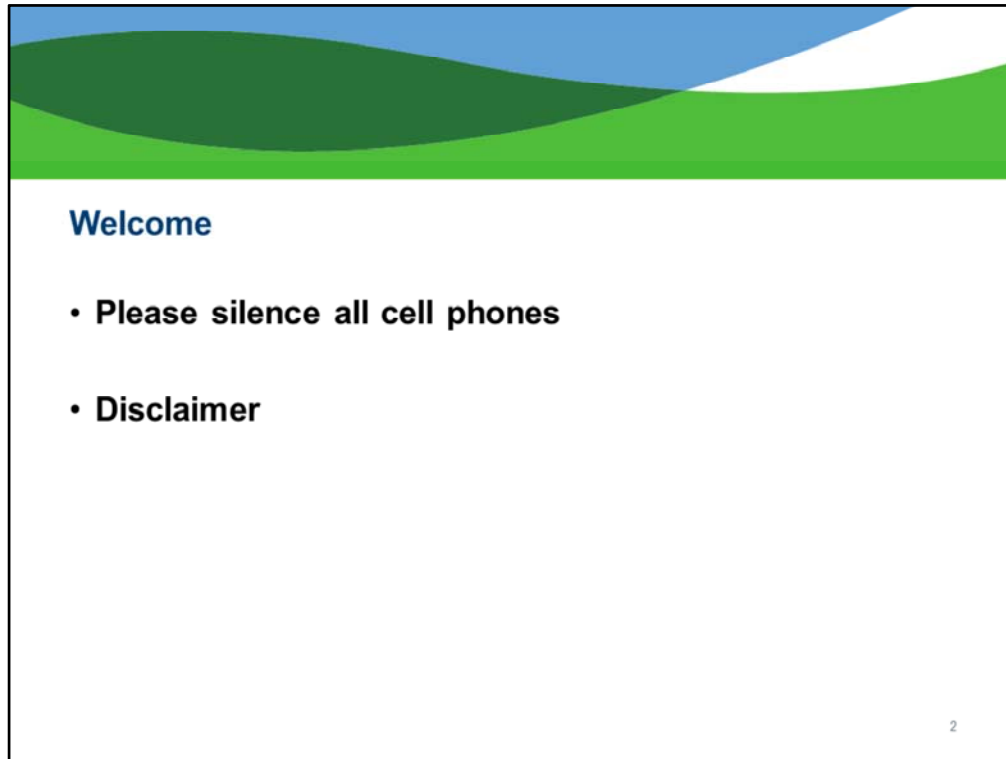



[ERG SPEAKER]

Welcome to the NC Total Retirement Planning Conference. This conference will provide an orientation for new members, pre-retirement planning information for members closer to retirement, and educational information for personnel officers and others who handle retirement matters. In addition, Prudential Retirement, our defined contribution plans administrator, also offers information on the NC 401(k), NC Deferred Compensation (457) plans and the 403(b) program.



Please silence all cell phones.

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



TSERS Employer Overview

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

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TSERS Employer Overview (Continued)

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



Plan Type - 401(a) Defined Benefit Plan

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



TSERS Membership Requirements

- Permanent full-time teacher or employee of a state-supported board of education or community college
- Permanent employees of the state (or any of its agencies, departments, bureaus, or institutions) working at least 30 hours per week for 9 months per year
- Permanent employees of a charter school that participates in the Retirement System working at least 30 hours per week for 9 months per year
- Optional Retirement Plan (ORP) – Administrators, faculty and other eligible employees in the University of North Carolina System, or community college presidents, and eligible employees of UNC Healthcare may make an irrevocable election to join ORP



ORBIT Employer Reporting

- Enrolling Member
- Downloading Member ID Number
- Reporting Monthly Salaries & Contributions to the Retirement System
- Member Detail Record Data
- Pay Types
- Salary Not Subject to Contributions
- Return-to-Work Retirees
- ORBIT Security and Navigating ORBIT Self-Service
- Resources for Employers

