Service
- Temporary Local or State Service
- Part-time Local or State Service
- Educational Leave
- Full-time Service With the Federal Government
- Federally-Funded Public Community Service Entity in NC
- Waiting Period Imposed by a Local Unit
- Omitted State or Local Governmental Service
- Parental Leave During State Service
- Workers' Compensation Leave
- Prior Local Service
- Extended Illness During State Service
- Non-participating Local Unit Service

Note: For detailed information on service purchases, refer to the specific purchase form located in ORBIT, which can be accessed through our website at www.MyNCRetirement.com.

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Purchasing Withdrawn Accounts


- Form 461, *Purchasing Retirement Credit or Withdrawn Service*
- 5 years contributing service in a current active account
- Cost is equal to the amount of contributions withdrawn plus interest at a rate of 6½ percent interest compounded annually from year of withdrawal to year of repayment plus an administrative fee of \$25
- Less expensive than most types of service to purchase
- Must purchase all withdrawn accounts
- May purchase LGERS or TSERS withdrawn service in LGERS or may purchase TSERS withdrawn service back into TSERS
- May purchase even if not currently employed or if already retired



Out-of-State Service

- Form 455, *Purchasing Retirement Credit for a Period of Out-of-state employment*
- Must have 5 years of membership service and 1 year of current membership service since completion of the out-of-state service
- May be purchased in 1 year increments
- May purchase 1 year of service for each year of contributing service in LGERS up to a maximum of 10 years
- May purchase if not currently employed or if already retired
- Must have been employed in a full-time capacity in the other state system
- Must not be eligible for a retirement benefit in another public retirement system as a result of the eligible out-of-state service

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Eligible Out-of-State Employers


- Another State
- U.S. Territory
- Federal School
- Overseas Dependent School
- Military Dependent School
- U.S. Public Health Service

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Part-Time Service

- Form 451, *Purchasing Retirement Credit for a Period of Part-time State or Local Government Employment*
- 5 years of contributing service in a current account since the part-time service was performed
 - Exception - if the purchase would immediately qualify the member for a retirement benefit, the 5 years of membership service may have been earned at any time (if this option is exercised, member must immediately retire)
- Employer certifies compensation paid and full-time equivalent compensation
- May be purchased even if not currently employed, but not if retired



Purchase of Military Service


- Form 462, *Purchasing Retirement System Credit or Requesting Free Credit for Military Service*
- 5 years of membership service in a current active account
- May be purchased even if not currently employed and even if already retired
- May not purchase if eligible to receive benefit for same service from another retirement system
- Must submit a copy of DD-214 along with completed purchase request form

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Free Military

- Member may receive retirement credit for up to 5 years of qualifying military service if an active LGERS member when he or she entered the military, and
 - Member returns to employment for 10 or more years with the same LGERS employer after discharge from the military, or
 - Member returns to LGERS membership service within the time limit mandated by federal law for reporting back to work (typically 90 days), and the member meets all the following requirements:
 - did not provide written notice of intent not to return to work after military service
 - is not eligible for benefit from any other retirement plan based on this service
 - has purchased his or her LGERS withdrawn service credit if any.



Free Military (continued)

- Must provide a copy of DD-214
- No cost to member
- LGERS employer is required to pay the employer contributions to the Retirement System for the full period of the member's military service under the above provisions if member returns to work within 2 years after his or her earliest military discharge date.

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Educational Leave

- Form 463, *Purchasing Retirement Credit for a Period of Interrupted Service for Educational Purposes*
- For interrupted service for approved educational leave on or after July 1, 1981, credit may be purchased if member returned to service as a contributing member with the same LGERS employer within 12 months after completing the educational program and has contributed or will contribute to the Retirement System for at least 3 additional years
- May purchase up to 4 years of credit in LGERS
- If the employer does not pay the employer portion of contributions, the member may pay both the employee and employer portions



Workers' Compensation

- Form 441, *Purchasing Retirement Credit for a Period of Workers' Compensation*
- For leave occurring on or after July 1, 1983, member must have contributing membership service in the month immediately prior to Workers' Compensation period and during the month following the Workers' Compensation period
- May be purchased even if not currently employed, but not retired
- Cost varies depending on when leave occurs
- May be advantageous to apply for purchase as soon as member returns to work or is approved for long-term disability




Common Purchase Errors

1. **Part-time** – employer does not indicate hypothetical full-time compensation
2. **Military** – member wonders why all service listed on DD214 cannot be purchased (member may only purchase first period of active duty)
3. **Omitted** – service/salary must be older than 90 days
4. **Out-of-state** – purchase not allowed if eligible for retirement benefit from other state retirement system
5. **Waiting period imposed by a local unit** – member eligible to purchase only if that employer no longer imposes waiting period



Using Pre-Tax Monies to Purchase Service Credit

- The Retirement System accepts rollovers from eligible retirement plans to pay for purchases
- ROTH IRAs do not qualify for rollover
- Eligible rollover funds are posted to the member's account as pre-tax dollars
- Member's personal checks, bank checks or money orders are posted as post-tax dollars
- Cash and credit cards are not accepted
- Information and instructions related to rollovers are found on Form 398, *Using a Distribution of Tax-Sheltered Savings to Purchase Retirement Credit*



Requesting Initial Purchase Cost Statement

- Member completes the necessary purchase form found in ORBIT which can be accessed through our website at www.MyNCRetirement.com
- If required, employer completes the Employer Section
- Member sends completed purchase form to the Retirement System
- The Retirement System reviews the form and determines purchase eligibility
- If eligible, the Retirement System prepares a Cost Statement to include:
 - Lump sum amount owed (*unless the purchase is future educational leave*)
 - Due date
 - Amount of service that can be purchased
 - The Retirement System to which the check(s) are payable
 - Process to use rollover funds from an eligible IRA or other eligible plan


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Procedure to Purchase Service Credit Using Tax-Sheltered Retirement Savings

- Member should submit all of the following to the Retirement System in one complete package:
 - Copy of purchase cost statement that was prepared by the Retirement System
 - Letter/statement from eligible retirement plan which verifies the funds are tax-deferred and eligible for rollover
 - Rollover check
 - Completed Form 398, *Using a Distribution of Tax-Sheltered Savings to Purchase Retirement Credit*, which can be downloaded from ORBIT accessible through our website at www.MyNCRetirement.com
- If the amount of the rollover check is not sufficient to cover the full cost of the purchase, member must submit additional check(s) at the same time as the rollover check to cover the full cost of the purchase

