



North Carolina
Total Retirement Plans



Dale R. Folwell, CPA
STATE TREASURER OF NORTH CAROLINA
DALE R. FOLWELL, CPA

LOCAL GOVERNMENTAL EMPLOYEES' RETIREMENT SYSTEMS EMPLOYER MANUAL

LGERS₂₀₂₂



Dear Human Resources and Benefits Professionals:

The Local Governmental Employees' Retirement System (LGERS) is a pension plan administered by the Department of State Treasurer (DST). Our mission is to preserve and protect this benefit for current and future public employees in North Carolina.

DST is excited to partner with you to serve the public employees of North Carolina. In this partnership, our role at DST is to maintain the integrity of the NC Total Retirement Plans while supporting you and your employees. Your role in this partnership is equally as important: you're responsible for enrolling new employees, reporting monthly retirement contributions, providing retirement information to employees and completing employer information sections on retirement forms.

As a Human Resources and Benefits professional, you also have the very important role of helping employees understand and secure their retirement benefits by providing necessary information to the retirement system. To assist you along the way, we're pleased to provide you with the LGERS Employer Manual. We hope this will be a valuable reference tool for you. The information outlined in this manual is intended as a general guide to retirement plan provisions and procedures. Please feel free to contact a representative with the North Carolina Total Retirement Plans at the number below if you have any questions or need assistance in understanding retirement laws or navigating a specific circumstance.

I encourage you to empower your employees to learn about their retirement options. We've created many resources to aid that effort. One resource, the LGERS Member Handbook, gives new and existing employees all they need to know about their retirement options. The handbook and many other resources can be found on our website, myNCRetirement.com. Employees can learn about their benefits in the member sections, and you, as an employer, can visit the Government Employers section for many comprehensive retirement resources.

Please urge your employees to register for a secure ORBIT account at ORBIT.MyNCRetirement.com. Once they've registered, they'll be able to manage their retirement account and complete many account changes online, so you don't have to stockpile forms or deal with the hassle of mailing them!

Thank you for your service to the people of North Carolina. We appreciate your help providing timely and accurate information to our members.

Sincerely,

Dale Folwell, CPA

919-814-4590

nc.retirement@nctreasurer.com

www.myNCRetirement.com

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DISCLAIMER: The availability and amount of all benefits you might be eligible to receive is governed by North Carolina law. The information provided in this handbook cannot alter, modify or otherwise change the controlling North Carolina law or other governing legal documents in any way, nor can any right accrue to you by reason of any information provided or omission of information provided herein. In the event of a conflict between this information and North Carolina law, North Carolina law governs.

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Retirement Systems Division Sections

Below is a brief description of each of the Retirement Systems Division's Sections.

MEMBER SERVICES SECTION

Responsible for written, electronic and telephone communications with members and employers participating in LGERS and other benefit programs, this section also responds to all questions regarding retirement and related benefits. In addition, this section prepares and conducts pre-retirement virtual webinars across the state and conducts conferences at the request of employer and employee associations. All members requiring counseling about their benefits are referred to this section.

RETIREMENT PROCESSING SECTION

This section is responsible for the calculation of retirement estimates, calculating the payment of monthly retirement allowances to members and also handles the calculation of cost statements for members who wish to purchase additional eligible retirement service credits. This section also conducts audit of member service prior to retirement.

BENEFITS PROCESSING SECTION

This section is responsible for the calculation and payment of refunds of accumulated contributions to former employees who are no longer members of LGERS. This section also handles the payment of all death benefits. In addition, this section administers the Disability Income Plan, and determines eligibility for disability retirement benefits alongside the Medical Review Board.

PAYROLL SERVICES SECTION

This section is responsible for receiving and processing monthly ORBIT payroll reports from employers, and for working with them to ensure that accurate and timely records and contributions are received and posted. This section is also responsible for paying retirees their monthly benefits. Death and refund payrolls are also processed by this section. Other duties include the preparation and transmittal of data for the State Health Plan for covered retirees. Employers may contact this section if they have questions about a retirement report or ORBIT payroll reporting.

SPECIALTY PLANS AND RECORDS RETENTION SECTION

The Specialty Plans Section is responsible for written, electronic and telephone communications with members and employers, retirement calculations and payments, purchases, audits, disability claims, payment of refunds, death claims and lump sum death benefits and applicable line-of-duty death benefits for the following plans:

- Register of Deeds' Supplemental Pension Fund
- National Guard Pensions
- Firefighters' and Rescue Squad Workers' Pension Fund
- Legislative Retirement System
- Consolidated Judicial Retirement System

The Records Retention Section is responsible for imaging every document submitted to the Retirement Systems in whatever form (email, mail, fax, hand-delivered, etc.) submitted. A record of submitted documents is electronically scanned/uploaded into each individual or employer's file where it will be kept for historical purposes.

ADMINISTRATION/EXECUTIVE DIRECTOR'S OFFICE

The Executive Director and his immediate staff are responsible for the overall general operation of the Retirement Systems Division and carry out the policies and directives of the State Treasurer and various governing boards.



RETIREMENT SYSTEMS RESPONSIBILITIES

The Board of Trustees is the administrator of the Retirement System.
It is the responsibility of the Retirement Systems Division to:



- ➔ Manage LGERS for all public employees of the state in accordance with LGERS Board of Trustees directives
- ➔ Manage three other retirement systems in addition to LGERS, including the Teachers' and State Employees' Retirement System, the Consolidated Judicial Retirement System and the Legislative Retirement System
- ➔ Disability Income Plan

Manage the following programs:

Legislative Retirement Fund
Firefighters' and Rescue Squad
Workers' Pension Fund
National Guard Pension Plan

Registers of Deeds'
Supplemental Pension Fund
Supplemental Retirement
Income Plan (NC 401k Plan)
Contributory Death Benefit for

Retired Members
Separate Insurance Benefits Plan
for Law Enforcement Officers
Public Employee Deferred
Compensation Plan (NC 457 Plan)

- ➔ Assist agencies desiring Social Security coverage with their application for coverage

The Retirement Systems Division **is not** responsible for:

- **Matters relating to Social Security**, other than those listed above (NOTE: Members with questions about Social Security benefits should contact the nearest Social Security district office)
- **Administering other insurance plans** that may deduct money from employees' or retirees' paychecks
- Matters concerning **personnel policies**, such as annual leave or sick leave (except where sick leave may be converted to additional creditable service at retirement)
- State or federal income **tax matters** (except for retiree tax withholding)
- Matters relating to credit unions, banks, savings and loan, and other **financial institutions** (we are not connected with the State Employees' Credit Union.)

The above list is not all-inclusive.

North Carolina public records laws limit the release of certain types of information in accordance with [G.S. 128.33.1](#). However, LGERS employers may request any information from the Retirement Systems Division about their own employees, except for medical information.

EMPLOYER RESPONSIBILITIES

Thank you for the role that you play in sharing information about LGERS benefits. Although your employees may turn to you first with their questions, please redirect them to the **Retirement Systems Division Call Center at 919-814-4590**.

By directing your employees' questions to the Retirement Systems Division, we can all make sure that the answers that employees receive are accurate and reflect the current federal and state laws, regulations, policies and procedures that govern LGERS.

It is the responsibility of the employer to ensure that all eligible members are reported to LGERS, as required by state law, and to send monthly contributions to the Retirement Systems Division in an accurate and timely manner.

It is helpful to the employee for the employer to:

- ✓ Direct employees to LGERS publications on our website at www.myNCRetirement.com and LGERS forms in [ORBIT](#).
- ✓ Validate the service and salary paid to a member in the year of retirement or death in service.
- ✓ Certify previously uncredited service of members desiring to purchase allowable service credit.
- ✓ Inform the Retirement Systems Division of any deaths of members in service.
- ✓ Inform the Retirement Systems Division when employees have committed work-related criminal offenses, so that we can determine whether felony forfeiture laws may apply.
- ✓ Encourage members to establish their ORBIT secure retirement accounts at ORBIT.myNCRetirement.com.
- ✓ Direct members to contact the Member Services Section with any questions by calling 919-814-4590, by emailing us at nc.retirement@nctreasurer.com, or by writing to:

North Carolina Retirement Systems
Member Services Section
3200 Atlantic Avenue
Raleigh, North Carolina 27604

If the contact person handling retirement matters in your agency changes, it is essential that you notify the Retirement Systems Division in writing or by email promptly. Also, we ask that employers inform us of changes in other related matters, such as changes to the mailing address, email address or telephone number we have on file.

PUBLICATIONS & FORMS

All the publications below can be accessed by visiting our website at www.myNCRetirement.com.

LGERS Member Handbook

The [LGERS Member Handbook](#) is designed to give members general information about their benefits.

MARS (Member Annual Retirement Statement)

This annual statement provides active members (with complete and accurate data) an estimate of their potential monthly retirement benefit based on service accrual and retirement contributions as of December 31. MARS, available exclusively in ORBIT self-service, focuses on the foundation of retirement for public servants in North Carolina – the pension benefit. More specifically, each eligible member will be able to view:

- Personal information like address, phone, email.
- Retirement Systems in which the member has been or is a member.
- Principal beneficiaries.
- Estimated potential retirement benefit from the North Carolina Retirement Systems.
- Links to the [NC Supplemental Plans \(NC 401\(k\) and NC 457 Plans\)](#) so members can enroll, increase savings and/or view statements for the plans in which they are a participant.
- Link to [mySocialSecurity](#) so members can create an account and receive a real-time estimate from the Social Security Administration based on their work history and contributions.

Forms

The Retirement Systems Division maintains and periodically updates the forms that personnel and payroll officers will need in connection with LGERS. All are located in [ORBIT](#), which can be found through our website. **Personalized forms are available to members after they log in to ORBIT.** Please do not mass-print forms as you may be distributing outdated forms and guides to your employees.

ORBIT North Carolina Total Retirement Plans The Board of Retirement Systems DALE R. FOWELL, CPA

LOGIN FORMS HELP & RESOURCES CONTACT

Home / Application Forms

Orbit Application Forms

All forms are in a PDF format that will open on any computer or device with a PDF Reader application. If you have Adobe Acrobat Reader installed on your computer, you will need to select the Fill & Sign tool in order to fill out the form prior to printing. In some cases, you may need to save your file to your computer or device and reopen before the edit and text tools will be available.

The best way to work with all forms is to log into your ORBIT account. Accessing forms through your ORBIT account will automatically fill in your name and basic information. Whenever possible, fill out the rest of the form on your computer or device and then print a completed form. The Guides supplied with each form are for your information and each form should be signed and submitted according to the form instructions.

ORBIT allows you to safely and securely access your personal retirement account information and conduct secure transaction online 24 hours a day.

NOTE: If you need a PDF Reader application, we have provided a download link for Adobe Acrobat Reader here if you do not currently have it installed on your computer. Step by step instructions to assist you with this process are below:

- Identify your current default PDF viewer: [Display File / Download File](#)
- Downloading Adobe Acrobat Reader: [Display File / Download File](#)
- Setting Adobe Acrobat Reader as your default PDF viewer: [Display File / Download File](#)

Retirement Systems Division Forms

LIST OF ALL FORMS	✓
ACCOUNT MAINTENANCE FORMS	✓
BENEFICIARY DESIGNATION FORMS	✓
CONTRIBUTIONS OR CREDIT WITHDRAWAL FORMS	✓
CREDIT PURCHASING FORMS	✓
DISABILITY APPLICATION FORMS	✓
RETIREMENT APPLICATION FORMS	✓
FIRE AND RESCUE SQUAD FORMS	✓
RETIREMENT PLANNING FORMS	✓
EMPLOYER FORMS	✓

Law Books

The most recent edition of [North Carolina Retirement Systems Laws](#), which contains a reprint of the North Carolina General Statutes, contains laws currently in effect governing the retirement systems and benefit plans administered through the Department of State Treasurer. It is available on our [website](#) for employers to use as a resource and reference tool.