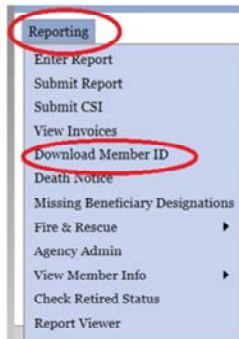



Enrolling Member

- Before ORBIT – Form 2 Notice of Enrollment
- With ORBIT- First REG salary record which posts will create Membership and assign Member ID number
- If previously a member of the Retirement System, Member ID number would have already been assigned

Downloading Member ID Number

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





Downloading Member ID Number

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

Reporting

Member Details - Search Criteria

Retrieve Only New Members

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

Next>>

Retrieve Members By Date

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

Start Date:

Next>>

Retrieve Members By SSN

Retrieve members by SSN

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

Next>>




Reporting Monthly Salaries & Contributions to the Retirement System

- Submission of Report
 - Data in specific format
 - Members' detail records – demographic and salary information
- Submission of CSI
 - Authorization for the Retirement System to draft predetermined bank account for payment of employee and employer contributions
 - Must be submitted by 4th State Business day or be subject to penalty for late payment

Invoices are generated if total contributions calculated from Report data is different from contributions submitted via CSI.


Invoices are also generated when modifications to submitted records change the contribution amount.



Member Detail Record Includes

- Demographic Information
- Employment date
- Pay period dates (begin & end dates)
- Salary amount (positive or negative)
- Employee Contributions
- Pay type
- Retirement Service Period (RSP) Type and Dates
- Other data when appropriate
 - Adjustment Code (PRIOR or RETRO)
 - Vacation hours paid out
 - Termination information (date and reason)
 - Shared Position Identifier (school employees in Shared Position)

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Pay Types

- REG - Regular pay (can include installment pay)
- BONUS - ABC bonus, performance based bonus, service based bonus, bonus leave payout
- ANNLONG - Longevity pay
- ANNLEAVE - Lump sum annual leave payout (can include Comp Time payout)
- OVERTIME - Overtime pay
- WORKCOMP- Workers compensation periods are reported (salary and contributions are zero)
- LEAVEPAY-Leave without pay, not exhaustion of leave (salary and contributions are zero)
- SUMMERPAY- can be used interchangeably as follows:
 - Summer school pay
 - Extra duty pay
 - Installment pay - paid in summer months or at termination occurring during the school year
 - Escrow pay - installment pay balance paid to terminated employees
 - Supplemental pay – if not paid on a monthly basis


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Salary NOT Subject to Contributions

- Supplements/allowances provided to an employee to purchase additional benefits such as health, life, or disability coverage
- Travel supplements/allowances
- Employer contributions to eligible deferred compensation plans
- Lump-sum payouts of sick leave
- Sign-on bonuses (are not considered earnings or wages)
- Employer-provided fringe benefits
- Reimbursements of uninsured medical expenses
- Reimbursements of business, personal, or moving expenses
- Incentive payments for early retirement
- Contract buyouts or severance pay


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Reporting Return-to-Work Retirees

- The current waiting period for TSERS retirees who to return to work in the TSERS system is 6 months.
- Retirees who return to work in positions which require membership, must notify the Retirement Systems to suspend their benefits.
- These retirees must be reported as contributing members once again, under plan code "STG" or "STL" including salary and contributions.
- Retirees who return to work in temporary, interim, part-time or any position which does not require membership, are subject to a yearly earnable allowance.
- These retirees must be reported under the plan code "STRS" with salary only. Their benefits are not suspended.
- Employers are now subject to penalties for failing to report return-to-work retirees on the monthly ORBIT reports, which is 10% of the unreported compensation. Reference House Bill 642 – Effective July 1, 2009.