BREAK



System to System Transfers

- Must be an eligible member of the System to which service is being transferred
 - If member is not currently active in either account, member can only transfer to the System last worked
- Must file Form 5TR, *Transferring Service and Contributions Between Systems, with the Retirement Systems Division*
- Must transfer prior to retirement
- Cannot transfer to a retired account or a withdrawn account

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System to System Transfers (continued)

- Transfer of service between Systems is completely voluntary and irrevocable
- A member who transfers membership service from TSERS to LGERS loses all benefits associated with the TSERS account including possible eligibility for State-paid health coverage at retirement
- Overlapping transferred service cannot be counted twice for the same period of time



Transfers Within the Same System

- It is not necessary to complete a Form 5TR if a member is transferring from one employer to another employer within the same System (LGERS to LGERS).
- The term "Transfer between Systems" does not refer to service performed in another state. That service may only be purchased as "Out-of-State Service."



Reciprocity (Total of all Service)


- Local Governmental Employees' Retirement System (LGERS)
- Teachers' and State Employees' Retirement System (TSERS)
- Legislative Retirement System (LRS)
- Consolidated Judicial Retirement System (CJRS)

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Reciprocity (continued)

- A member that belongs to both TSERS and LGERS does not have to retire simultaneously from both Systems
- A member that belongs to both TSERS and LGERS does not have to terminate employment from one System in order to begin receiving benefits from a System to which he or she no longer contributes



Reciprocity (continued)

Used to determine eligibility for:

- Unreduced retirement
- Reduced retirement
- Survivor's Alternate Benefit
- Purchase of TSERS/LGERS withdrawn service
- Disability Retirement provided the member became disabled while a contributing member of LGERS

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Refund of Contributions

- May be paid only after the member has been terminated from employment for at least 60 calendar days
- Member is **not required** to apply for a refund, even if he/she has less than 5 years of service
- Member/employer **does not** have to wait for 60 days to expire before submitting a refund application



Refund of Contributions (continued)

- Member cannot receive a refund if he/she is re-employed with an employer that participates in the same Retirement System before the refund is paid
- Receiving a refund forfeits all future benefits from the System
- Member is never entitled to a refund of the employer contributions



Refund of Contributions (continued)

- Refund paid as rollover
 - Eligible retirement plan
 - Signed letter of acceptance from the plan
- Refund paid directly to member
 - 20% Federal withholding
 - 4% State withholding
 - Unless NC State tax exempt (Bailey qualified)
 - Possible 10% federal tax penalty assessed when member files taxes if member is under 59 1/2
- Refund can be paid as a combination rollover/direct pay



Scenario 2

Jeffery B. Smith age 45, has worked for the City of Raleigh since July 1, 2006 with no breaks in service. Jeffery accepted a job in South Carolina and resigned from his position August 31, 2015. Jeffery decided to get a refund of his retirement monies to pay off some old bills before moving. He decides to have his entire balance of \$46,860 refunded to him.

1. Is Jeffery eligible for the interest earned on his retirement contributions?
YES
2. Is Jeffery eligible for the employer portion of his retirement contributions?
NO
3. Jeffery terminated employment August 31, 2015. What is the earliest date, by law, that the Retirement System can make the distribution?
OCTOBER 31, 2015
4. Will Jeffery have to pay any taxes and/or penalties on his refund?
YES
5. Could Jeffery have requested that the Retirement System pay some of the monies to him and have some of the monies rolled over to an IRA?
YES



Service Retirement Eligibility (Unreduced Benefits)

- 30 years of creditable service at any age
- Age 65 with 5 years of creditable service
- Age 60 with 25 years of creditable service
- Law Enforcement Officers (LEO) qualify at age 55 with 5 years of creditable service as an officer



Early Retirement Eligibility (Reduced Benefits)

- Age 60 with 5 years of membership service
- Age 50 with 20 years of creditable service
- Law Enforcement Officers (LEO) qualify at age 50 with 15 years of creditable service as an officer

Defined Benefit Formula

Average Final Compensation	\$50,000
X Accrual Factor	0.0185
X Years of Service	30
<hr/>	
Per year	\$27,750
÷	12
<hr/>	
Per month	\$2,312.50


Note: Reduction factors apply for early retirements



Average Final Compensation (AFC)

AFC is the average of the highest four consecutive years of reported salary.

Note: If the last four years produce the highest AFC, final payments for vacation leave, and/or prorated longevity are included in AFC. (Final payments, if any, for unused sick leave or reimbursements for expenses are not includable in AFC.)



AFC Calculation Example – 12-Month Employee – July 2017 Retirement			
<u>Year</u>	<u>Months</u>	<u>Amount of Service</u>	<u>Gross Salary</u>
2017	Jan-June	6/12	\$35,361.45
2016	Jan-Dec	Full Year	\$49,088.17
2015	Jan-Dec	Full Year	\$46,473.01
2014	Jan-Dec	Full Year	\$43,439.49
2013	July-Dec	6/12	\$21,334.48
			\$195,696.60 ÷ 4
		AFC =	\$ 48,924.15

Accrual Factor


Currently

1.85%



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Determined by the General Assembly



Unused Sick Leave at Retirement

- Unused sick leave can be converted to additional retirement service credit at the time of retirement if all of the following requirements have been met:
 - the member earned the sick leave under a duly adopted policy,
 - the member would receive full salary when using the sick leave if absent from work due to sickness,
 - the member has not and will not receive any compensation for this sick leave, and
 - the member's last day of service with his last participating LGERS employer is within 365 days prior to his or her LGERS effective date of retirement.
- One month of creditable service is allowed for each 20 days of unused sick leave and one more month for any additional portion (at least one hour).

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Unused Sick Leave at Retirement

Standardize Employer Reporting of Sick Leave

North Carolina General Statutes 135-4(e) and 128-26(e) now requires that creditable service for unused sick leave be reported to the Retirement System in accordance with a standardized definition of hours per day and days in a week applicable for Retirement System purposes only. This change clarifies the process to make sure that agencies are reporting their hours consistent with the current law.