NORTH CAROLINA RETIREMENT SYSTEMS LAWS

Retirement Monitor

A newsletter for North Carolina's public sector employers

North Carolina
Total Retirement Plans



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DALE R. FOLWELL, CPA



Retirement Monitor Employer Newsletter

This newsletter is emailed periodically to employers by the Retirement Systems Division. The Retirement Monitor provides news, tips and updates regarding law and policy changes and other retirement-related issues. An archive of articles is available on our [website](#).



LGERS MEMBERSHIP REQUIREMENTS

Required Membership

A newly hired employee is required to become a contributing member of LGERS, as a condition of employment, on the date he or she is hired if:

- the employee is employed by a participating LGERS employer in a regular position that requires at least 1,000 hours of work in a calendar year.

The employee will not be a contributing member of LGERS if:

- his or her work is considered “temporary employment,” meaning employment for a limited term which does not exceed 12 consecutive months on a non-recurring basis for an LGERS employer, or
- “statutorily required interim employment,” meaning employment as an interim city or county manager for a period that does not exceed 12 months on a non-recurring basis.

Any newly hired employee should be enrolled as a member of LGERS using the enrollment process. Membership is effective on the first day of employment.

Law Enforcement Officer Membership

A newly hired law enforcement officer (LEO) is required to become a contributing member of LGERS on the date he or she is hired. These members are eligible for the additional benefits that are provided to a LGERS LEO, if he or she meets all of the following conditions:

- Be a permanent, full-time paid employee of a local government employer
- Possess the power of arrest
- Have taken the law enforcement oath administered under the authority of the state as prescribed by [General Statutes section 11-11](#)
- Be certified as a LEO under the provisions of [Chapter 17C](#) of the General Statutes or certified as a deputy sheriff under the provisions of [Chapter 17E](#) of the General Statutes

“Law Enforcement Officer” also means the sheriff of each county. In addition, the number of paid personnel employed as LEOs by a law enforcement agency may not exceed the number of law enforcement positions approved by the applicable local governing board.

In many cases, an employee may perform ancillary duties which fall within the boundaries of the definition of a LEO. However, it is the employee’s primary duties that qualify him or her for LEO benefits. In order for employees to receive all the benefits they are eligible to receive, it is very important that the employees are properly reported to the Retirement Systems Division.

Employees Not Eligible for Membership

A new employee is NOT eligible to become a contributing member if he or she is:

- An agricultural extension service employee who is a member of the Federal Employees’ Retirement System
- Any other person whose employment requires less service than described under “Required Membership”

ENROLLING A NEW MEMBER

All new eligible members must be enrolled in LGERS as part of the [ORBIT](#) employer reporting process.

It is important to accurately report all employees each month so they can receive credit toward their retirement and receive resources such as the myNCRetirement Statement each year.

Enrollment Process

After the ORBIT payroll deadline, each employer should obtain a list of new employees by performing the following steps:

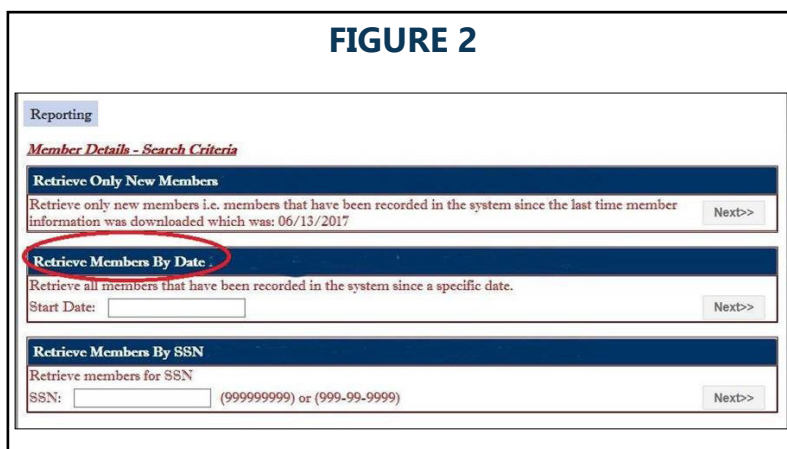
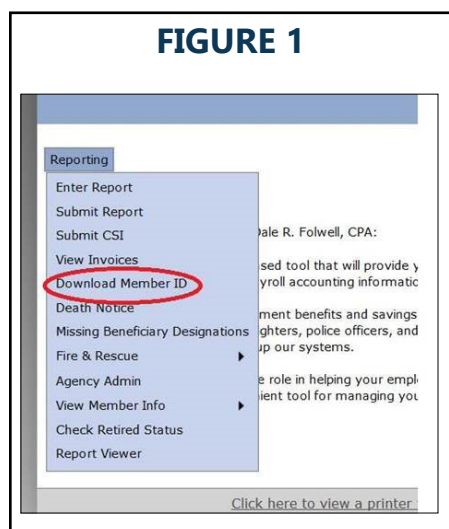
1. Click on "Download Member ID" and select the option to "Retrieve Only New Members."
(See Figures 1 and 2 below.) (Note: It is best to save the report to your work computer for future reference.)
2. The employer should then communicate the Member Identification (ID) number to each newly hired employee and instruct the employee to log on to ORBIT to activate his or her personal account and designate a beneficiary(ies).

If you have not saved the report and wish to retrieve the list of new employees:

1. Click on "Download Member ID" and select the option to "Retrieve Members By Date."
(See Figures 1 and 2 below.) (Note: Once you run the report, it is best to save the report to your work computer for future reference.)
2. Inform each newly hired employee of their Member ID number and instruct the employee to log on to ORBIT to activate his or her personal account and designate a beneficiary(ies).

The member can access more information on our [website](#) which provides an overview of the benefits provided and available under the North Carolina Total Retirement Plans.

NOTE: An error in the initial payroll record will delay the availability of the member ID.



REPORTING MONTHLY MEMBER AND EMPLOYER CONTRIBUTIONS

Member Contributions

Members currently contribute **six percent of their salary**, which is deducted each payday.

“Compensation” includes all **salaries and wages** (except terminal payments for unused sick leave) earned by employees in a unit of LGERS if they are performing full-time work.

“Compensation” also includes **longevity payments**.

As determined by the Board of Trustees, payments for the reimbursement of expenses or payments for housing or any other allowances, whether or not classified as salary or wages, are not included.

In addition to salaries and wages earned by a member for service as an employee or teacher, **the following items also meet the statutory definition of “compensation” for retirement purposes:**

- Performance-based compensation (regardless of whether paid in a lump sum, periodic installments or on a monthly basis)
- Conversion of additional benefits to salary (such as health, life or disability plans), as long as the benefits are not mandated by state law or regulation
- Payment of tax consequences for benefits provided by the employer if they are an adjustment or increase in salary, and not a “reimbursement of expenses”
- Payout of vacation leave that is permitted by applicable law and regulation
- Employee contributions to eligible deferred-compensation plans
- Payment of military differential wages

The following items do not meet the statutory definition of “compensation” for retirement purposes:

- | | |
|--|---|
| • Any supplement or allowance provided to an employee to purchase additional benefits such as health, life or disability plans | • Reimbursement of business expenses |
| • Travel supplement or allowance (non-accountable allowance plans) | • Reimbursement of moving expenses |
| • Employer contributions to eligible deferred-compensation plans | • Reimbursement or payment of personal expenses |
| • Employer-provided fringe benefits (additional benefits such as health, life or disability plans) | • Incentive payments for early retirement |
| • Reimbursement of uninsured medical expenses | • Bonuses paid at or near retirement |
| | • Contract buy-out or severance payments |
| | • Payouts for unused sick leave |

Employer Contributions





There are also employer contributions to LGERS. These contributions are not credited to a member’s individual account. Instead, they are placed in a trust fund for the payment of lifetime benefits to all LGERS retirees. The State budget law for the 2021-23 biennium, Senate Bill 105 (“2021 Appropriations Act”), was signed into law on November 18, 2021.

The accrued liability portion and death benefit portions of the employer rates vary based on factors, unique to each employer, such as:

- age
- past service liability
- number of employees
- payroll

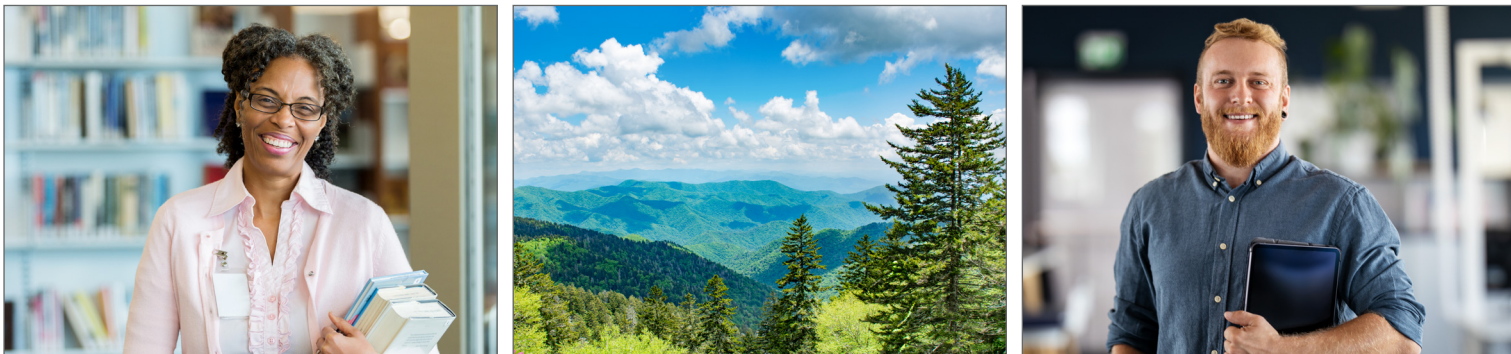
LGERS Employer Contribution Rates are posted on our [website](#). The table is ordered by five-digit employer code, but is also searchable (by employer name) within a browser, or by downloading the PDF and using “Edit”->“Find” in Adobe.

The specific rate(s) paid by each employing unit will include the “base rate” from the table above, and other adjustments that are specific to the unit.

<div><div><div><div>North Carolina</div><div>Total Retirement Plans</div></div><div><div><div><i>Pat. Robb, CPA</i></div><div><small>Director of Retirement Systems</small></div><div><small>David R. Folwell, CPA</small></div></div></div></div><div><div>Search...</div><div></div></div><div><div>CONTACT</div><div>EVENTS</div><div>FORMS</div><div>NC TREASURER</div></div></div>	
<div><div><div>Home</div><div>Retirees ▾</div><div>Non-Retirees ▾</div><div>Employers ▾</div><div>Governance ▾</div><div>Member Education ▾</div><div>ORBIT</div></div></div>	
Document Name	First Published
Local Government Employees' Retirement System Employer Contribution Rates Effective July 1, 2022 	2022

In the spring of each year, the Retirement Systems Division will post employer rates which become effective on July 1 of that year.