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ORBIT System Security

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

Authorized users:

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

Functions:

- Payroll
- HR
- Finance
- IT
- General

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

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

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Navigating ORBIT Self-Service



Functions of each option:


- Submit Report - uploads the monthly employee detail file
- Submit CSI - totals and submits both EE and ER contributions to the Retirement Systems
- View Invoices - review debit/credit invoices generated on prior monthly reports
- Download Member ID - captures a list of member IDs for active employees
- Death Notice - report the death of an active employee

Navigating ORBIT Self-Service



Functions of each option:

- Missing Beneficiary Designations - verify if a new employee has designated beneficiaries with the Retirement Systems
- Agency Admin - add, remove or change user IDs and passwords for the authorized users of this site within each agency
- View Member Info - view account history or account summary for members
- Check Retired Status - verify an employee's status as a retired member subject to reporting
- Report Viewer - retrieve various reports on agency employees



Resources for Employers

www.myncretirement.com

ORBIT Information for Employers

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

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What the New Employee Will Experience



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



ORBIT Registration (Continued)



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



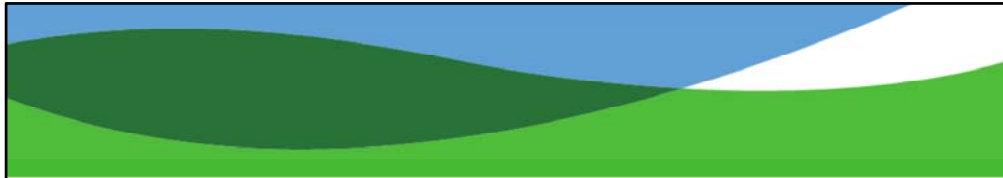
Active Employee Death Benefits

Death Benefit

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

Return of Contributions

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



Active Employee Death Benefits (continued)

Survivor's Alternate Benefit (SAB) for general employees

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

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

AND member has reached age 60 with 5 years of membership service or completed 20 years of creditable service regardless of age;*

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

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

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Active Employee Death Benefits (continued)

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

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

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

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

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

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




Principal and Contingent Beneficiary

Principal

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

Contingent

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



Notary Public Certification

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

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Creditable Service - Total of All Service

- Contributing membership service
 - 6% of gross monthly wages and salary
 - Set by state law
 - Condition of full-time employment
- Noncontributory
 - Service time for which member receives retirement credit
 - 6% is not withheld from gross salary

Examples: *short-term, extended short-term and long-term disability*
- Military service under free provision (free for member; employer pays a portion of the cost effective 7/1/2011)
- Eligible service purchased
- Unused sick leave as allowed by law



Service Purchases

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



Service Purchase Cost Factors

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

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Service Purchase Categories

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

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

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Purchasing Withdrawn Accounts


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



Out-of-State Service

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

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Eligible Out-of-State Employers

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

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Part-Time Service

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



Purchase of Military Service

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



Free Military

- Must be a TSERS member when called to active duty
- Must return to TSERS employment
 - within 2 years after discharge or
 - at any time after discharge and complete 10 additional years as a TSERS contributing employee
- Must provide a copy of DD-214
- No cost to member
- Effective July 1, 2011, a TSERS employer is required to pay the employer contributions to TSERS for the full period of the member's active duty as long as the employee was a member of TSERS immediately prior to active duty and the member returns to work within two years after active duty ends

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Workers' Compensation

- Form 441, *Purchasing Retirement Credit for a Period of Workers' Compensation*
- For leave occurring on or after January 1, 1988:
 - Member must have contributing membership service within 30 days prior to Workers' Compensation (WC) period
 - Must return to TSERS membership within 12 months following the WC period or
 - be approved for DIPNC long-term benefits
- May be purchased even if not currently employed, but not retired
- Cost varies depending on when leave occurs
- May be advantageous to apply for purchase as soon as member returns to work or is approved for long-term disability



Using Pre-Tax Monies to Purchase Service Credit

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



Requesting Initial Purchase Cost Statement

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

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Procedure to Purchase Service Credit Using Tax-Sheltered Retirement Savings

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



System to System Transfers

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



System to System Transfers (continued)

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



Transfers Within the Same System

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



Reciprocity (Total of all Service)

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



Reciprocity (continued)

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



Reciprocity (continued)

Used to determine eligibility for:

- Unreduced retirement
- Reduced retirement
- Survivor's Alternate Benefit
- Purchase of TSERS/LGERS withdrawn service



Refund of Contributions

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



Refund of Contributions (continued)

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



Refund of Contributions (continued)

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



Service Retirement Eligibility (Unreduced Benefits)

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



Early Retirement Eligibility (Reduced Benefits)

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

Defined Benefit Formula

Average Final Compensation	\$50,000
X Accrual Factor	0.0182
X Years of Service	30
<hr/>	
Per year	\$27,300
÷	12
<hr/>	
Per month	\$2,275


Note: Reduction factors apply for early retirements



Average Final Compensation (AFC)

AFC is the average of the highest four consecutive “retirement service period” years of reported salary.