Specifically, "days of sick leave standing to a member's credit at retirement shall be determined by dividing the member's total hours of sick leave at retirement by the hours per month such leave was awarded under the employer's duly adopted sick leave policy as the policy applied to the member when the leave was accrued," which means that sick leave must be reported to the Retirement System on a consistent basis. As such, this change is a reporting requirement only and does not increase or decrease the amount of sick leave credited to a member. This section is effective January 1, 2018.

Unused Sick Leave at Retirement

Example 1	VS.	Example 2
12 hours worked		7.5 hours worked
=		=
1 Sick day		1 Sick day

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A sick leave “day” is determined by the employer’s sick leave accrual policy and may or may not be equal to 8 hours.

Example 1

An employee who earns 1 day of sick leave per month under the employer’s sick leave accrual policy may work an extended shift of 12 hours per day and accrue 12 hours of sick leave each month. When the employer certifies unused sick leave on the employee’s retirement application (Form 6), if that employee has 12 hours of eligible unused sick leave, the employer should report 1 day of unused sick leave, rather than 1.5 days.

Example 2

An employee who earns 1 day of sick leave per month under the employer’s sick leave accrual policy may work 7.5 hours per day and accrue 7.5 hours of sick leave each month. When the employer certifies unused sick leave on the employee’s Form 6, if that employee has 7.5 hours of eligible unused sick leave, the employer should report 1 day of unused sick leave.



Earned Sick Leave

Can be used to complete:

- **30 years of service**
- **25 years of service after age 60**
- **20 years of service after age 50**
- **5 years of service after age 60**
- **5 years of service after age 65**



Earned Sick Leave

Cannot be used to meet the minimums for:


- **Deferred benefit**
- **Survivor's alternate benefit**
- **Disability retirement**



Accumulated Sick Leave (Days)

1 – 20 = 1 Month	201 – 220 = 11 Months
21 – 40 = 2 Months	221 – 240 = 12 Months
41 – 60 = 3 Months	241 – 260 = 13 Months
61 – 80 = 4 Months	261 – 280 = 14 Months
81 – 100 = 5 Months	281 – 300 = 15 Months
101 – 120 = 6 Months	301 – 320 = 16 Months
121 – 140 = 7 Months	321 – 340 = 17 Months
141 – 160 = 8 Months	341 – 360 = 18 Months
161 – 180 = 9 Months	361 – 380 = 19 Months
181 – 200 = 10 Months	381 – 400 = 20 Months

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Retirement Options

- Maximum Allowance – basic, straight life benefit (no monthly survivorship)
- Option 2– 100% Joint and Survivorship
- Option 3 – 50% Joint and Survivorship
- Option 4 – adjustment of retirement allowance and Social Security benefits (no monthly survivorship)
- Option 6-2 or 6-3 – Modified Joint and Survivorship


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Retirement Benefit Payment Option

Selection of a monthly payment option is a personal decision.

- Popular choices made by others should not influence your decision.
- Member should consider financial situation, age, health, need to provide for dependent and dependent's financial situation, age, health, etc.



Estimating Retirement Benefits

Step 1 - Identify the "Assumptions"

- Age of Member
- Age of Beneficiary
- Years of Service
- Retirement Date
- AFC
- Social Security (SS) age 62 estimate for SS Leveling Option (optional)

Step 2 - Apply the Retirement Formula

- $\text{AFC} \times \text{Retirement Factor} \times \text{Creditable Service}$

Step 3 - Results / Maximum and Options

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Estimating Retirement Benefits (continued)

Step 1 - Assumptions

- Member's age = 49
- Beneficiary's age = 51
- AFC = \$50,000
- Total creditable service = 30 years
- Estimated SS @ age 62 = \$1,200/month

Step 2 – Formula

AFC		Factor		Total Service		Annual Maximum
\$50,000	x	.0185	x	30 years	=	\$27,750

Monthly maximum allowance = \$2,312.50 (\$27,750/12)



Estimate of Retirement Benefits

Assumptions:

Member's Age = **49**,
Beneficiary Age = **51**

AFC = **\$50,000.00** Service = **30 years**
Estimated SS@62 = \$1,200


Option	Retiree	Beneficiary
Maximum	\$2,312.50	\$0.00
Option 2 100%	\$2,185.54	\$2,185.54
Option 3 50%	\$2,247.29	\$1,123.64
Option 4 <u>to age 62</u>	\$2,702.17	\$0.00
<u>After</u> age 62	\$1,502.17	
Option 6-2 Pop-up	\$2,173.98	\$2,173.98
Option 6-3 Pop-up	\$2,241.04	\$1,120.52

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Social Security Estimate

- Use age 62 Social Security estimate that is current within 2 years of LGERS retirement date
- Social Security estimate is based on assumption that member will continue to work until age 62
- If member stops working earlier than age 62, Social Security estimate may be overstated
- Increase or decrease of future earnings may affect Social Security benefits
- Estimated Social Security benefits are based on current law which could change




Payment Plan Option Changes


- Retirees cannot change payment plan option once first retirement check is cashed except under the following exceptions:
 - Divorce, provided the monthly survivorship beneficiary was the spouse at the time of retirement
 - Return to employment covered under LGERS and contribute to a new retirement account for at least 3 years
 - Provision allowing designation* of new spouse under Options 2 or 3 when original spouse is deceased

*Request to designate new spouse under this provision must be made within 90 days of remarriage. Monthly benefit amount prior to death of original spouse will be further reduced to cover new spouse as beneficiary.

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Optional Transfer Benefit

 North Carolina
Total Retirement Plans | 401k | 457

- Available to retiring LGERS members with existing NC 401(k) and/or NC 457 accounts through Prudential Retirement
- Option to transfer all or a portion of supplemental funds to the Retirement System
- Members who transfer will receive additional separate monthly lifetime benefits based on the amount of transferred funds

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Optional Transfer Benefit (continued)



North Carolina | 401k | 457
Total Retirement Plans

- After-tax ROTH contributions are non-transferable
- Transfers are a one-time irrevocable election
- Effective the first of any month
- One-time \$100 administrative fee (per account transferred)
- To initiate transfer submit Form 319 no more than 120 days before transfer date and no later than 15th day of month preceding transfer




Optional Transfer Benefit – Additional Information



- State Employees' Credit Union
 - Visit www.nclifetimeincome.org
- Prudential Retirement
 - Visit www.ncplans.prudential.com
- North Carolina Retirement Systems
 - Visit www.MyNCRetirement.com

BREAK




Member/Employer Responsibilities Prior to Retirement

Member should:

- Log into his/her personal ORBIT account accessible through our website at www.MyNCRetirement.com to review account information for accuracy
 - Service
 - Beneficiary designations
- Review retirement benefits handbook on our website to become familiar with the formula for calculating retirement benefit and with the benefit payment options
- Obtain retirement estimate(s) in ORBIT
- Decide when to retire
- Discuss plans to retire with employer
- Complete Form 6, *Claiming Your Monthly Retirement Benefit*, and submit to Human Resources office for employer to complete Employer Certification section on page 2

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Member/Employer Responsibilities Prior to Retirement (cont.)