If you are new to your agency and need another of your employer rates, please email OER@nctreasurer.com.



Required Monthly Contributions Reporting

Each month, employers must submit to the Retirement Systems Division required reports and contributions based on each member's salary.

Employers must report and submit monthly member and employer contributions, which are based on each member's salary, to the Retirement Systems Division through the ORBIT employer reporting process. By submitting your required LGERS employer monthly information to the Retirement Systems Division, you are certifying the accuracy of the information.



All reporting and funds must be transmitted electronically through [ORBIT](#) by 5:00 pm on the 5th business day of the month.

If contributions are received on or after the fifth state government working day of the month, **a penalty of one percent of the contributions due, with a minimum of \$25 per month**, must be paid by the employer due to delinquent employee and employer contributions. The LGERS Board of Trustees may waive one penalty per employer every five years if the Board determines that the employer consistently demonstrated good-faith efforts to comply with the deadline.

If an employer fails to submit required payments to LGERS **within 90 days of the date due**, the Retirement Systems Division may collect **delinquent payments by intercepting state appropriations** allocated to the delinquent employer. Upon notification from the Retirement Systems Division of the employer's failure to submit payment, the Office of State Budget and Management must withhold the amount due to the Retirement Systems Division from any state appropriations for the employer and transmit the amount to the Retirement Systems Division.

In addition, if LGERS prevails in a civil action against an employer to collect monies owed, the Retirement Systems Division may attach or garnish the employer's credit card receipts or other third-party payments.

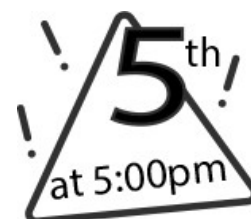
Schedule for Submitting Contributions Summary Instructions

Reporting Cycle	Submitted by	
January 2022	Monday	February 7
February	Monday	March 7
March	Thursday	April 7
April	Friday	May 6
May	Tuesday	June 7
June	Friday	July 8
July	Friday	August 5
August	Thursday	September 8
September	Friday	October 7
October	Monday	November 7
November	Wednesday	December 7
December 2022	Friday	January 9, 2023

Employers must submit detail data, summary information and contributions through [ORBIT](#) each month through one of the following methods:

- **Enter Report:** Through the secure ORBIT Employer website, you can enter the data.
- **Submit Report:** Through the secure ORBIT Employer website, you can upload the data file to the Retirement Systems Division for processing.
- **FTP (File Transfer Protocol):** If you do not wish to use ORBIT, you must send the monthly data file to the Retirement Systems Division for processing.

All reporting and funds must be transmitted electronically through [ORBIT](#) by 5:00 pm on the 5th business day of the month.



Required Monthly Contributions Reporting

Detailed information about all of these methods and all reporting requirements on our [website](#).

In accordance with [Rule .0401, Chapter 2B, Title 20](#), of the North Carolina Administrative Code, the Retirement Systems Division cannot make refunds of employer contributions in cases of erroneous employee deductions, except those which are corrected by the employing unit on a subsequent payroll within the calendar year in which the errors occur. The only exception to this rule is that an error occurring in

December may be corrected (without loss of the employer contribution) by submission of a revised payroll for the correct amount before January 31 of the following year.

Employers of law enforcement officers must also contribute on a monthly basis to the NC Supplemental Retirement Income NC 401(k) Plan. An additional five percent of each law enforcement officer's compensation must be submitted each month.

If you have any questions, or need help with monthly contributions reporting, please contact our Employer Reporting Unit by email at OER@nctreasurer.com or by phone 919-814-4590.

Reporting Re-Hired Retirees

Employers must report all re-hired retirees to the Retirement Systems Division each month. These re-hired retirees should be reported in ORBIT along with the rest of the ORBIT payroll report with the appropriate pay period, pay type, plan code, salary and all other applicable fields.

If the report is not received by the Retirement Systems Division within 90 days of the end of each month in which a retiree is re-employed, the Retirement Systems Division is required to charge a penalty of 10 percent of the compensation of the unreported, re-employed retiree during the months the employer did not report the re-employed retiree, with a minimum penalty of \$25.

The Retirement Systems Division developed Form ESRR (Certifying Employee Status Under Retirement Re-employment Laws) to assist employers in determining who is a re-hired retiree.

In order to avoid a potential penalty, we ask employer to:

- Obtain signed documentation (Form ESRR) from the employee, stating he/she is or is not currently receiving a monthly benefit from LGERS.
- Report any known re-hired retirees who may be subject to the earnable allowance to the Retirement Systems Division through ORBIT.



Please keep each completed Form ESRR in your employee files. If a member falsifies their Form ESRR by not reporting himself/herself as a benefit recipient, you will not be penalized if you provide the Retirement Systems Division with the member's falsified Form ESRR. However, if the employee exceeds his/her earnable allowance, or violates other return-to-work laws, the employee will be held fully responsible for repaying any overpayment to LGERS.

To help employers report all re-hired retirees and avoid a potential penalty, the Retirement Systems Division created a tool in [ORBIT](#) to help employers track employees who are returning to work. This tool was designed to assist you in verifying which of your employees are retired and have returned to work, so you will know which re-hired retirees to report to the Retirement Systems Division. To use this tool, sign in to ORBIT and:

- Access the ORBIT Employer website. Under "Reporting," click on "Check Retired Status."
- On a monthly basis, upload a list of employee Social Security numbers.
- Adjust rehired retiree information, if needed, under the "Check Retired Status" heading.

Your employee list will be compared to the Retirement Systems Division retiree list to generate a report of members who are actively receiving a benefit from LGERS.



North Carolina
Total Retirement Plans
401k | 457



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Reporting NC 401(k) Plans and NC 457 Plan Contributions Empower

For your convenience, Empower offers three ways to submit NC 401(k) Plan and NC 457 Plan contributions:

- Web-based application (Internet Contribution Center), which is ideal for up to 50 participants
- Excel-based application (VDES) sent through a secure transmission program, which is suited for mid-sized employers with up to 500 participants
- Custom file sent through a secure transmission program, which is ideal for employers with more than 500 participants

A preferred standard layout is used for sending NC 401(k) and NC 457 Plan contributions to Empower. You may send contributions by bank wire or ACH debit.

Empower works with individual employers to determine which method works best for its unique situation. An Empower payroll representative will also review the layout, process and procedures you use to report and send contributions.

For more information about contributions to the NC 401(k) and NC 457 Plans, please email the NC Production Support Department at NC.Payroll@empower.com. Include your employer name, contact person and phone number in all email correspondence.

Visit the [Information for Employers](#) webpage on myNCPlans.com to view the Plan Administration resources you need.

CHANGING A MEMBER'S INFORMATION

Changing a Social Security Number

If you find that a member's Social Security number is incorrect, or if there is any type of discrepancy in his or her records between the number and the number the Retirement Systems Division is using, you must send a copy of the member's Social Security card to the Retirement Systems. Once the Retirement Systems Division receives this information, the correction will be made. Please be sure to update your records and future reporting forms with the member's correct Social Security number.

Changing a Birth Date

If you find that the member's date of birth has been listed incorrectly, or if the date of birth of a beneficiary has been listed incorrectly, you will need to send a copy of one of the following items that shows the date of birth before the Retirement Systems Division can change the member's account:

- Driver's License
- Birth Certificate
- Passport
- State, Federal or Military Identification

If none of the above items can be provided, the Retirement Systems Division may accept a letter from the Social Security Administration that states the date it has accepted as the member's date of birth.

Once this information is received, the Retirement Systems Division will make the necessary corrections.

Changing a Beneficiary

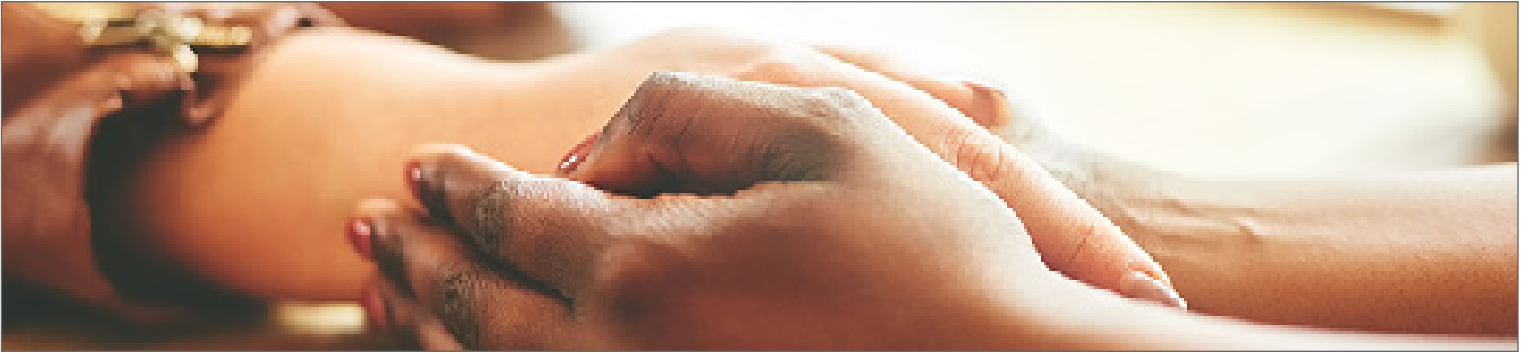
An active LGERS member may designate beneficiaries **online** for the employee death benefit (if applicable), or for a return of contributions in the event of the member's death.

To add or change a beneficiary online:

- The member should go to [ORBIT.myncretirement.com](https://orbit.myncretirement.com) and log in.
- The member should then click on 'Maintain Beneficiaries' to view a list of current beneficiary designations.
- The member will also be able to take action on this page to view details, edit, delete or add principal and contingent beneficiaries.



REPORTING A MEMBER'S DEATH



The Retirement Systems Division should be [contacted](#) immediately in the event of an active member's death so the necessary information can be provided to the beneficiary(ies). This can be done through an [easy-to-use web form or by calling the Call Center \(919-814-4590\)](#).

Upon notification of the death of a member, the Retirement Systems Division will forward [Form 253](#) (Reporting an Employee's Work Record in the Event of Death) to the employer.

If the survivor(s) of a retired member in receipt of a monthly LGERS benefit contacts you regarding the death of a retired member, please ask the survivor(s) to contact the Retirement Systems Division immediately. We will need to be provided with the deceased retiree's name, Social Security number, and a copy of the death certificate. In addition, if the retiree elected to provide survivor benefits after his or her death, we will need to be provided with the Social Security number and current mailing address of the survivor.

The monthly benefit that is payable in the month of death belongs to the retiree and can be kept.

Any benefits made payable to the retiree after the month of his or her death must be returned to the Retirement Systems Division.

It is a Class 1 Misdemeanor to fraudulently receive the retirement benefit of a deceased retiree or beneficiary for two months or longer after the recipient's death.

REFUND OF CONTRIBUTIONS WITH REFUNDS ONLINE

To receive a refund, the member can submit and apply for a refund in their ORBIT account. In the left navigation, select Apply for a Refund Online. The online process will guide the member through the steps, and they will be able to submit the application and track progress. The member also has the option to complete [Form 5 \(Withdrawing Your Retirement Service Credit and Contributions\)](#), have it properly notarized and send it to the Retirement Systems Division.

State law does not allow the Retirement Systems Division to issue a refund earlier than 60 days after the member's termination/separation from a LGERS employer.

The "Employer Certification" section must be completed only if the member left employment within three months of the application date.