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



AFC Calculation Example – 12-Month Employee – July 2018 Retirement			
<u>Year</u>	<u>Months</u>	<u>Amount of Service</u>	<u>Gross Salary</u>
2018	Jan-June	6/12	\$35,361.45
2017	Jan-Dec	Full Year	\$49,088.17
2016	Jan-Dec	Full Year	\$46,473.01
2015	Jan-Dec	Full Year	\$43,439.49
2014	July-Dec	6/12	\$21,334.48
			\$195,696.60 ÷ 4
		AFC =	\$ 48,924.15

Accrual Factor

Currently

1.82%



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Determined by the General Assembly



Unused Sick Leave at Retirement

Standardize Employer Reporting of Sick Leave

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

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



Unused Sick Leave at Retirement

- 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 policy,
 - The member would receive full salary when using the sick leave if absent from work due to sickness,
 - The member has not and will not receive any compensation for this sick leave, and
 - The member's last day of service with his last participating TSERS employer is within 5 years prior to his or her TSERS effective date of retirement.

Unused Sick Leave at Retirement

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

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

Example 1

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


Example 2

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



Unused Sick Leave at Retirement (continued)

- One month of creditable service is allowed for each 20 days of unused sick leave and one more month for any additional portion (at least one hour).
- Vacation leave in excess of 240 hours (30 days) can be converted to sick leave balance at year-end (usually December 31 for general employees and June 30 for public school employees).
- For public school personnel, excess annual leave is transferred to sick leave balance at retirement.



Earned Sick Leave

Can be used to complete:

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

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Earned Sick Leave

Cannot be used to meet the minimums for:


- **Deferred benefit**
- **Survivor's alternate benefit**
- **Disability retirement**
- **5-year eligibility for retirement at age 60 or age 65**
- **5-year eligibility for health coverage**



Accumulated Sick Leave (Days)

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


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Retirement Options

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

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Estimating Retirement Benefits

Step 1 - Identify the "Assumptions"

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

Step 2 - Apply the Retirement Formula

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

Step 3 - Results / Maximum and Options

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Estimating Retirement Benefits (continued)

Step 1 - Assumptions

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

Step 2 – Formula

AFC		Factor		Total Service		Annual Maximum
\$50,000	x	.0182	x	30 years	=	\$27,300

Monthly maximum allowance = \$2,275 (\$27,300/12)



Estimate of Retirement Benefits

Assumptions:

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

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

Option	Retiree	Beneficiary
Maximum	\$2,275.00	\$0.00
Option 2 100%	\$2,150.10	\$2,150.10
Option 3 50%	\$2,210.85	\$1,105.42
Option 4 <u>to age 62</u>	\$2,664.67	\$0.00
<u>After</u> age 62	\$1,464.67	
Option 6-2 Pop-up	\$2,138.73	\$2,138.73
Option 6-3 Pop-up	\$2,204.70	\$1,102.35

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Social Security Estimate


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




Payment Plan Option Changes

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

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



Optional Transfer Benefit

 North Carolina
Total Retirement Plans | 401k | 457

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

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Optional Transfer Benefit (continued)




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



Optional Transfer Benefit – Additional Information



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




Member/Employer Responsibilities Prior to Retirement

Member should:

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

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Member/Employer Responsibilities Prior to Retirement (cont.)

Employer should:

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

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Retiree Health Coverage

2017 Non-Medicare Plan Options

- Enhanced 80/20 Plan
- Traditional 70/30 Plan

To learn more about the options available to you, call the State Health Plan at 855-859-0966 or visit the plan's website at www.shpnc.org.