Employer should:

- Complete Employer Certification section on page 2 of the Form 6, and submit the form to the Retirement System
- Direct employees to LGERS publications and information on our website at www.MyNCRetirement.com
- Direct members with questions about their accounts to:
 - Visit their personal ORBIT accounts accessible through our website at www.MyNCRetirement.com to view their individual account information, or
 - Contact the LGERS Member Services section:
 - toll free 1-877-627-3287
 - by e-mail at nc.retirement@nctreasurer.com

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Optional Supplemental Insurance

- Enrollment is optional
- Retirees pay full cost
- Premiums will be deducted from monthly retirement benefit

Pierce Insurance Agency
855-627-3847
www.ncretiree.com

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In an effort to continuously enhance the benefits available to retired public employees, the Retirement Systems Division is proud to offer you supplemental insurance through our trusted partner, Pierce Insurance. Soon after you retire, Pierce will mail information about these insurance products directly to you. Enrollment is optional and retirees pay the full cost of coverage; however, you may be able to benefit from the lower group rates offered through Pierce. If you would like to contact Pierce Insurance directly with questions, please call 1-855-NCRETIRE or go to www.ncretiree.com.




Retiree Death Benefits

- Continuation of monthly survivor option, if applicable
- Death Benefit (for general employees of participating units and all LEOs)
 - If death occurs within 180 days of the last day of service, payment equals the highest 12 months salary in a row during the 24 months before death, but no less than \$25,000 and no more than \$50,000
- Guaranteed Refund
 - All retirement plans have guaranteed refund of accumulated retirement contributions regardless of the payment plan elected

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Must have one year of contributing membership service.



Contributory Death Benefit (CDB) for Retired Members

- Retirees receive CDB election forms shortly after submitting retirement application, coverage provided by the Retirement Systems Division
- Election must occur within 60 days of retirement date
- The lump sum death benefit = \$10,000 provided retiree's death occurs after the 24th full month in which the required contributions have been made; member must live into the 25th month
- If death occurs prior to the 24th full month in which the required contributions have been made, amount payable = contributions plus interest
- Member may designate beneficiary(ies)

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Initiating Retirement


- Member and Employer complete Form 6, *Claiming Your Monthly Retirement Benefit*
- 120 to 90 days prior to retirement date, member mails to N.C. Retirement Systems:
 - Form 6
 - Proof of birth
 - SS estimate at age 62 if interested in Option 4
- RSD mails to member:
 - Acknowledgement letter
 - Includes NC 401(k)/457 Transfer Benefit information
 - Form 170 - *Authorizing Direct Deposit*
 - Form 333 - *Choosing the Contributory Death Benefit*
- RSD reviews eligibility, service, and salary

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Initiating Retirement (continued)

- Approximately 30 to 60 days after receipt of application, RSD mails to member:
 - Report of your Estimated Retirement Benefits
 - Form 6E – *Choosing Your Retirement Payment Option*
 - Form 290 – *Choosing Income Tax Withholding Preferences*
 - Form 336 – *Designating Beneficiary(ies) for the Guaranteed Refund as a Retiree*
- Member makes decision regarding a payment plan
 - Submits completed Form 6E to Retirement Systems for processing



Report of Estimated Retirement Benefits


- Employer information on Form 6 is used to calculate retirement benefits
 - Unused sick leave
 - Projected monthly compensation
 - Payouts for annual leave and longevity
- Retirement accounts are audited after final payroll report has posted
- If “projected” salary and payouts are different from actual salary and payouts, retirement benefits are recalculated
- If recalculation results in an overpayment or underpayment, member's account will be adjusted and member will receive a money change letter

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Failure to Return Form 6E


- Form 6E must be properly completed, signed, notarized and returned to the Retirement System before the member's retirement benefits can begin
- If the member fails to respond with 120 days after the estimate and Form 6E are mailed, or within 120 days after the effective date of retirement, whichever is later, the Form 6 will be cancelled.
- If cancelled, a new Form 6 must be filed establishing a new effective retirement date



Retirement Process Reminders

- ✓ Retirements are always effective 1st day of the month
- ✓ Application must be signed and dated at least one day, but no more than 120 days ahead of retirement date
- ✓ Processed in the order received
- ✓ First benefit payment is always mailed
- ✓ Payday is the 25th of each month
- ✓ December deposit usually on the 20th of the month

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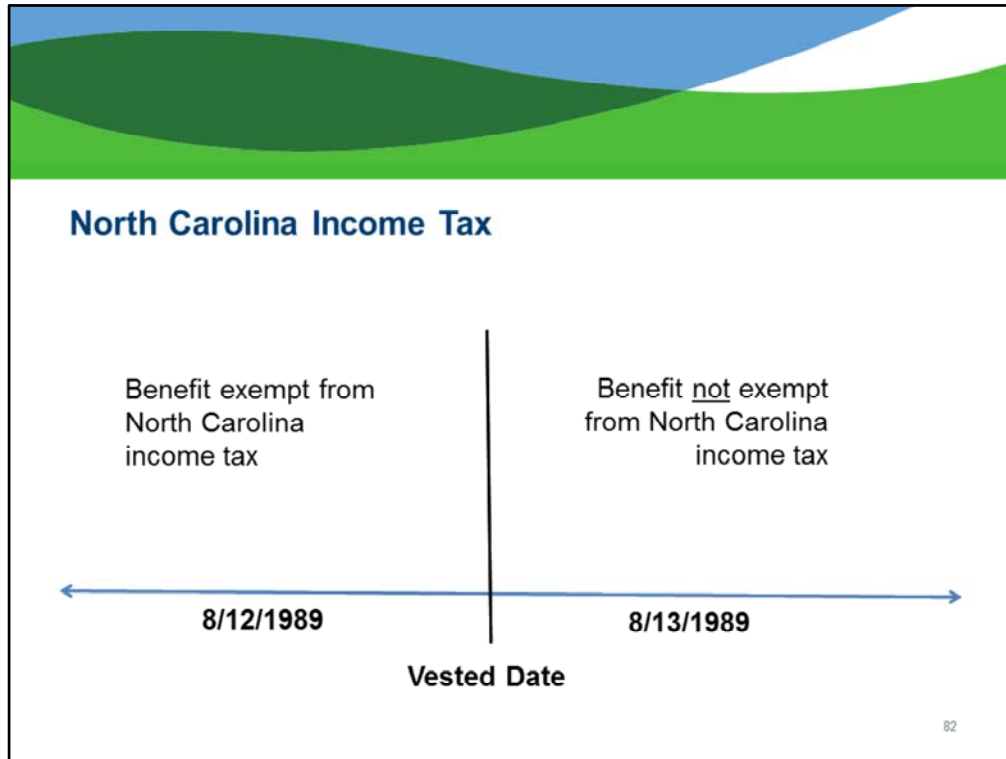