After the form is completed, the member should not submit it to the Retirement Systems Division before the effective date of termination.

**Please inform the member that taking a refund means they are also
forfeiting their years of membership service and
the rights associated with that service.**

The member will receive a refund of their six percent contributions, plus four percent interest.

The member receiving a refund will not receive any other contributions made to the Retirement Systems on their behalf, for instance employer contributions.



Remember, because we are a 401(a) Defined Benefit Plan we do not have a provision that allows for loans from a member's retirement account, nor can a member receive a partial refund. More information about refunds can be found on our website, myNCRetirement.com.

TRANSFERRING SERVICE & CONTRIBUTIONS BETWEEN SYSTEMS

If a member terminates employment covered by the Teachers' and State Employees' Retirement System (TSERS) and is later employed in a position covered by LGERS, the member can transfer his or her contributions and creditable service in TSERS to LGERS as long as the member:

- Is an eligible member of LGERS
- Has not received a refund from TSERS
- Files Form 5TR (Transferring Service and Contributions Between Systems) with the Retirement Systems Division

A member who terminates employment covered by LGERS who is later employed in a position covered by TSERS may transfer his or her contributions and creditable service in LGERS to TSERS under the same conditions listed above. Transfer of service from LGERS to the Consolidated Judicial Retirement System (CJRS) is allowed after completion of five years of membership service in CJRS. Overlapping transferred service cannot be counted twice for the same period of time.

A Form 5TR can be submitted by the member at any time before retirement but should not be submitted until after the member's first retirement contributions have been submitted to the Retirement Systems Division. The employer portion of the form (Section F) must be completed by the former employer only if the member's termination was within three months before the application date. A sample copy of Form 5TR is located [ORBIT](#).

Since a **transfer can affect eligibility for retiree health coverage**, a member who has five or more years of membership service in TSERS who is considering a transfer of his or her service from TSERS to LGERS should carefully read Guide B on Form 5TR for further information on the effect of a transfer on his or her individual benefits before completing Form 5TR.

The member should allow the Retirement Systems Division approximately 60 days to process their Form 5TR. Members can call the Retirement Systems Division at 919-814-4590 to check the status of their Form 5TR.



CREDITABLE SERVICE & PURCHASE PROVISIONS

Creditable service means any service for which retirement credit has been allowed. An employee earns credit for each month that he or she makes a contribution to LGERS. In addition to the years and months a member contributes, some members may have worked for a local governmental agency before that agency became a participating employer in LGERS. Since such service may be creditable, the Retirement Systems Division should be contacted about specific cases to determine eligibility for credit.

Creditable service may also include sick leave credit, military service credit and certain types of purchased service credit listed below. Please note that all types of purchases are not available in all retirement systems. A list of available purchase types for LGERS is located in the "Adding to Your Creditable Service" section of the LGERS Member Handbook.

Sick Leave

Unused sick leave, including sick leave converted from excess vacation leave in accordance with state law, can be converted to additional retirement service credit at the time of retirement if:

- The member earned the sick leave under a duly adopted sick leave 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 be paid for this sick leave.
- The member's last day of service with his or her last participating LGERS employer is within five years before his or her LGERS effective date of retirement.

When a member retires, one month of credit is allowed for each 20 days of unused sick leave. For any part of 20 days left over, one additional month is allowed provided the remaining portion is at least one hour.

Sick leave cannot be used to meet the minimum eligibility requirements for a deferred benefit or the Survivor's Alternate Benefit.

Sick leave can be used to increase a member's creditable service to allow the member to complete:

- 30 years of service, regardless of age
- 25 years of service after age 60
- 20 years of service after age 50 (for law enforcement officers, 15 years of service as an officer after age 50 or five years of service as an officer after age 55)
- Five years of service after age 60 (for firefighters or rescue squad workers, five years after age 55, or for law enforcement officers, five years of service as a law enforcement officer after age 50)
- Five years of service after age 65

You will need to certify to the Retirement Systems Division the amount of unused sick leave on the member's Form 6 (Claiming Your Monthly Retirement Benefit). You should not certify any sick leave, unless a member could be paid for it, in the event he or she was absent due to illness.

Accumulated Sick Leave Days*			
Number of Days	Months	Number of Days	Months
1-20 =	1 Month	241-260 =	13 Months
21-40 =	2 Months	261-280 =	14 Months
41-60 =	3 Months	281-300 =	15 Months
61-80 =	4 Months	301-320 =	16 Months
81-100 =	5 Months	321-340 =	17 Months
101-120 =	6 Months	341-360 =	18 Months
121-140 =	7 Months	361-380 =	19 Months
141-160 =	8 Months	381-400 =	20 Months
161-180 =	9 Months	401-420 =	21 Months
181-200 =	10 Months	421-440 =	22 Months
201-220 =	11 Months	441-460 =	23 Months
221-240 =	12 Months	461-480 =	24 Months
*Assuming an eight-hour day. Sick leave earned monthly counts as creditable service.			

NOTE: A sick leave "day" is determined by the employer's sick leave accrual policy and may or may not be equal to eight hours.

For example, assume John Smith earns one day of sick leave per month under his employer's sick leave accrual policy while working an extended shift of 12 hours per day and he accrues 12 hours of sick leave each month. When his employer certifies his unused sick leave on his Form 6 (Claiming Your Monthly Retirement Benefit), for each 12 hours of eligible unused sick leave, his employer should report one day of unused sick leave, rather than 1.5 days.

In another example, assume Mary Brown earns one day of sick leave per month while working 7.5 hours per day and accrues 7.5 hours of sick leave each month. When her employer certifies her unused sick leave on her Form 6, for each 7.5 hours of eligible unused sick leave, her employer should report one day of unused sick leave.

Free Military Service

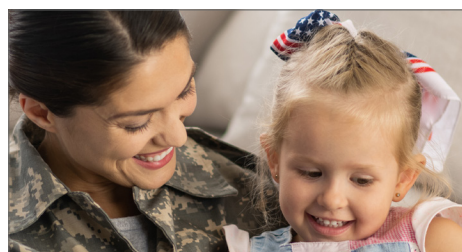
The member may receive retirement credit for up to five years of qualifying military service at no cost if the member was an eligible LGERS member when he or she entered active duty, and:

- the member returns to employment for 10 or more years with the same LGERS employer after discharge from the military, or
- the member returns to LGERS membership service within the time limit mandated by federal law for reporting back to work, and meets all of the following requirements:
 - ◇ the member did not provide written notice of intent not to return to work after military service
 - ◇ the member is not eligible for benefits from any other retirement plan based on this service
 - ◇ the member has purchased his or her LGERS withdrawn service credit, if any

The LGERS employer is required to pay the employer and employee contributions to LGERS for the full period that a member was in active military duty if the employee was a LGERS member immediately prior to the active duty military service and returns to LGERS membership service within two years after the military discharge date.

In order for the Retirement Systems Division to grant free military service credit, the member should complete [Form 462 \(Purchasing Retirement System Credit or Requesting Free Credit for Military Service\)](#), attach a copy of his or her military discharge papers (Form DD 214) and send them together to the Retirement Systems Division.

The employer should also send a letter to the Retirement Systems Division stating the last date the member worked prior to the military service and the date the member returned to work after the military service.



All of the following forms are located in [ORBIT](#).

Each form contains guides which will explain the type of service purchase and what is required to receive credit for that service.

Periods of Active Military Duty Not Eligible

Under the Free Provisions: See [Form 462](#) (Purchasing Retirement System Credit or Requesting Free Credit for Military Service).

Educational Leave: See [Form 463](#) (Purchasing Retirement Credit for a Period of Interrupted Service For Educational Purposes) and [Form 463F](#) (Requesting Continuation of Contributions and Credit for Planned Educational Leave).

Out-of-State Governmental Service: See [Form 455](#) (Purchasing Retirement System Credit for a Period of Out-of-State Employment).

Withdrawn State, Local Governmental or Law

Enforcement Retirement Accounts: See [Form 461](#)

(Purchasing Retirement System Credit for Withdrawn Service).

Eligible LGERS or TSERS withdrawn service purchased in LGERS or TSERS counts as creditable service, not membership service. TSERS withdrawn service purchased in TSERS does not count toward the 5-year membership service requirement for eligibility for State Health Plan coverage as a TSERS retiree.

Workers' Compensation Leave: See [Form 441](#)

(Purchasing Retirement Credit for a Period of Workers' Compensation).

Temporary State and Local Service: See [Form 443](#)

(Purchasing Retirement Credit for State or Local Government Temporary Employment).

Part-Time State and Local Service: See [Form 451](#) (Purchasing Retirement Credit for a Period of Part-Time State or Local Governmental Employment).

Omitted State or Local Government Service: See [Form 466](#) (Purchasing Retirement System Credit for Unreported Service Omitted Through Error).

Service with the Federal Government: See [Form 467](#) (Purchasing Retirement System Credit For a Period of Federal Service).

Federally-Funded Public Community Service: See [Form 479](#) (Purchasing Retirement System Credit for a Period of Federally-Funded Service).

Parental Leave: See [Form 430](#) (Purchasing Retirement Credit for a Period of Interrupted Service Related to Parental Leave).

Service with a Local Governmental Employer not in LGERS: See [Form 452](#) (Purchasing Retirement Credit for a Period of Service with a Non-Participating Local Unit).

Local Waiting Period: See [Form 470](#) (Purchasing Retirement Credit for a Waiting Period Imposed by a Local Unit).

Membership Service not Earned Due to Extended Illness or Injury: See [Form 485](#) (Purchasing Retirement Credit for a Period of Interrupted Service Due to Extended Illness).

Service as a Member of the General Assembly: (No form necessary.)

Prior Law Enforcement Service: See [Form 481](#) (Purchasing Retirement Credit for a Period of Service Not Credited by the Former Law Enforcement Officers' Retirement System).

Involuntary Furlough: See [Form 432](#) (Purchasing Retirement Credit for a Period of Interrupted Service Due to Involuntary Furlough).

Charter School Service: See [Form 499](#) (Purchasing Retirement Credit for a Period of Service with a Non-Participating Charter School).

Withdrawn University of North Carolina Optional Retirement Program Service: A member may purchase credit for periods of withdrawn University of North Carolina Optional Retirement Program service, provided he or she is not receiving, and is not entitled to receive, any retirement benefits resulting from this service.

To purchase this service, the member must have completed five years of service as a contributing member of TSERS since the Optional Retirement Program service. The member's cost will be a lump-sum payment equal to the full actuarial liabilities created from the additional credit purchased. See [Form 478](#) (Purchasing Retirement System Credit for Withdrawn Optional Retirement Program Service).

Using a Rollover or Plan-to-Plan Transfer from an Eligible Retirement Plan or IRA to Purchase Allowable Creditable Service: See [Form 398](#) (Using a Distribution of Tax-Sheltered Savings to Purchase Retirement Credit).

RETIREMENT BENEFIT ELIGIBILITY REQUIREMENTS

The information contained in this section is to provide you with some general information about retirement eligibility.

If an employee comes to you with questions about their personal eligibility, please do not advise them.

Because of the many laws, statutes and individual circumstances that impact eligibility, we do not expect you to be an expert in North Carolina retirement rules and laws. Therefore, please refer all employee questions about eligibility and other retirement-related issues to the Retirement Systems Division.

Below is information about the LGERS benefits available to general employees of a LGERS employer. This information is also included in the LGERS Member Handbook. Please encourage your employees to read this handbook during new employee orientation sessions so they can plan early for their retirement and learn all they need to know to make informed decisions about their benefits.