North Carolina
State Health Plan
FOR TEACHERS AND STATE EMPLOYEES
A Division of the Department of State Treasurer

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2015 Non-Medicare Plan Options Include:

- Enhanced 80/20 Plan
- Traditional 70/30 Plan
- Consumer-Directed Health Plan

State Health Plan: 1-888-234-2416 or www.shpnc.org



Retiree Health Coverage

2017 Medicare Primary Plans

- Medicare Advantage Base Plan - UnitedHealthcare
- Medicare Advantage Enhanced Plan - UnitedHealthcare
- Traditional 70/30 Plan


Benefit booklets and further information for each plan are located on the State Health Plan website at www.shpnc.org.

 **North Carolina State Health Plan**
FOR TEACHERS AND STATE EMPLOYEES
A Division of the Department of State Treasurer

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2015 Medicare Primary Plan Options

- Medicare Advantage Base Plan - Humana or UnitedHealthcare
- Medicare Advantage Enhanced Plan - Humana or UnitedHealthcare
- Traditional 70/30 Plan
- Benefit Booklets for each plan are located on the State Health Plan Website: www.shpnc.org
- Humana: 800-944-9442
- UnitedHealthcare: 866-747-1014
- 70/30 Plan: 888-234-2416



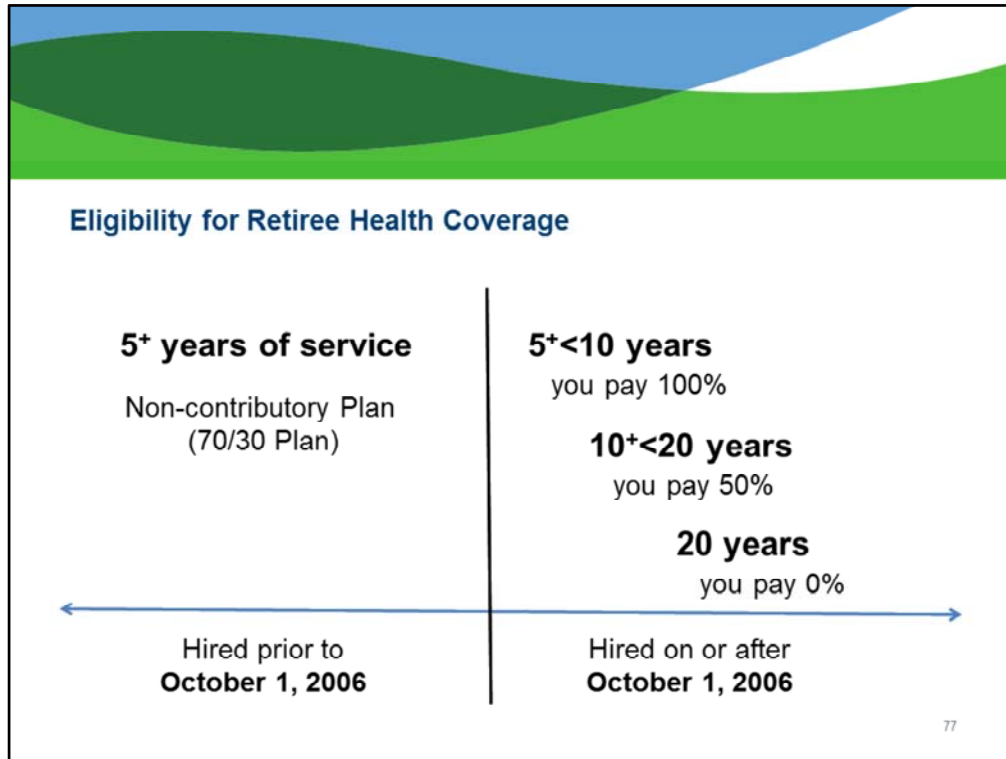
Medicare Parts A & B

- Medicare-eligible retirees must be enrolled in both Medicare Part A and Medicare Part B to be eligible for a Medicare Advantage Plan
- Retirees already enrolled in Medicare Part A must also enroll in Part B
- 70/30 plan choice **with no** Part B will incur greater out-of-pocket costs

Important to enroll in Medicare during the **three months before your 65th birthday** to be eligible for a Medicare Advantage Plan