Federal Income Tax


- Retirement benefits are subject to federal tax
- The retirement system withholds federal tax based on:
 - The taxable portion of the benefit
 - The filing status (married, single)
 - The number of allowances claimed (0, 1, 2, etc.)
- The taxable portion of the monthly retirement benefit consists of:
 - Contributions made on a “pre-taxed” basis after July 1, 1982
 - Additional service credit purchased with “pre-taxed” dollars after January 1, 2003
 - All interest accrued prior to retirement

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NOTE: Explain “federal tax base”




- If the member has maintained five or more years of retirement membership service in TSERS as of August 12, 1989, the member's entire retirement benefit is exempt from North Carolina income tax
- If the member has not maintained five or more years of retirement membership service in TSERS as of August 12, 1989, the member will be required to pay North Carolina income tax on the taxable portion of his/her retirement benefit if he/she is a resident of North Carolina



Tax Documentation

- Form 1099-R mailed by RSD before January 31
 - Provides amount of retirement benefits
 - Taxable portion (if any)
 - Amount withheld (if any)
- Changing Tax Withholdings
 - Retirees change in ORBIT, or
 - Complete Form 290, *Choosing Income Tax Withholding Preferences*


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Re-employment – 2 Categories

1. Return as a full-time contributing member of LGERS
2. Return under an earnings restriction (earnable allowance)

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Re-employment
Waiting Period Required

In all Cases:

- During the waiting period, you are prohibited from returning to work in any capacity for any employer that participates in the NC Retirement System, from which you retired, without facing a significant financial penalty (up to and including a repayment of all benefits received).
- Pre-existing agreements for post-retirement employment are prohibited

[ERG SPEAKER]

During the waiting period, you are prohibited from returning to work in any capacity for any employer that participates in the NC Retirement System, from which you retired, without facing a significant financial penalty (up to and including a repayment of all benefits received).

LGERS 1 month

Please remember that pre-existing agreements for post-retirement employment are prohibited.

LGERS

The financial penalty for returning to work for an LGERS employer on a part-time, temporary, interim, or fee for service basis, during the month immediately following the effective date of LGERS retirement, will be the lesser of the following as determined by the retirement system:

- You will be deemed to have retired the month after the month you performed services for the employer and repay all retirement benefits received until that date; **or**
- You will be required to make a lump sum payment to LGERS equal to three times the compensation earned during the month immediately following the effective date of retirement.

If you return to active membership service during the waiting period following your effective date of retirement, your TSERS/LGERS benefit will be cancelled retroactively to your retirement date, and you must repay all retirement benefits received since your retirement date.

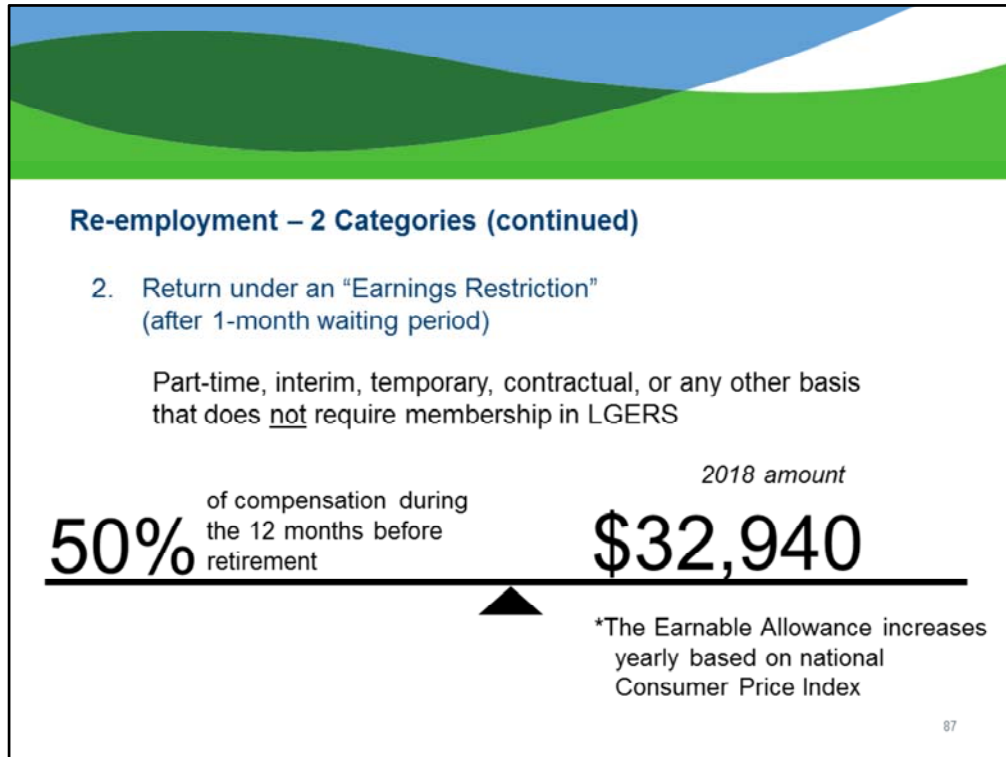
Please refer to your handouts for specific guidance for your retirement system.