LGERS benefits can be divided into two basic categories, Unreduced Benefits and Reduced Benefits.

Vesting

A member becomes vested in LGERS after completing a minimum of five years of creditable service. This means that the member will be eligible to apply for lifetime monthly retirement benefits based on age, service requirements and the formula described in this manual, as long as the member does not withdraw his or her contributions.

Service Retirement (Unreduced Benefits) for General Employees

A member may retire with an unreduced service retirement benefit after:

- Reaching age 65 with at least five years of creditable service
- Reaching age 60 with 25 or more years of creditable service
- Completing 30 years of creditable service, regardless of age

Service Retirement (Unreduced Benefits) for Law Enforcement Officers

- A law enforcement officer qualifies for an unreduced benefit after reaching age 55 with at least five years of creditable service as a law enforcement officer.
- A law enforcement officer also qualifies for an unreduced benefit after completing 30 years of creditable service, regardless of age.

Required Distributions At Age 72

In most cases, LGERS is required to pay benefits to non-retired members with open LGERS accounts by April 1 of the year after the member reaches 72 years old or ceases to be an employee, whichever is later.

Members who are vested (five or more years of eligible service) who fail to complete the retirement process will receive a monthly retirement benefit based on the Maximum Allowance.

Non-vested members who fail to complete a refund application will receive a refund of their contributions and interest.

RETIREMENT FORMULA & SERVICE RETIREMENT BENEFIT

Once a member meets all retirement eligibility requirements, the member's annual retirement benefit is calculated by using this formula:

$$\begin{array}{c} \text{Retirement Formula} \\ \\ \text{Your annual benefit} \\ = \\ 1.85\% \text{ of average final compensation} \\ \times \\ \text{years and months of creditable service} \end{array}$$

Average Final Compensation is the average of the member's salary during their four highest-paid years (**48 consecutive months**) in a row. If your four highest-paid years in a row include a final payment for unused vacation leave and/or prorated longevity, the member's average final compensation may be increased by the extra payment(s). Final payments, if any, for unused sick leave, payments for housing or any other allowance, or reimbursements for expenses are not includable in the average final compensation. Normally, the four consecutive highest-paid years of salary will be the last four; however, they could have been earlier in one's career.

Creditable Service is the total of all service credit that counts toward retirement. It includes membership service for any period during which the member contributes to LGERS, provided contributions have not been withdrawn. It also includes credit for eligible purchased service and eligible unused sick leave that is converted to creditable service at retirement.

One year of credit is given for 12 months of covered employment (not tied to calendar year). A member earns credit for each month that he or she makes a retirement contribution. For example, a member contributing for 12 months will earn one full year's credit. If, however, a member contributes only eight months, he or she will earn credit for 8/12 of one year.

The following steps show how we calculate a service retirement benefit for a general employee or law enforcement officer retiring at age 60 with 32 years of creditable service.

Your Employee

Step 1

Add the salary during the 4 highest-paid years (48 months) in a row

		example
Year 1	<input type="text"/>	\$38,930
Year 2	<input type="text"/>	\$39,830
Year 3	<input type="text"/>	\$40,830
Year 4	<input type="text"/>	\$41,734
Total	<input type="text"/>	\$161,324
Then, divide the total by 4 to get the average final compensation	divide by	/
Average Final Compensation	<input type="text"/>	\$40,331

Step 2

Multiply Step 1 by .0185 to apply the retirement formula*

Step 1	<input type="text"/>	\$40,331
	x .0185	x .0185
Total	<input type="text"/>	\$746.12

Step 3

Determine the creditable service

<input type="text"/>	32.1667 years
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Step 4

Calculate the annual benefit* by multiplying Step 2 by Step 3

Step 2	<input type="text"/>	\$746.12
Step 3	x <input type="text"/>	x 32.1667
Total Annual Benefit	<input type="text"/>	\$24,000.22

Step 5

Calculate the monthly benefit* by dividing Step 4 by 12

Step 4	<input type="text"/>	\$24,000.02
	divide by	/
Total Annual Benefit	<input type="text"/>	\$2,000.02

(This is an estimate of the payment your employee will receive each month before taxes or any other deductions.)

*Remember, if the employee retires early, these numbers will change.

Because the member in this example has more than 30 years of creditable service at retirement, he or she can receive the maximum annual benefit of \$24,000, or about \$2,000 each month, which stops when the member dies, unless he or she selected a survivor payment option.

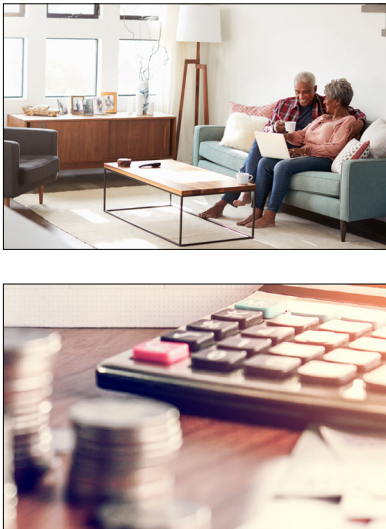
A member can create a personalized retirement benefit by logging in to [ORBIT](#) at www.ORB.IT.MyNCRetirement.com, and clicking on "Create Custom Benefit Estimate."

Examples of How Benefits are Paid to General Employees

The following chart shows the approximate monthly benefit paid at various salary levels, depending on age and creditable service.

Monthly Retirement Benefit Under Maximum Allowance						
Average Final Compensation	Age	50	55	60	N/A	N/A
	Yrs. of Service	20	28	25	30	40
	\$80,000	\$1,233	\$3,108	\$3,083	\$3,700	\$4,933
	70,000	1,079	2,719	2,697	3,237	4,316
	60,000	925	2,331	2,312	2,775	3,700
	55,000	847	2,136	2,119	2,543	3,391
	50,000	770	1,942	1,927	2,312	3,083
	45,000	693	1,748	1,734	2,081	2,775
	40,000	616	1,554	1,541	1,850	2,466
	35,000	539	1,359	1,348	1,618	2,158
	30,000	462	1,165	1,156	1,387	1,850
	25,000	385	971	963	1,156	1,541

Of course, these are only examples. A member’s benefit is calculated individually and depends on age, creditable service and average final compensation.



BENEFIT LIMITATIONS

Occasionally, a retiree may be subject to the benefit limitations described below:

Contribution-Based Benefit Cap (CBBC)

As a member of LGERS, employees contribute six percent of their monthly income toward their retirement. If the employee receives significant salary increases in the years before retirement or over the course of their career, their monthly retirement benefit at retirement may exceed what their contributions would be expected to fund. If an employee receives significant salary increases in the years before retirement or over the course of their career, their monthly retirement benefit at retirement may exceed what their contributions would be expected to fund. Significant late-career promotions, conversion of benefits into compensation, and leave payouts at retirement may also cause monthly retirement benefits to exceed what your employees' contributions would be expected to fund. The Contribution-Based Benefit Cap was created to protect this system for current and future retirees, by providing a method for the payment of these unforeseen costs.

If an employee retires with an average final compensation (AFC) of \$100,000 or more (adjusted annually for inflation), they may fall under a contribution-based benefit cap.

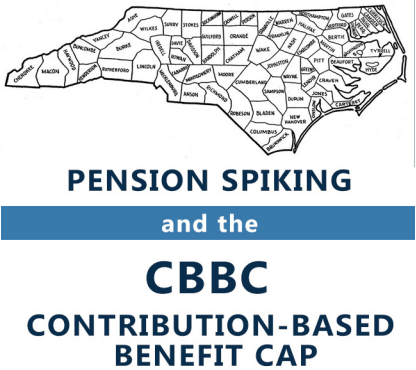
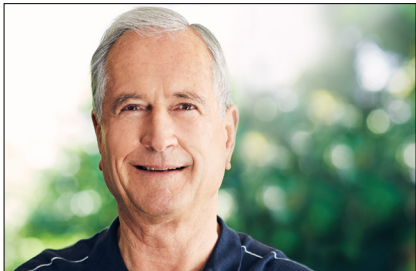
If an employee was first hired before January 1, 2015, their last employer will be required to pay the additional contribution if it is determined that their allowance is in excess of the cap and is subject to an adjustment. The Retirement Systems Division will notify the employer and will provide a statement of the cost of the additional contribution required to pay for the benefit in excess of the cap.

If an employee was first hired on or after January 1, 2015, their employer may choose whether or not to pay this additional contribution; if the employer chooses not to pay, the employee will be required to accept a benefit reduced to the benefit cap unless they pay the additional contribution. The Retirement Systems Division will notify the employee and employer and will provide a statement of the cost of the additional contribution required to pay for their benefit in excess of the cap, along with the deadline to submit.

IRS Section 415(b) Annual Pension Benefit Limit

If an employee is a highly compensated employee, their LGERS benefits may be subject to the [Internal Revenue Code \(IRC\) section 415\(b\)](#) annual pension benefit limit. The determination of whether the retirement benefit will be subject to the limit can only be made at retirement. The limit varies every year, so the benefit could be affected one year but not the next. The limit varies each year and is set by the IRS. The limit is affected by many factors that were established by the IRS that may or may not apply to a particular individual.

The 2013 General Assembly established a Qualified Excess Benefit Arrangement (QEBA) fund to pay the part of a retiree's retirement allowance that exceeds the limit. Members hired prior to January 1, 2015, are eligible to receive benefit payments from the QEBA fund. If QEBA-eligible members retire after August 1, 2016, the employer shall reimburse the QEBA fund in the amount of any supplemental payment made to the payee.



Examples of Benefits Paid to Law Enforcement Officers

The following chart shows the approximate monthly benefit paid at various salary levels, depending on age and creditable service.

Monthly Retirement Benefit Under Maximum Allowance						
Average Final Compensation	Age	50	52	55	N/A	N/A
	Yrs. of Service	15	28	25	30	40
	\$80,000	\$1,480	\$3,108	\$3,083	\$3,700	\$4,933
	70,000	1,295	2,719	2,697	3,237	4,316
	60,000	1,110	2,331	2,312	2,775	3,700
	55,000	1,017	2,136	2,119	2,543	3,391
	50,000	925	1,942	1,927	2,312	3,083
	45,000	832	1,748	1,734	2,081	2,775
	40,000	740	1,554	1,541	1,850	2,466
	35,000	647	1,359	1,348	1,618	2,158
	30,000	555	1,165	1,156	1,387	1,850
	25,000	462	971	963	1,156	1,541

Of course, these are only examples. A member's benefit is calculated individually and depends on age, creditable service and average final compensation.

The benefit calculated in our examples is the Maximum Allowance, which is payable for the life of the retired member with monthly payments ceasing upon his or her death. Several other payment options are available including survivorship benefit options.

EARLY RETIREMENT BENEFITS

Early Retirement (Reduced Benefits) for General Employees

A member may retire early with a reduced retirement benefit after:

- Reaching age 60 (age 55 for firefighters and rescue squad workers) with at least five years of creditable service
- Reaching age 50 with at least 20 years of creditable service

Although a member may retire early, the retirement benefits will be paid over a longer period of time and are, therefore, reduced. The amount of the reduction depends on the member’s age and service when payments start.

A member who leaves employment before early or service retirement may receive a deferred benefit at a later date once the member has met all retirement eligibility requirements provided he or she does not withdraw his or her contributions.