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It is important to understand that a Medicare eligible retiree must have both Medicare Part A and Part B in place to enroll into a Medicare Advantage Plan. If you worked beyond age 65 and already have Medicare Part A in place, you will want to have your Medicare Part B in place so it is effective on your retirement date. If you have not elected your Medicare Part B and are in the Traditional 70/30 plan, you will incur greater out-of-pocket costs as the Plan will reduce your claim by the benefit that would have been available to you under Medicare Part B, and then pay the remaining claim amount under the terms of your plan. **As a result, you are responsible for the amount that would have been paid by Medicare Part B if you do not enroll in Medicare Part B.**

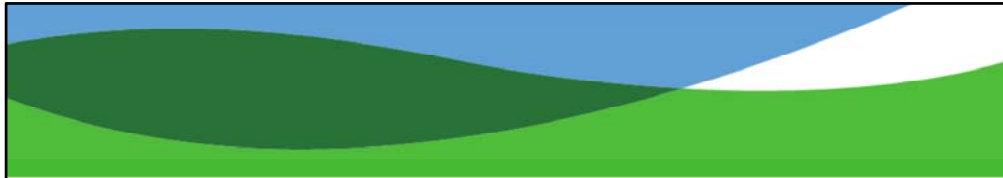


- 1st hired prior to October 1, 2006:
 - Need 5 years of state contributory membership service to be eligible for state-paid individual retiree group coverage under the State Health Plan 70/30 or Medicare Advantage Base Plan at retirement *
 - **First Hired** – your first day as a permanent full-time or permanent part-time state employee. To confirm your “first hired” date, check with your human resources office. If all of your state service prior to October 1, 2006, was in a contract or temporary capacity, you are not considered to be “first hired” prior to October 1, 2006, because you did not work in a SHP-eligible position. If you withdraw your service (receive a refund of your contributions) in TSERS and, at a later date, become re-employed under a TSERS employer, this new start date will be considered your “first hired” date.
- Rev. 9/7/2017
- SHP Coverage at Retirement for Members “First Hired” Before October 1, 2006**
- If you were “first hired” before October 1, 2006, and you have five or more years of TSERS membership service, and have not withdrawn that service or taken a refund,
- 1st hired on or after October 1, 2006:
 - Need 20 years of retirement service credit to be eligible for state-paid individual retiree group coverage under the State Health Plan

70/30 or Medicare Advantage Base Plan at retirement *


- If 5 years but less than 10 years , you may enroll and pay full cost *
- If 10 years but less than 20 years, you may enroll and pay 50% of the cost *

*additional fee for the other plans



Withdrawn Accounts and Health Coverage

- The member must have at least 5 years of TSERS membership service at the time of his or her TSERS retirement and had state service prior to October 1, 2006. If service has been withdrawn from TSERS, the member is not eligible for the 70/30 Plan or the Medicare Advantage Base Plan at no cost for individual coverage (under current law) when the member retires under TSERS.
- Instead of the 70/30 plan or the Medicare Advantage base plan coverage the member may choose other individual coverage for an additional fee. In all cases the full cost of dependent coverage, if elected, must be paid by the member.




Auto-enrollment in the State Health Plan

- Auto-enrollment occurs whether or not you were previously enrolled as an active employee
- You will be responsible for the retiree share of the health plan premium
- Contact the State Health Plan at 855-859-0966 or sign into ORBIT to decline coverage

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If you are not Medicare Primary you will be automatically enrolled in the health plan you were enrolled in as an active employee along with any covered dependents.



Auto-enrollment in the State Health Plan

If you are not Medicare Primary, you will be automatically enrolled in the health plan you were enrolled in as an active employee, along with any covered dependents.


If you opted out of SHP coverage, you will be automatically enrolled in the Traditional 70/30 Plan.

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SHP retiree group coverage begins on first day of the month following your effective date of retirement.

If under 65, you will be automatically enrolled in the health plan you were enrolled in as an active employee along with any covered dependents.

You can change your auto-enrollment plan or coverage (or opt out of coverage) up to 30 days after the coverage effective date.