Re-employment – 2 Categories

1. Return as a full-time contributing member of LGERS:

- In order to be legally retired, a retiree must not perform any work, including part-time, temporary, substitute, or contractor work, for an LGERS participating employer at any time during the month of the effective date of retirement
- After a one month break in service from any LGERS participating employer, the retiree may suspend his/her retirement and become reemployed in an LGERS position
- At that time, the reemployed individual will again become an active contributing member of LGERS
- Retirement payment will be stopped the first day of the month following the month of reemployment




After a one-month waiting period, the retired member may return under an “Earnings Restriction.” Please remember that pre-existing agreements for post-retirement employment are prohibited.

The Earnable Allowance in a “non-contributing” capacity during the 12 months following retirement or during any calendar year = 50% of the retired member’s compensation during the 12 months of service before retirement excluding termination payments or \$32,940 (2018 amount), whichever is greater

The Earnable Allowance is increased each year based on the percentage increase in the national Consumer Price Index.

If a retiree returns to work with a LGERS employer, they should request a statement of their earnable allowance to avoid exceeding that monthly amount.



Penalty for Exceeding Earnable Allowance

- Retirement payments are stopped on the 1st day of the month following the month in which the retiree has exceeded the earnable allowance
- Retirement payments start again on January 1st of the year after the benefit is stopped

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Importance of retiree requesting Statement of Earnable Amount



Re-employment as a Temporary Employee

- An LGERS employer who rehires an LGERS retiree in a temporary position should carefully evaluate the temporary job classification so that the retiree will not be in violation of return-to-work laws
- Temporary positions should have a beginning and an ending date of employment
- Positions classified as temporary are generally restricted to employment periods that are no longer than 12 months
- While the Retirement System cannot advise you on how to classify a position, please contact our office if you need assistance in determining if a position meets LGERS membership requirements
- A rehired LGERS retiree will be in violation of return-to-work laws if the LGERS employer rehires the retiree in a position that is incorrectly classified as temporary but should have been a contributing membership position

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Re-employment - Alert

IN ALL CASES:


- Individuals working for any employer that participates in LGERS in positions requiring 1,000 or more hours per year must be contributing LGERS members (see LGERS 1,000 Hours Membership Requirement section under the Frequently Asked Questions on our website at www.MyNCRetirement.com for additional detailed information)
- A return to work in which the member performs any type of work for any employer that participates in LGERS without a one-month wait will cause a revocation of all retirement benefits retroactive to the retirement date
- LGERS employers are required by law to report rehired LGERS retirees through ORBIT Payroll Reporting

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Employment Agencies and Contractors

- A retired person contracting directly with, or working for, an agency/company that contracts with an employer of the System in which the member retired may be in violation of the return-to-work laws. If the salary the employee is receiving is being paid from an employer under the same System from which the member retired, whether it is filtered through another company or not, the employee may be in violation of return-to-work laws.




ORBIT




Active employees

- View personal information
- View account summary
- View account history
- View annual benefits statements
- View beneficiary information
- Create custom benefit estimate
- Create NC 401(k)/457 Transfer Benefit estimate
- Maintain phone/email
- Request account balance statement
- Create service purchase estimate
- Track recent request
- Request appointment

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ORBIT



Retirees

- View personal information
- View account summary
- View direct deposit
- Maintain tax withholdings
- Income verification
- Maintain address, phone, email
- View CDB information
- View earnable allowance
- View payment history
- View 1099-R

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Active Employee Online Resource www.MyNCRetirement.com

- Retirement Planning Resources
 - Retirement Checklist
 - Retirement Planning Conferences
 - LGERS Retirement Planning Conference Presentation
 - Retirement Benefit Highlights
- Disability Benefits Processing and Training
- News
- Guidance Publications
 - Guide for Domestic Relations Orders
 - Law Enforcement Officer Benefits
 - Return to Work Policies
 - Annual Benefit Statements User Guide and FAQs
 - NC Pension System Fact Sheet

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Employer Online Resource www.MyNCRetirement.com

- Upcoming Events
- Reduction-in-Force Information for Employers
- ORBIT Employer Reporting
- Welcome Packets
- Forms (ORBIT)
- Disability Benefits Processing and Training
- Discontinued Service Retirement
- Retirement Planning Resources
- News
- Guidance Publications including **LGERS Employer Manual**

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LGERS Disability Retirement

- After five years of creditable service, if a member becomes mentally or physically incapacitated for the further performance of his/her job duty and the Medical Review Board approves, the member becomes eligible for disability retirement benefits
- General employees and LEOs are not eligible for disability retirement if they are already eligible for an unreduced service retirement benefit



LGERS Disability Retirement Eligibility

- G.S. § 128-27(c)
- Member must be “mentally or physically incapacitated for the further performance of duty”
- “Incapacity was incurred at the time of active employment^{*} and has been continuous thereafter”
- Incapacity likely to be permanent

^{*}member must be working or exhausting approved leave at time of disability



LGERS Disability Eligibility (continued)

- Member must have at least five years of creditable service in a current active account
- Reciprocity can be used to determine eligibility for disability retirement
- Transferred service prior to date of disability can count toward the five years
- Unused sick leave cannot be counted in computing creditable service for the purpose of determining eligibility requirements



Conversion from Early Retirement to Disability Retirement

- Member must notify us in writing within three years of his/her service retirement date
- The Retirement System needs a completed Form 7A indicating permanent and total disability on or prior to last day worked or last day of exhausted leave
- The Retirement System also needs a job description from member's last LGERS employer
- If medical board approves the disability retirement, the new disability retirement amount is payable under the payment option previously elected (retroactive to original retirement date)

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Law Enforcement and Rescue Workers

- Exceptions to the five year service requirement to become eligible for disability retirement:
 - A firefighter or rescue squad worker who becomes disabled as a result of a line-of-duty injury will qualify regardless of the amount of his or her creditable service
 - A LEO who becomes disabled as a result of injuries incurred in the line-of-duty will qualify regardless of the amount of his or her creditable service
- Employer must certify the disability resulted from a line-of-duty injury
- Medical Review Board approval is required



Service Projections

- Creditable service is counted as though the disabled member continued working to the earliest date he/she would have been qualified for an unreduced service retirement allowance
- Any unused sick leave is added before the service is projected
- The service projection starts the month following the last day of work or last day of exhausted leave, whichever is later