For a member who is a general employee, the reduction in the allowance for early retirement is calculated as five percent times the lesser of:

- A member’s creditable service to 30 years
- A member’s age (up to age 60) plus three percent for each year from age 60 to age 65.

For example, a general employee who is 60 years old with 10 years of service would receive 85 percent of the unreduced benefit based on the reduction formula.

If a general employee is between ages 60 and 65, with fewer than 25 years of creditable service, his or her early retirement benefit will be reduced by the following:

If member is this age when payments start	Member receives this percentage of their benefit
64	97%
63	94%
62	91%
61	88%
60	85%



If a general employee is between ages 50 and 59, with fewer than 30 years of creditable service, his or her early retirement will be reduced to the following percentages in the table below.

If a firefighter or rescue squad worker is between age 55 and 60 with five to 20 years of creditable service, his or her early retirement will be reduced to the percentages shown below in the "20 years of creditable service" column.

		Years of Creditable Service									
		29	28	27	26	25	24	23	22	21	20
Age	59	95%	90%	85%	80%	80%	80%	80%	80%	80%	80%
	58	95%	90%	85%	80%	75%	75%	75%	75%	75%	75%
	57	95%	90%	85%	80%	75%	70%	70%	70%	70%	70%
	56	95%	90%	85%	80%	75%	70%	65%	65%	65%	65%
	55	95%	90%	85%	80%	75%	70%	65%	60%	60%	60%
	54	95%	90%	85%	80%	75%	70%	65%	60%	55%	55%
	53	95%	90%	85%	80%	75%	70%	65%	60%	55%	52%
	52	95%	90%	85%	80%	75%	70%	65%	60%	55%	50%
	51	95%	90%	85%	80%	75%	70%	65%	60%	55%	50%
	50	95%	90%	85%	80%	75%	70%	65%	60%	55%	50%

If the member is between birthdays when payments start, the reduction will be adjusted proportionately.

Calculating an Early Retirement Benefit for a General Employee

In this example, a member retires early at age 61, with an average final compensation of \$41,209 and 24 years of creditable service.

Here is how we calculate this benefit			
\$	40,541.00	(average final compensation)	\$ 18,000.00
x	.0185		x .88*
\$	750.00	(creditable service)	\$ 15,840.00
x	24		
\$	18,000.00		

(*reduction percentage at age 61 from chart on next page)

The member in this example receives a maximum allowance of about \$15,840 a year, or about \$1,320 a month, which stops when the member dies unless he or she selected a survivor payment option.

Early Retirement (Reduced Benefits) for Law Enforcement Officers

A law enforcement officer qualifies for a reduced benefit after:

- reaching age 50 and completing 15 years of creditable service as an officer
- completing 25 years of creditable service with 15 years of creditable service as an officer

Early retirement benefits are figured using the same formula as for service retirement, and then applying a reduction factor. For example, a law enforcement officer who is age 53 with 25 years of service would receive 92 percent of the unreduced benefit based on the reduction formula.

The table below shows early retirement percentages at various ages and periods of creditable service.

If a law enforcement officer is between ages 50 and 55, with less than 30 years of creditable service, his or her early retirement benefit will be reduced to the following percentages:



		Years of Creditable Service						
		29	28	27	26	25	20	15
Age	54	96%	96%	96%	96%	96%	96%	95%
	53	95%	92%	92%	92%	92%	92%	92%
	52	95%	90%	88%	88%	88%	88%	88%
	51	95%	90%	85%	84%	84%	84%	84%
	50	95%	90%	85%	80%	80%	80%	80%
	49	91%	86%	81%	76%	76%	N/A	N/A
	48	87%	82%	77%	72%	72%	N/A	N/A
	47	83%	78%	73%	68%	68%	N/A	N/A
	46	79%	74%	69%	64%	64%	N/A	N/A
	45	75%	70%	65%	60%	60%	N/A	N/A

If the member is between birthdays when payments start, the reduction will be adjusted proportionately.

Calculating an Early Retirement Benefit for a Law Enforcement Officers

In this example, a law enforcement officer retires early at age 51, with an average final compensation of \$41,209 and 24 years of creditable service .

Here is how we calculate this benefit

\$ 40,541.00 (average final compensation)

x .0185

\$ 750.00

x 24 (creditable service)

\$ 18,000.00

Now apply the early retirement reduction percentage from the chart on the chart.

\$ 18,000.00

x .84 (percentage at age 51)

\$ 15,120.00

The law enforcement officer in this example receives a maximum allowance of about \$15,120 a year, or about \$1,260 a month, which stops when member dies unless he or she selected a survivor payment option. Additionally, this law enforcement officer would be eligible for benefits from the NC 401(k) Plan and may be eligible for benefits referenced in the "Separate Insurance Benefits Plan" section.



RECIPROCITY PROVISIONS

Creditable service in the Legislative Retirement System (LRS), the Consolidated Judicial Retirement System (CJRS) or the Teachers' and State Employees' Retirement System (TSERS) may be counted along with creditable service in LGERS in order to determine eligibility for benefits from each retirement system. However, only the creditable service in LGERS will be used in computing the amount of the retirement benefit payable from LGERS. Creditable service in any other system will be used in computing benefits from that system. This is referred to as reciprocity or reciprocal creditable service.

Reciprocal creditable service in all four retirement systems can be used to determine eligibility for the following benefits:

- unreduced retirement
- reduced retirement
- disability retirement
- survivor's alternate benefit

Any member with five or more years of reciprocal creditable service before LGERS service and/or membership service may purchase withdrawn credit in the retirement system from which it was withdrawn, regardless of whether he or she has a currently active account in that retirement system. The purchased creditable service may then be counted as reciprocal creditable service.

Reciprocal creditable service cannot be used to determine eligibility for the death benefit.

A member is not required to begin retirement benefits from all retirement systems simultaneously. The member does not have to terminate employment in order to begin retirement benefits from a retirement system that he or she no longer contributes to monthly, except in cases where the reciprocity is between TSERS and CJRS.

If a member had previous membership in two retirement systems and has used reciprocity to begin receiving a monthly benefit from one retirement system, the member may withdraw contributions and creditable service from the other system. The member cannot withdraw from the retirement system that pays the monthly benefit.



rec·i·proc·i·ty (noun)

Counting combined creditable service in more than one State-administered retirement system to determine eligibility only for retirement benefits and certain other benefits



RETIREMENT BENEFIT PAYMENT OPTIONS

When a member retires, he or she must select a payment option. On average, the payment options are mathematically equal to one another. This means that each option is calculated so that its total value is the same as the value of the other options, if the member and the member's named beneficiary (if any) who will receive a monthly payment after the member's death, live their expected life spans.

Initially, the member must decide whether he or she needs a payment option that provides a monthly benefit to a beneficiary after his or her death. If the member does not select such an option, all of his or her retirement benefits will be used to provide a lifetime monthly payment that stops at his or her death. The benefit amount will differ based on the age of the beneficiary, if any.

The member's payment option selection is personal and should take into account his or her needs during retirement and the needs of a dependent, if any, after the member's death. Neither the payment plan selected by a co-worker, nor the one selected by the largest number of retirees, should have any effect on the member's personal decision.

The member cannot change his or her selected payment option once he or she cashes the first retirement check or after the 25th of the month following the month the member's first check is mailed (whichever is earlier), except under one of the following two conditions:

- If the member selected an option that provides a monthly benefit to his or her spouse as a beneficiary after the member's death (Option 2, 3, 6-2 or 6-3) and later become divorced from that spouse
- If the member is re-hired in a position covered by LGERS and contributes to his or her new account for at least three years



RETIREMENT BENEFIT PAYMENT OPTIONS

MAXIMUM ALLOWANCE

When a member retires with a service retirement benefit, your basic benefit is the maximum allowance and is calculated under the formula on page 31.

If the member retires early, the maximum allowance is calculated using the same formula, which is then reduced for early retirement. In either case, the member will receive their allowance for as long as they are living. All monthly payments stop at the member's death.

OPTION 2: 100% JOINT & SURVIVOR

- The member receives a reduced monthly payments for life.
- After the member's death, the monthly survivor beneficiary receives the same amount monthly for life.

OPTION 3: 50% JOINT & SURVIVOR

- The member receives reduced monthly payments for life which are slightly larger than the payments in Option 2.
- After the member's death, half of the payment continues to the monthly survivor beneficiary for life.

OPTION 6-2: **MODIFIED JOINT & SURVIVOR (combination MAX Allowance, Option 2)**

- The member receives reduced monthly payments for life (a larger reduction than under Option 2).
- After the member's death, the monthly survivor beneficiary receives the same amount monthly for life.
- However, if the beneficiary dies before the member, the member's monthly payments increase to the amount payable under the maximum allowance.

OPTION 6-3: **MODIFIED JOINT & SURVIVOR (combination MAX Allowance, Option 3)**

- The member receives reduced monthly payments for life (a larger reduction than under Option 3).
- After the member's death, half of the payment continues to the monthly survivor beneficiary for life.
- However, if the beneficiary dies before the member, the member's monthly payments are increased to the amount payable under the maximum allowance.

It is important to note that if a benefit payment option that names a beneficiary is selected, the member should immediately notify the Retirement Systems if that person dies before the member.

NOTE: Under Options 2, 3, 6-2 and 6-3, only one beneficiary may be named to receive a monthly survivor benefit after the member's death. The survivor beneficiary cannot be changed after retirement except under one of the following circumstances:

- If a spouse is named as survivor beneficiary at the time of retirement and later the member is divorced from that spouse.
- If the member returns to employment covered under LGERS and contributes to a new retirement account for at least three years.
- If the member chose Option 2 or 3 at retirement, and designated their spouse as survivor beneficiary, and this spouse dies before the member, and the member remarries, the member may request to nominate the new spouse as beneficiary within 90 days of remarriage under the same option chosen at retirement. The member should contact our office and a letter outlining the documents we need to make the change will be mailed. This redesignation must be filed within 90 days of remarriage.



The new benefit will be reduced based on the member's age and the age of the member's spouse at the time of the change. The benefit payable will be the benefit received before the death of the previous spouse, additionally reduced to cover the new spouse as beneficiary.

OPTION 4: SOCIAL SECURITY LEVELING

- The member receives larger monthly payments than they would otherwise be entitled to receive until they become eligible for Social Security at age 62, at which time those monthly payments are considerably reduced.
- Beginning the month after the month of initial entitlement for Social Security age 62 benefits, the monthly payments will be reduced to an amount that is less than what the member would otherwise be entitled to receive. Nevertheless, the reduced retirement payments after age 62, plus the allowance from the Social Security Administration, should be approximately the same amount as the inflated payment the member received from LGERS before age 62. (The reduction takes place regardless of whether the member has applied for and is receiving Social Security.)
- The actual amount of the retirement payments both before and after age 62 will be based on the estimate of benefits the member provides to us from the Social Security Administration before retirement.
- All monthly payments stop at the member's death.