Auto-enrollment in the State Health Plan

Medicare-eligible Retiring employees

60+ days	< 60 days
Automatically enrolled in a Medicare Advantage Base Plan (with a 30-day option to change plans)	Automatically enrolled in the Traditional 70/30 Plan – are able to enroll in a Medicare Advantage Base Plan until the day before your 70/30 benefit effective date


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If you and/or your dependents are Medicare-eligible and your retirement process is completed 60 days or more prior to your coverage effective date, you will be automatically enrolled into a Medicare Advantage Base Plan.

You will have up to 30 days prior to your coverage effective date to change plans. If no action is taken, you will remain in your assigned Medicare Advantage Plan until the next Open Enrollment.

If you are Medicare-eligible and your retirement process is completed less than 60 days prior to your coverage effective date, you will be automatically enrolled in 70/30 Plan and remain there until the next Open Enrollment.

Keep in mind that Non-Medicare eligible dependents will be enrolled into the health plan they were enrolled in while you were an active employee.




Optional Dental, Vision, Accident, Life Insurance, Identity Theft, and Critical Illness

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

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

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




Retiree Death Benefits

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

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Must have one year of contributing membership service.



Contributory Death Benefit (CDB) for Retired Members


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

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Initiating Retirement


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



Initiating Retirement (continued)

- Approximately 60 days after receipt of application, RSD mails to member:
 - Report of your Estimated Retirement Benefits
 - Form 6E – *Choosing Your Retirement Payment Option*
 - Form 290 – *Choosing Income Tax Withholding Preferences*
 - Form 336 – *Designating Beneficiary(ies) for the Guaranteed Refund as a Retiree*
- Member makes decision regarding a payment plan
 - Submits completed Form 6E to Retirement Systems for processing
- After RSD has processed Form 6E, the State Health Plan will automatically enroll eligible retiring employees into a health plan


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Report of Estimated Retirement Benefits

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

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Failure to Return Form 6E


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

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Retirement Process Reminders

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

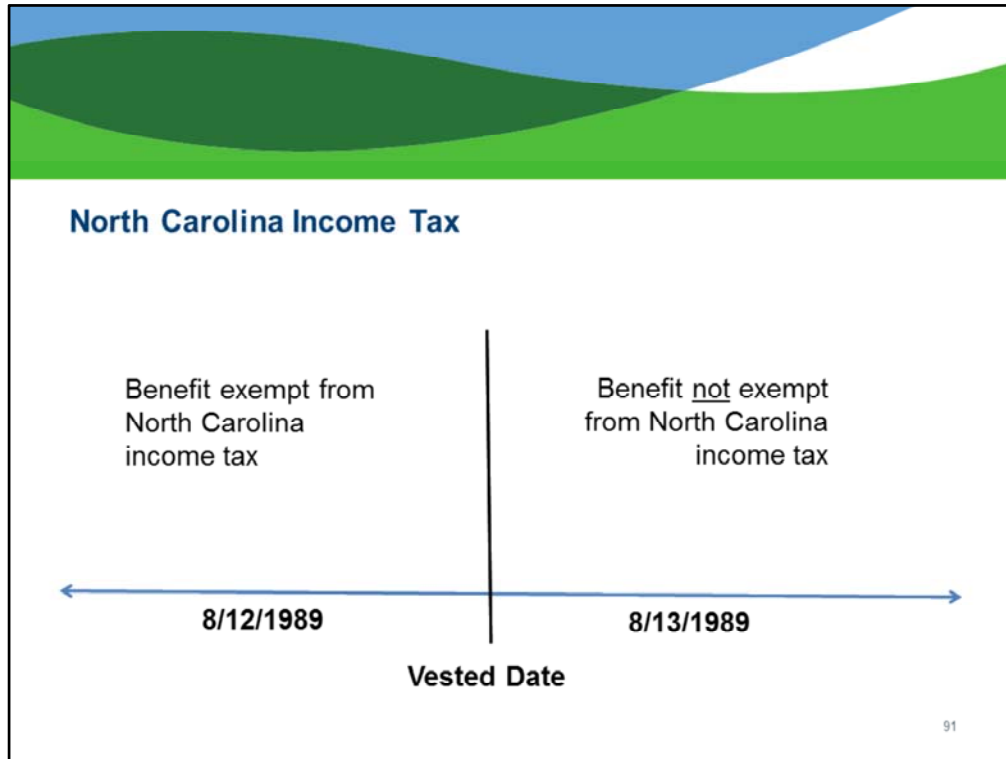


Federal Income Tax


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

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NOTE: Explain “federal tax base”