Projecting Service to First Unreduced Service Retirement

- 30 years of creditable service at any age
- Age 65 with 5 years of creditable service
- Age 60 with 25 years of creditable service
- Law Enforcement Officers (LEO) qualify at age 55 with 5 years of creditable service as an officer

Note: Projected service does not meet the definition of creditable service in the law [G.S. § 128-27(c)]


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Filing Requirements

- The Retirement System requires the following:
 - Form 7, *Requesting Disability Retirement Benefits*
 - Form 7A, *Medical Report for Disability Eligibility Review*
 - Proof of birth
 - Job Description
- Employer can make application for the member if the member is unable to complete the Form 7

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Disability Processing


- The Retirement System reviews the member's account for eligibility and prepares file for medical board review if eligible
- Forms are processed in the order received
- It can take up to 12 weeks for a file to go to the Medical Review Board

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Medical Review Board

- Medical Review Board is responsible for determining if the member meets the definition of disability
- Board reviews disability files for Local and State employees
- At the Medical Review Board meeting, the doctors can make one of three decisions:
 1. Approve permanent disability
 2. Request additional medical information
 3. Reject permanent disability



Medical Review Board Approval

- The Retirement System mails the member an approval letter and mails the employer a notification of approval letter
- The Retirement System also mails the member:
 - *Estimate of monthly disability retirement benefits*
 - *Form 7E, Choosing a Disability Retirement Payment Option*
 - *Form 170, Authorizing Direct Deposit*
 - *Form 290, Choosing Income Tax Withholding Preferences*
 - *Form 333, Choosing the Contributory Death Benefit for Retired Members*
 - *Form 336, Designating Beneficiary(ies) for the Guaranteed Refund as a Retiree*

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Failure to Return Form 7E


- Form 7E must be properly completed, signed, notarized and returned to the Retirement System before the member's disability retirement benefits can begin
- If the member fails to respond within 120 days after the estimate and Form 7E are mailed, or within 120 days after the effective date of retirement, whichever is later, the Form 7 will be cancelled.
- If cancelled, a new Form 7 must be filed establishing a new effective disability retirement date



Additional Medical Requested

- The Retirement System sends a letter to the member advising him/her of the specific information that is needed to take the file back to the Medical Review Board
- The Retirement System also mails a letter to the employer to inform the employer that additional medical documentation was requested
- Member has 90 days to comply with the request or the disability application will be canceled
- About 60 days after the Medical Review Board meeting, if no medical documentation has been received, the Retirement System will send the member a reminder letter

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Cancellation of Application


- If disability application is cancelled due to lack of medical documentation, member has to start the process over again by submitting a new Form 7 and current medical information (Form 7A) establishing a new retirement date (retirement date on the initial disability retirement application may not be used)
- No limit on the number of times a file can be presented to the Medical Review Board

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Rejection

- If rejected, the Retirement System mails member a rejection letter informing the member of this decision by the Medical Board
- The Retirement System also mails the employer a letter indicating member was rejected for disability retirement



Calculation Process

- Formula = 1.85% of Average Final Compensation times years and months of creditable service plus projected service to the earliest unreduced service retirement date
- Disability retirement calculation is based on the highest AFC
- If AFC is based on the last 4 years, terminal leave payouts are included in the AFC
- Only the actual salary amounts reported to the Retirement System are used to calculate the AFC
- Survivor options are calculated if beneficiary information is included on Form 7
- Option 4 is not available

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Calculation Process (continued)

- Any unused sick leave is added to the total service before the projection to the first unreduced retirement of 30 years of service, age 60 with 25 years, or age 65
- When member is exhausting sick leave, the 6% employee contributions are reported to the Retirement System and the member receives service credit
- Member may not retire in the same month he/she is exhausting leave



Disability Monthly Survivorship Options

- If member selects a survivorship option, it will be calculated using disability reduction percentages
- Under disability retirement allowance, a member gives up more money in his lifetime for a survivorship option compared with service retirement



Federal Taxes

- Disability retirement benefits are subject to federal tax
- The Retirement System sends Form 1099-R to the member each January and reports retirement income to IRS
- The IRS has instructed the Retirement System to code the 1099-R with a distribution code 7 for disability retirements (not 3 for disability)
- According to the IRS, a disability retirement benefit that is based on age and service is treated as a pension benefit and includable as ordinary income subject to federal income tax



State Taxes

- The Bailey class exemption applies to an LGERS disability retirement retiree provided the retiree had five years of maintained retirement creditable service in LGERS as of August 12, 1989. If this requirement has been met, the disability retiree will not owe any North Carolina income tax on his/her LGERS disability retirement benefits.
- This right passes to the beneficiary for a monthly survivorship option if applicable.
- Transferred service from TSERS to LGERS can count in meeting the 5 years of service requirement for Bailey eligibility if the transferred service included 5 years of maintained service credit as of 8/12/1989.
- If retirement service credit prior to 8/12/1989 has been withdrawn and later purchased, it does not count toward the Bailey class date.
- Prior local service before 8/12/1989 does not count toward Bailey eligibility.



Offsets and COLAs


- There are no offsets of any other benefits from LGERS disability retirement
- LGERS disability retirees can be in receipt of Social Security, Workers' Compensation, Veterans Administration benefits, etc. and the LGERS disability retirement benefits will not be reduced
- LGERS disability retirees receive the same COLAs as LGERS service retirees as granted by the LGERS Board of Trustees



Disability Earnable Allowance

- An LGERS disability retiree is limited to how much he/she can earn in a calendar year from any source, public or private, before these earnings affect his/her disability retirement benefit.
- On an annual basis, an LGERS disability retiree may earn up to the difference between his/her highest consecutive 12 months of salary in the 48 months preceding his/her disability retirement date and the amount of his/her annual disability retirement benefits, without affecting his/her disability retirement benefit.
- If the disability retiree earns more than this amount, his/her disability retirement benefit will be reduced dollar-for-dollar by the amount of excess earnings.
- The amount the disability retiree is allowed to earn may increase each January based on the increase in the annual national consumer price index.