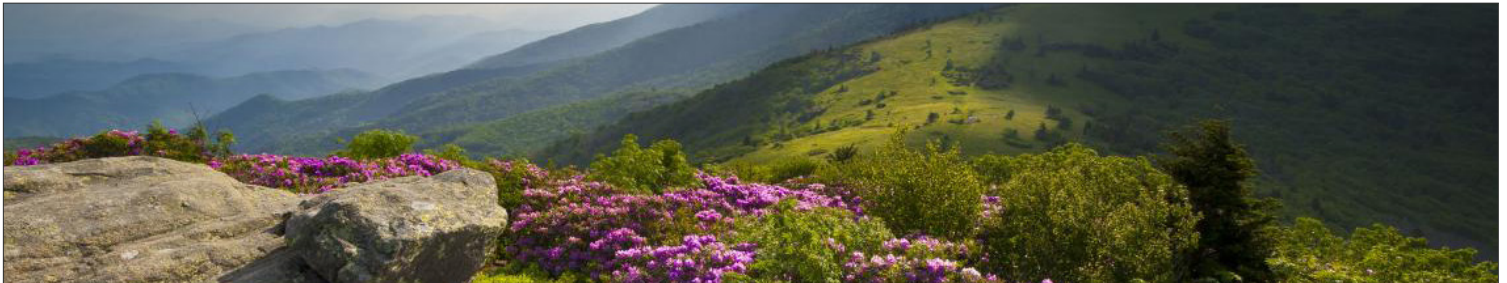
The reduction in monthly retirement payments after age 62 allows LGERS to recover the additional amounts the member received before age 62.

Any percentage increase granted in a member's retirement benefit before age 62 will be applied to the additional benefit they are receiving at the time. However, when the member reaches age 62, retirement benefit will be reduced to the original amount promised after age 62 plus the percentage increases (not the dollar amount of increases) granted before age 62.

GUARANTEED REFUND

All payment options include the Guaranteed Refund. This means that if the member and the member's monthly survivor beneficiary (if any) both die before the total of all monthly payments equals the amount of the member's contributions and interest, the balance of his or her contributions and interest will be paid in one lump sum to another beneficiary(ies).

The Guaranteed Refund also covers any purchases the member made for additional creditable service after retirement. The member may name one or more beneficiaries for the Guaranteed Refund and may change the beneficiary(ies) as often as he or she likes. However, the beneficiary chosen for the Guaranteed Refund cannot be the same as the monthly survivor beneficiary.



RETIREMENT APPLICATION PROCESS

Once a member decides to retire and meets the eligibility requirements for monthly benefits, there are certain steps which must be taken to begin the retirement process.

About 120 days before the member's planned retirement date, the member should begin the Retirement Online process in ORBIT or complete the Form 6 (Claiming Your Monthly Retirement Benefit) also available in the member's ORBIT account.

If the member works in a position that requires contributions to LGERS during the six months before the effective date of retirement (or they are currently out of service, but the last day of service with the last participating LGERS employer is within five years before the effective date of retirement, and the member had unused sick leave), you, as the employer should complete the employer certification section online or (Section H) on the paper Form 6 (Claiming Your Monthly Retirement Benefit).

If the member wants a retirement estimate based on Option 4, the member will need to send us an estimate from the Social Security Administration (SSA) of their age 62 Social Security benefit. This estimate should be requested from SSA within two years of the effective retirement date.

To be legally retired, a member must terminate employment, live until the effective date of retirement, and not perform any work for a LGERS employer at any time during the 6 months immediately following the effective date of retirement except:

- Serving as an unpaid bona fide volunteer in a local school administrative unit.
- Serving as an unpaid bona fide volunteer guardian ad litem in the guardian ad litem program.
- Serving on an authority, board, commission, committee, council, or other body of the state or of one or more counties, cities, local school administrative units, community colleges, constituent institutions of The University of North Carolina, or other political subdivisions or public corporations in the state, that is authorized to function as legislative, policymaking, quasi-judicial, administrative, or advisory body in a position that does not require membership in the retirement system.
- Volunteering in a position normally designated as an unpaid bona fide volunteer position.

To be legally retired, the member must end their employment, live until the effective date of retirement, have no intent or agreement, express or implied, to return to LGERS service and not perform any work for an LGERS employer during the six months immediately following their effective date of retirement.

After the Retirement Systems Division receives the member's retirement application (Step 1 in Retirement Online), an acknowledgement letter will be sent to the member. The letter will include instructions on the next steps in the retirement process and the additional information and forms needed to process the retirement. Later, the member will receive an estimate of the monthly benefits he or she can receive under the Maximum Allowance and other payment options, if applicable. Once the member reviews the payment options, the member will

- Form 170 (Authorizing Direct Deposit)
- Form 290 (Choosing Income Tax Withholding Preferences)
- Form 333 (Choosing the Contributory Death Benefit for Retired Members) By completing Form 333, the member will have an opportunity to elect coverage under the optional \$10,000 Contributory Death Benefit for Retired Members. This election must be made within 60 days from the effective date of the member's retirement.

The member should complete and provide all requested documentation to the Retirement Systems Division, including Form 6E (Choosing Your Retirement Payment Option). The member will also learn about enrollment in the North Carolina State Health Plan, if applicable.

IMPORTANT: The Retirement Systems Division will not be able to pay monthly retirement benefits to the member until the properly completed Form 6E is received and processed.

FIRST MONTHLY BENEFIT PAID BY CHECK AND SENT TO MEMBER BY USPS

The first monthly retirement benefit will be sent as a paper check to the member. Thereafter, the Retirement Systems Division will directly deposit the member's monthly benefit into his or her bank account on the 25th day of each month. Monthly benefit payment dates are listed on myNCRetirement.com.

Any authorization or change in a member's direct deposit received on or after the first day of the month will be effective for the next month's benefit payment. Direct deposit is fast, automatic and free.



In the Event of a Member's Death During the Retirement Process

- If a member dies before his/her effective retirement date, the member's contributions and beneficiary(ies) will be treated as if they had never applied for retirement.
- If a member dies after their effective retirement date and their Form 6E (Choosing Your Retirement Payment Option) has not been received by the Retirement System, and the member has named only one beneficiary for their return of accumulated contributions, that beneficiary may elect to receive a monthly benefit or a return of the member's contributions in a lump sum payment or, if the member has designated more than one beneficiary or no beneficiary for their return of contributions, the administrator or executor of their estate may select the option and name the beneficiary(ies).
- If a member dies after their effective date of retirement and their Form 6E has been received by the Retirement System, regardless of whether the Retirement System has issued their first check, their benefit will be paid based on the payment option and beneficiary(ies) they elected on your Form 6E.



Optional supplemental insurance coverage (Vision, Dental and Identity Theft Protection) is available to retirees and benefit recipients through Pierce Insurance.

Pierce will mail information to the member after his or her first retirement benefit has been issued. For more information, the member should visit ncretiree.com.

Pierce Insurance 1-855-627-3847

Law Enforcement Officer Separate Insurance Benefits

The Separate Insurance Benefits Plan provides certain temporary disability benefits and a death benefit to eligible law enforcement officers. **Eligible LEOs must enroll in the Plan.**

A law enforcement officer is automatically an eligible participant in the Separate Insurance Benefits Plan if he or she is:

- a full-time law enforcement officer of the state or any of its political subdivisions, as defined in [Chapter 135 of the North Carolina General Statutes](#), and has the full power of arrest with the primary duty of preventing and detecting crime, enforcing criminal laws on public property or serving civil processes.
- a former law enforcement officer as defined above and (a) had 20 or more years of service as an officer or (b) is in receipt of a disability retirement allowance from any state-administered retirement system.



North Carolina Total Retirement Plans 401k | 457



Dale R. Folwell, CPA
STATE TREASURER OF NORTH CAROLINA
DALE R. FOLWELL, CPA

Benefits to Employers

The **NC Supplemental Retirement Plans (NC 401(k) Plan and NC 457 Plan)**, also known as the Plans are designed exclusively to meet the needs of North Carolina state and local employers, and the public servants who work for them. These award-winning Plans are nationally recognized and complement the NC pension plan, supporting more than 1,100 employers who offer them:

- The Plans allow you to offer low-cost retirement savings options to your employees while minimizing your administrative and compliance responsibilities.
- The Plans are administered by the NC Department of State Treasurer and the Supplemental Retirement Board of Trustees.
- The Plans offer strong oversight from the Department and the Board.
- The Plans provide a suite of online administrative tools, including web-based reporting notifications as well as an Employer Handbook.
- The Plans provide personalized assistance, including one-on-one assistance with administrative tasks and onsite Retirement Educational Counselors (RECs) to assist you and your employees with administration, enrollment, and education.

The Sponsor Center Website is a hub for employers administering the Plans at their workplace. Recently updated, the revamped site now allows employers to not only manage administrative tasks like updating payroll deductions, but employers can now submit inquiries, manage participants, download reports and conduct research more effectively. The Information for Employers page found on myNCPlans.com also offers employers vital resources to help maintain plan compliance. These tools make it easier for employers to retrieve materials and resources to properly manage the administration of accounts and operational processes of the Plans.

Benefits to Employees

The Plans are a great way to help your employees save for the retirement lifestyle they imagine. In fact, 78 percent of those who save on their own in one of the Plans are retirement ready vs. just 56 percent who are counting on just the NC pension plan and Social Security alone. The Cost Comparison Document is a tool that allows your employees to be active, informed participants as they compare the Plans with outside financial products. Besides providing low-cost investment options, additional benefits of the Plans to your employees include:

- Ability to make a one-time contribution to the Plan(s). In addition to your employees' regular payroll deductions, they may want to consider contributing additional compensation or payouts on a one-time basis, such as longevity, vacation and/or bonus leave payments. For more information, refer to our One-time Contribution Flyer found on myNCPlans.com.
- Roll over money into a Plan account from another qualified retirement plan. As long as your employee has an account in the Plan(s), they can roll money into their NC 401(k) Plan and/or NC 457 Plan account. To learn more, check out our Rollover Brochure on myNCPlans.com.

NC 401(k) Plan LEO Transfer Benefit

At retirement, a law enforcement officer (LEO) may make a one-time transfer of any portion of his or her eligible contributions — not including Roth contributions and earnings — from the NC 401(k) Plan to LGERS, to receive an additional monthly lifetime benefit. This benefit for law enforcement officers is referred to as the NC 401(k) Plan LEO Transfer Benefit and is available to law enforcement officers vested before July 1, 2010. This option is available only at the time of retirement. Once transferred, the decision is irrevocable, and the member cannot access the funds except as the monthly benefit withdrawal.

ACTIVE EMPLOYEE DEATH BENEFITS

Although LGERS' primary purpose is to provide retirement income, we recognize that some employees will not live to enjoy their retirement benefits. For that reason, LGERS protects members' beneficiary(ies) should the member die before retiring with the death benefits described below.

Return of Contributions

After a member's death, their beneficiary will receive a return of their contributions plus interest at four percent compounded annually on the member's prior year ending balance, through their date of death. This is a lump-sum payment. If the member meets certain eligibility requirements, a monthly Survivor's Alternate Benefit may be paid to their beneficiary instead of a return of contributions if they have only one eligible beneficiary living at the time of their death.

Survivor's Alternate Benefit

The Survivor's Alternate Benefit is a lifetime monthly benefit payable to the member's survivor beneficiary that equals the amount the member would have been entitled to receive under Option 2 had they survived and retired on the first of the month following their death.

Provided the member has not retired, the monthly Survivor's Alternate Benefit may be payable if they have only one eligible beneficiary for the return of their contributions living at the time of their death and they die while in active service or within 180 days of their last day of service after meeting one of the following conditions:

- They complete 20 years of creditable service (not including credit for unused sick leave) regardless of age.
- They reach age 60 with five years of creditable service.

If the member does not meet one of these two conditions, their beneficiary(ies) will be able to receive only a return of the member's contributions.

The Survivor's Alternate Benefit does not apply if the member has two or more eligible principal beneficiaries for the return of contributions living at the time of their death, if their estate or living trust is their eligible beneficiary at the time of their death, or if they have retired.