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



Tax Documentation

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

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**Reemployment
Waiting Period Required**

In all Cases:

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

[ERG SPEAKER]

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

TSERS- 6 months

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

TSERS

During the 6 months immediately following your retirement date, to avoid a financial penalty, you cannot work for a TSERS employer in any capacity, except as one of the following:


- A school board member
- A member of a board of trustees of a community college or of any constituent institution of the University of North Carolina
- An unpaid bona fide volunteer, performing service in a position in which any individual performing that type of service would not be paid. You will be subject to a penalty if other individuals performing that type of service are typically paid.

The financial penalty for returning to work for a TSERS employer on a part-time, temporary, interim, or fee for service basis, during the 6 months immediately following TSERS retirement, will be the lesser of the following as determined by the retirement system:

- You will be deemed to have retired the month after the month you performed services for the employer and repay all retirement benefits received and the cost of state-provided State Health Plan premiums until that date; **or**
- You will be required to make a lump sum payment to TSERS equal to three times the compensation earned during the 6-month period.

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

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




Reemployment – 2 Categories

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

1. Return as a full-time contributing member of TSERS:
 - After a 6-month break in service from any TSERS participating employer, retiree may suspend his/her retirement and become reemployed in a TSERS position
 - At that time, the reemployed individual will again become an active contributing member of TSERS
 - Retirement payment will be stopped the first day of the month following the month of reemployment
 - Retired group health insurance will end the last day of the month following reemployment

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Reemployment – 2 Categories (continued)

2. Return under an “Earnings Restriction”
(after 6-month waiting period)

Part-time, interim, temporary, contractual, or any other basis
that does not require membership in TSERS

of compensation during
the 12 months before
retirement

50%

2018 amount

\$32,940.00

▲


*The Earnable Allowance increases
yearly based on national
Consumer Price Index

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After a six-month waiting period, the retired member may return under an “Earnings Restriction.”

The Earnable Allowance in a “non-contributing” capacity during the 12 months following retirement or during any calendar year = 50% of the retired member’s compensation during the 12 months of service before retirement excluding termination payments or \$32,940.00 (2018 amount), whichever is greater.

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



Penalty for Exceeding Earnable Allowance

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

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Importance of retiree requesting Statement of Earnable Amount



Re-employment as a Temporary Employee

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



Employment Agencies and Contractors

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



Online Retirement Benefits through Integrated Technology



Active employees

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




Online Retirement Benefits through Integrated Technology



Retirees

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



Active Employee Online Resource www.myncretirement.com

- Retirement Planning Resources
 - Retirement Checklist
 - Calendar of Retirement Planning Conferences
 - TSERS Retirement Planning Conference Presentation
 - Retirement Benefit Highlights
- Disability Benefits Processing and Training
- News
- Guidance Publications
 - HM Online detailed instructions (ORBIT)
 - Guidance on State Health Plan Changes
 - Guide for Domestic Relations Orders
 - Law Enforcement Officer Benefits
 - Return to Work Policies
 - Annual Benefit Statements User Guide and FAQs
 - NC Pension System Fact Sheet


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Employer Online Resource www.myncretirement.com

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

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How to Contact the Retirement Systems

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

Internet: www.MyNCretirement.com

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

 Find us on:
facebook®

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

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Our Location

The Department of State Treasurer
3200 Atlantic Avenue
Raleigh, NC 27604

877-NCSECURE (877-627-3287)

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



Additional Law Enforcement Officer (LEO) Benefits

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

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LEO NC 401(k) Plan



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



LEO Transfer Benefits

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



LEO Separate Insurance Benefits Plan

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

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Active LEO Separate Insurance Benefits Plan – Disability/Hospital

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


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Retired LEO Separate Insurance Benefits Plan – Disability/Hospital

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


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LEO Separate Insurance Benefits Plan - Death Benefits

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

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Additional LEO Death Benefits

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

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LEO Special Separation Allowance

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



North Carolina
Total Retirement Plans

Thank you