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Statement of Income

- An LGERS disability retiree is required by law to provide earnings information each year to the Retirement System until the date when the member would have been first eligible for an unreduced retirement benefit if he/she had continued working
- The Retirement System mails the annual Statement of Income form (Form 237) in February
- Member must return Statement of Income by April 15
- Disability retiree lists any earnings received for the previous calendar year
- Retirement benefit is suspended if no response within 60 days of the date the Retirement System mails the Statement of Income
- If no response within 240 days, disability retirement benefit may be terminated

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Re-exams Determined by the Medical Review Board

- The Retirement System mails the retiree a re-exam letter and a medical form (Form 7AR) about 90 days prior to the scheduled re-exam date
- If the disability retiree has not mailed the Form 7AR back to the Retirement System within 60 days, the Retirement System will mail a final notice to the member
- Requests for extensions are reviewed and may or may not be granted
- If medical documentation is not received within 90 days, RSD will suspend disability retirement benefits
- If retiree provides Form 7AR to the Retirement System after being suspended, the file will be taken to Medical Review Board for a decision
- There is no limit on the number or times a file can go to the Medical Review Board if new medical information is provided

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Status Change

- When an LGERS disability retiree reaches the date he/she would have been eligible for an unreduced service retirement benefit if he/she had continued working:
 - No change in dollar amount of monthly benefit
 - Member is no longer subject to re-exams
 - Statement of Income is no longer required
 - Earnable allowance becomes a service earnable allowance rather than a disability earnable allowance

More Information about LGERS Disability Retirement

For more information about LGERS Disability Retirement, please view the LGERS Disability Retirement FAQs located under the Disability Section on our website at www.MyNCRetirement.com.



How to Contact the Retirement Systems

Phone: Toll Free 1-877-NCSECURE (627-3287)
Fraud and Abuse Hotline 1-855-903-7283

Internet: www.MyNCRetirement.com

E-Mail: nc.retirement@nctreasurer.com
OER@nctreasurer.com (Employer ORBIT
Payroll Reporting)



<https://www.facebook.com/MyNCRetirement>



Additional Law Enforcement Officer (LEO) Benefits

- NC 401(k) Plan
- Separate Insurance Benefits Plan - Disability/Hospital Benefits and Death Benefits
- Special Separation Allowance (administered by employers)

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LEO NC 401(k) Plan



- Employer contributes 5%
- Employee contributions optional
- Administered by Prudential
1-866-627-5267
- NC 401(k) benefits based on amount of accumulated contributions,
including investment returns



LEO Transfer Benefits

- Law enforcement officers vested by June 30, 2010 have option to transfer NC 401(k) funds to LGERS to receive an additional monthly benefit under:
 - the previously established LEO Transfer Benefit specifically for law enforcement officers, or
 - the newly established Transfer Benefit available to all members
- Lifetime benefits paid to member and survivor beneficiary if selected
- For LEO Transfer Benefit – if member and survivor beneficiary die before accumulated contributions are exhausted, only the unused portion of the member's contributions will be paid to the "guaranteed refund beneficiary"



LEO Separate Insurance Benefits Plan

- Full-time law enforcement officers of the State or any of its political subdivisions defined in Chapter 135 of the North Carolina General Statutes:
 - taken the law enforcement oath
 - possess the power of arrest
 - primary duty is to enforce criminal laws on public property
- No cost to employer or employee
- Ends upon termination of employment unless:
 - member has 20 years of service as a LEO
 - member is in receipt of disability retirement allowance

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Active LEO Separate Insurance Benefits Plan – Disability/Hospital

- Disability income due to accident:
 - \$140 per week if hospitalized (max 13 weeks)
 - \$60 per week if not hospitalized (max 52 weeks)
- Disability income due to sickness:
 - \$140 per week if hospitalized (max 13 weeks)
- Benefits are paid to the member and cannot be assigned to a hospital or physician
- Hartford Insurance Company **1-888-232-5340**


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Retired LEO Separate Insurance Benefits Plan – Disability/Hospital

- Disability income due to accident or sickness if hospitalized and under 65
 - \$140 per week maximum of 13 weeks
- Disability income due to an accident if hospitalized and over 65
 - \$105 per week maximum of 13 weeks
- Benefits are paid to the member and cannot be assigned to a hospital or physician
- Hartford Insurance Company **1-888-232-5340**


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LEO Separate Insurance Benefits Plan - Death Benefits

- LEO active duty death benefit
 - \$5,000 paid to surviving spouse, or estate, unless otherwise designated (Form 276)
 - Must be employed six months
 - Benefit increased by \$2,100 if death is line-of-duty related
- After retirement
 - \$4,000 paid to surviving spouse, or estate, unless otherwise designated (Form 276)
 - Must have 20 years service as LEO
- Administered by the Retirement System

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Additional LEO Death Benefits

- \$100,000 line-of-duty death benefit – NC Industrial Commission & the State Treasurer
- \$339,310 line-of-duty death benefit – Public Safety Officers' Benefits Program, United States Department of Justice

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LEO Special Separation Allowance

- Administered by employer
- Last LGERS LEO employer pays this benefit
- Must retire on “service retirement” as a LEO
 - Age 55 with 5 years of creditable service
 - Any age with 30 years of creditable service
- Payments cease at age 62 or at member's death, whichever occurs first
- If you have questions, call Attorney General's office:
919-716-6725



How to Contact the Retirement Systems


Phone: Toll Free 1-877-NCSECURE (627-3287)
Fraud and Abuse Hotline 1-855-903-7283

Internet: www.MyNCRetirement.com

E-Mail: nc.retirement@nctreasurer.com
OER@nctreasurer.com (Employer ORBIT
Payroll Reporting)



<https://www.facebook.com/MyNCRetirement>




Office Location

3200 Atlantic Avenue
Raleigh, NC 27604

877-NCSECURE (877-627-3287)

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Please note that in an effort to serve our members better, the North Carolina Retirement Systems and Department of State Treasurer are moving to a new location this summer. The new address will be 3200 Atlantic Avenue, Raleigh, NC. If you have scheduled an appointment to meet with a Retirement Systems Division counselor, please call ahead to 877-NCSECURE (877-627-3287) to confirm the time, location and directions to your appointment.



Employer Training Survey

- Give us your feedback on this employer training session
- Complete the survey at:
<https://www.surveymonkey.com/r/RetirementPlanningConfSurvey>
- This web-based survey only requires a few minutes of your time
- Survey responses are completely confidential
- Your opinion plays an important role in the development and delivery of enriched training sessions
- Thank you in advance for your feedback



North Carolina
Total Retirement Plans

Thank you