Lump-Sum Death Benefit for Active Employees

If a member dies while still in active service after one year as a contributing member, their beneficiary will receive a lump-sum payment equal to their highest salary for 12 consecutive months during the 24 months before they die. The lump-sum payment will be at least \$25,000 but no more than \$50,000 and is also paid if the member dies within 180 days of their last day of service, provided they have not withdrawn their contributions. The death benefit is in addition to any other benefits to which their beneficiary(ies) may be entitled. For this death benefit, a member may name the same or a different beneficiary(ies) than the one(s) they named to receive the return of contributions.



If a law enforcement officer, firefighter, or rescue squad worker is killed in the line of duty, his or her spouse, dependent(s) or estate may be entitled to receive a death benefit in the amount of \$100,000.00. Additionally, if a law enforcement officer, firefighter, or rescue squad worker is murdered in the line of duty, his or her spouse, dependent(s) or estate may also be entitled to receive a death benefit in the amount of \$100,000.00. Eligibility for these death benefits is determined by the North Carolina Industrial Commission and payment is processed by the Department of State Treasurer.

RETIREE DEATH BENEFITS

If a member dies within 180 days of their last day of service, and meet all eligibility requirements, the lump-sum death benefit for active employees described above will be payable. Other retiree death benefits may also be payable as described below.

Guaranteed Refund

A member is automatically eligible for the Guaranteed Refund when they choose a payment option. Under the Guaranteed Refund provision, if the member and their monthly survivor beneficiary (if any) both die before the total of all monthly payments equals the amount of the member's contributions and interest, the balance of their contributions and interest will be paid in one lump sum to another beneficiary(ies).

The Guaranteed Refund also covers any purchases the member made for additional creditable service after retirement. A member may name one or more beneficiaries for the Guaranteed Refund, and they may change their beneficiary selection(s) as often as they like. However, the beneficiary a member chooses for the Guaranteed Refund cannot be the same as their monthly survivor beneficiary.

Optional \$10,000 Contributory Death Benefit

When a member retires, we will mail him or her a Form 333 (Choosing the Contributory Death Benefit for Retired Members). To enroll, the member must make their election within 60 days of the effective date of their retirement. If the member enrolled in the optional \$10,000 Contributory Death Benefit for Retired Members and their death occurs on or after the first day of the month following the 24th month of coverage, a lump-sum payment of \$10,000 will be paid to their designated beneficiary(ies). If no beneficiary has been designated, the benefit will be paid to the member's spouse, or legal representative if the member is not survived by a spouse. If the member's death occurs before the first day of the month following the 24th month of coverage, the amount payable will be equal to their premiums plus interest.

Continuation of Monthly Benefits under Survivor Options

When a member chooses their benefit payment option, if they choose one of the survivor options (Options 2, 3, 6-2 and 6-3), their survivor beneficiary will receive a monthly lifetime benefit after their death.

NOTE: During the month a retiree or beneficiary dies, the legal representative of the deceased retiree or beneficiary is entitled to a full check for the month the death occurred. It is a Class 1 Misdemeanor for a person to fraudulently receive the retirement benefit of a deceased retiree or beneficiary after the recipient's death.

Law Enforcement Officer Separate Insurance Benefits Plan Death Benefits

If a law enforcement officer's death occurs while in active service, \$5,000 is paid to the surviving spouse unless a different beneficiary is named. The amount is increased by \$2,100 if the death is a line-of-duty death.

If a law enforcement officer's death occurs after retirement, \$4,000 is paid to the surviving spouse unless a different beneficiary is named.

RE-EMPLOYMENT AFTER RETIREMENT

After a member has officially retired and is receiving monthly benefits, if the member performs work in any capacity for an employer under LGERS, he or she will be subject to the Return-to-Work Laws described below. These provisions may require the member to work under an earnings limitation or to reenroll as a contributing member of LGERS. The member will be subject to re-employment provisions based on the nature of the particular work he or she performs for an LGERS employer, regardless of the member's job classification or technical employment status (which may include being assigned to work for an LGERS employer by a private company such as a temporary agency).

Penalty for Working During Required One-Month Break

A one-month break from performing any work for an LGERS employer after the member's LGERS retirement date is required to avoid a financial penalty. The financial penalty for an LGERS retiree who returns to work for an LGERS employer on a part-time, temporary, interim, or fee for service basis, during the month in which the retiree's initial LGERS retirement benefit became effective, will be the lesser of the following as determined by the Retirement System:

- The member will be deemed to have retired the month after the month he or she performed services for the employer and repay all retirement benefits received until that date; or
- The member will be required 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 a member returns to active LGERS membership service during the month of his or her effective date of retirement, the member's LGERS benefit will be cancelled retroactively to his or her retirement date, and the member must repay all retirement benefits received since his or her retirement date.

Re-employment Requiring Membership

After a one-month break, an LGERS retiree may return to work in a position that requires LGERS membership. The retiree's monthly retirement benefit must be suspended on the first day of the month following the month of re-employment. The retired member must be reenrolled in LGERS and become a contributing member in the month that he or she is restored to membership service.

If the member returns to service and contributes for at least three years or more, at the time the member terminates the second period of employment, the member will have the following choices:

- Combine service from the first and second periods of employment to create one (generally larger) monthly retirement benefit. The member can change the retirement payment plan and/or beneficiary the member selected at the time of his or her original retirement. (Note: If Option 4 was elected for first retirement, the Retirement Systems Division must actuarially adjust benefits when the member retires again.)
- Reinstate the first retirement account and withdraw his or her contributions only from the second account.

If the member returns to service and contributes for less than three years, at the time the member terminates the second period of employment, the member's first retirement benefit will be reinstated, and the member will have the following choices for his or her second retirement account:

- Apply to receive a second (generally smaller) monthly benefit based on the second period of employment
- Withdraw contributions from the second account
- Leave the second account open

For additional information, please see the [Return-to-Work Laws](#) on our website.

Re-employment Without Membership

After a one-month break, if a LGERS member returns to work with a LGERS employer on a part-time, interim, temporary, or contractual basis in a position not eligible for LGERS membership (see “Retirement System Membership Requirements” on page 9), the member will be subject to earnings restrictions of the greater of the following:

- 50 percent of gross 12-month pre-retirement salary (excluding termination payments)
- \$37,240 (2022 amount)

The dollar figure in the second restriction is adjusted annually according to the Consumer Price Index, which is a national measure of increase in the cost of living from one year to the next. These earnings restrictions apply for the 12 months immediately following retirement and for each calendar year following the year of retirement.

If the retired member plans to work under the earnings limitations with an employer participating in LGERS, the member should contact the Retirement Systems Division before starting the new job in order to have the exact earnable amount calculated.

If the member exceeds his or her earnings limitation, the member’s retirement benefit will be suspended the first day of the month following the month in which the member exceeds the limit for the remainder of the calendar year. The member’s retirement payment will start again on January 1 of the year after his or her benefit is suspended. If the member’s earnings exceed the allowable amount in the month of December, the member’s benefit will not be suspended.

Re-employment in a Temporary Position

If a member receiving disability retirement benefits accepts any type of public or private employment, the member may earn, on an annual basis, up to the difference between the highest consecutive 12 months of salary in the 48 months before the member’s disability retirement date and the amount of the member’s annual disability retirement benefits without affecting his or her disability retirement benefit. If the member earns more than this amount, the member’s disability retirement benefit will be reduced dollar-for-dollar by the amount of his or her excess earnings. The amount the member is allowed to earn is adjusted each January by any increase in the annual national Consumer Price Index.

For additional information, please see the [Return-to-Work Laws](#) on our website.

Re-employment after Receiving Disability Retirement Payments

If a member receiving disability retirement benefits accepts any type of public or private employment, the member may earn, on an annual basis, up to the difference between the highest consecutive 12 months of salary in the 48 months before the member's disability retirement date and the amount of the member's annual disability retirement benefits without affecting his or her disability retirement benefit. If the member earns more than this amount, the member's disability retirement benefit will be reduced dollar-for-dollar by the amount of his or her excess earnings. The amount the member is allowed to earn is adjusted each January by any increase in the annual national Consumer Price Index.

Overpayments

An overpayment of benefits is payment in excess of what is due. Statutory provisions require the Retirement Systems to recover overpayments. This includes, but is not limited to, the following methods of recovery:

- Deductions from the retiree's monthly retirement benefit
- Monthly payment remittal by the retiree
- Lump-sum payments by the retiree
- Repayment from the NC Department of Revenue through the interception of tax refunds or potential lottery winnings
- Deductions from an active payroll check (required if you are employed by an LGERS employer and have recieved an overpayment from LGERS)

For additional information, please see the [Return-to-Work Laws](#) on our website.

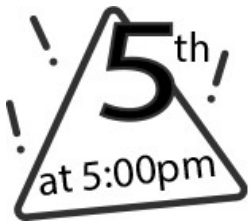




ORBIT is the online system that allows members access to retirement account information and is available 24/7 for employer reporting.

Employers are able to:

- enroll new member
- submit required monthly reports
- report retirees who return to work



All reporting and funds must be transmitted electronically through [ORBIT](#) by 5:00 pm on the 5th business day of the month.

For more information and reference materials about Employer ORBIT reporting, visit the [Employers ORBIT Information](#) page on our [website](#).



Active Employees are able to:

- view contribution history
- view service credit history
- view MARS (Member Annual Retirement Statement)
- create custom benefit estimates and NC 401(k)/NC 457 transfer benefit estimates
- designate and maintain beneficiaries
- maintain personal information
- view service purchase estimates
- access prefilled forms
- apply for Retirement online

Retirees are able to:

- maintain personal information
- maintain direct deposit
- maintain tax withholding
- view and download tax documents
- generate Verification of Income letters



CONTACTING THE NORTH CAROLINA RETIREMENT SYSTEMS



919-814-4590

Fraud and Abuse Hotline 1-855-903-7283

retfraud@nctreasurer.com

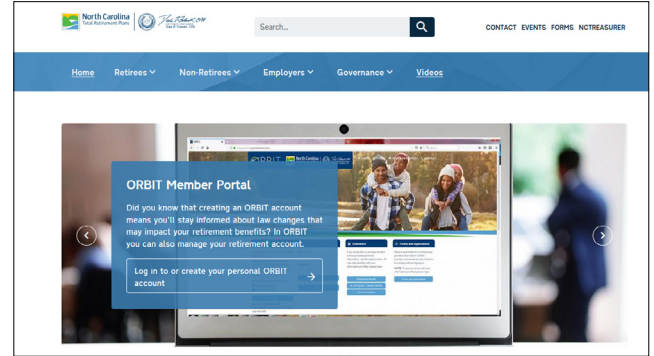


Retirement System Division

Department of State Treasurer

3200 Atlantic Avenue

Raleigh, North Carolina 27604



ORBIT Employer Reporting: oeer@nctreasurer.com



NC.Retirement@nctreasurer.com



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

Office hours

in-person deliveries and appointments
Monday - Friday, 8:00 am - 5:00 pm

Call Center hours

Monday - Friday, 8:30 am - 4:30 pm
(closed 11:30 am - 12:30 pm)

For up to date information on availability and hours, please visit myNCRetirement.com.



North Carolina
Total Retirement Plans



Dale R. Folwell, CPA
STATE TREASURER OF NORTH CAROLINA
DALE R. FOLWELL, CPA

myNCRetirement.com