



NORTH CAROLINA

OFFICE OF THE TREASURER

JANET COWELL, TREASURER

Dear Member:

Welcome to the North Carolina Local Governmental Employees' Retirement System. As a North Carolina public employee, your retirement benefits are administered by the Department of State Treasurer's Retirement Systems Division. As your State Treasurer, I encourage you to learn about your retirement benefits and plan for your financial future.

Attached is a new member information packet that:

- Summarizes the benefits under your retirement system and
- Presents two partner plans: the NC 401(k) Plan and the NC Deferred Compensation (457) Plan

As a new employee, you can designate your beneficiaries online for the employee death benefit or for a return of contributions in the event of your death prior to retirement. This convenient online process is only available to members with less than 10 years of service, so I encourage you to take advantage of the opportunity.

You can track your retirement information and complete your beneficiary designations through ORBIT (Online Retirement Benefits through Integrated Technology), which provides secure, online access 24 hours a day. Visit www.myncretirement.com and click on the "ORBIT" button to register and log on.

We are cautious in protecting your personal information and limit the display of Social Security numbers on retirement-related communication. Please use your Member identification number, located in your personal ORBIT account, in all correspondence with our office.

Thank you for giving me the opportunity to serve as your Treasurer. My staff and I want to be helpful to you as you learn about your retirement benefits and plan for your financial future. Please do not hesitate to call us with questions. Our retirement counselors are available at 1-877-627-3287 (toll free) or 919-807-3050 (in the Raleigh area) from 8:00 a.m. to 5:30 p.m., Monday through Friday.

Sincerely,

A handwritten signature in cursive script that reads "Janet Cowell".

Janet Cowell



Highlights of Your Retirement Benefits Local Governmental Employees' Retirement System for Local Law Enforcement Officers

Your Service Retirement System

Who is eligible to be a member of the Retirement System as a Local Law Enforcement Officer?

You become a member of the System on the date of your hire, if you are a permanent, full-time paid employee of an employer, who (i) possesses the power of arrest, (ii) has taken the law enforcement oath administered under the authority of the State as prescribed by General Statutes section 11-11, and (iii) is certified as a law enforcement officer 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 the county. In addition, the number of paid personnel employed as law enforcement officers by a law enforcement agency may not exceed the number of law enforcement positions approved by the applicable local governing board.

How do I qualify for retirement benefits as a Local Law Enforcement Officer?

Service Retirement (Unreduced) Benefits are available:

- at age 55 with 5 years of creditable service as an officer, or
- at any age with 30 years of creditable service.

Early Retirement (Reduced) Benefits are available:

- at age 50 with 15 years of creditable service as an officer.

Your early retirement benefit is determined by the same formula as a service retirement benefit multiplied by a reduction percentage based on your age and/or service at early retirement.

If You Leave The System Before Retirement, you may still receive a deferred benefit at a later date, once you meet eligibility requirements after you have completed 5 years of creditable service as an officer, provided you do not withdraw your contributions.

Your benefit is determined by the formula in effect on the effective date of your retirement. If you leave the System before you have 5 years of creditable service as an officer, the only payment you can receive is a refund of your contributions.

What formula is used to calculate retirement benefits for a Local Law Enforcement Officer?

Your annual retirement benefit is based on this formula:

1.85% of your average final compensation

TIMES

your years and months of creditable service

Average Final Compensation (AFC) means the average of your salary during your four highest-paid years in a row.

Creditable Service means any period during which you contribute to the System, provided you do not withdraw your contributions. Creditable service may also include unused sick leave and service credit purchased or granted under the creditable service provisions outlined in *Your Retirement Benefits* handbook, which is located on our website.

Sick Leave earned monthly under a duly adopted policy, and for which you would receive full salary if you were absent from work on account of sickness, counts as creditable service. One month of credit is allowed, at no cost to you, for each 20 days of your unused sick leave when you retire. One more month is allowed for any part of 20 days left over, provided the remaining portion is at least one hour.

Sick leave is used to increase your creditable service but cannot be used to meet the minimum qualifications for a deferred benefit or the Survivor's Alternate Benefit. Sick leave may be used to complete 30 years of service as an officer, regardless of age; 15 years of service as an officer after age 50; and 5 years of service as an officer after age 55.

How are early and service retirement benefits calculated for a Local Law Enforcement Officer?

EARLY RETIREMENT PERCENTAGES. If you are between ages 50 and 55, with less than 30 years of creditable service, your early retirement benefit will be reduced to the following percentages:

AGE	CREDITABLE SERVICE						
	29	28	27	26	25	20	15
54	96%	96%	96%	96%	96%	96%	96%
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%

If you are between birthdays when payments start, the reduction will be adjusted proportionately.

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	50	52	55	any	any	Age
	15	28	25	30	40	Years of Service
\$60,000	\$1,110	\$2,331	\$2,312	\$2,775	\$3,700	
\$50,000	\$925	\$1,942	\$1,927	\$2,312	\$3,083	
\$40,000	\$740	\$1,554	\$1,541	\$1,850	\$2,466	
\$30,000	\$555	\$1,165	\$1,156	\$1,387	\$1,850	
\$20,000	\$370	\$777	\$770	\$925	\$1,233	

These are only examples. Your benefit is calculated individually.

Please continue to the next page.



North Carolina Retirement System

Highlights of Your Retirement Benefits Local Governmental Employees' Retirement System for Local Law Enforcement Officers

What retirement payment plans are available?

When you retire, you will be asked to elect one of the payment plans listed below. Regardless of the plan elected, there is a **guaranteed refund** feature of your retirement benefits which provides that should you and the beneficiary, if any, you have designated to receive a monthly survivorship benefit die before the total of the retirement allowances paid equals the amount of your contributions and interest at the date of retirement, the excess of such contributions and interest shall be paid in a lump sum to such other beneficiary(ies) you designate.

Maximum Allowance - Basic, Straight Life Benefit (No Monthly Survivorship) is paid throughout your lifetime with all monthly benefit payments ceasing at your death

Option Two - 100% Joint and Survivorship (One Monthly Survivorship) is a reduced retirement allowance which provides that upon your death, after retirement, the same reduced retirement allowance will be continued to the beneficiary designated for a monthly survivorship benefit the remainder of his/her life.

Option Three - 50% Joint and Survivorship (One Monthly Survivorship) is a reduced retirement allowance which provides that upon your death, after retirement, one-half of the reduced

retirement allowance will be continued to the beneficiary designated for a monthly survivorship benefit the remainder of his/her life.

Option Four - Adjustment of Retirement Allowance and Social Security Benefits (No Monthly Survivorship) is a retirement allowance which provides for larger monthly payments than you would otherwise be entitled to receive, until you become eligible for Social Security at age 62. Beginning at age 62, your monthly payments will be reduced to an amount that is less than what you would otherwise be entitled to receive. However, your reduced retirement payments after age 62 plus your allowance from the Social Security Administration will be approximately the same amount as the inflated payment you received from the Retirement System before age 62.

Option Six-Two or Six-Three - Modified Joint and Survivorship (One Monthly Survivorship) is a reduced retirement allowance as provided by Option Two or Option Three, with the added provision that if the beneficiary designated for a monthly survivorship dies before you do, your retirement allowance will revert to the Maximum Allowance the following month for the remainder of your life.

How do I contact the Retirement System?

INTERNET: www.myncretirement.com

Visit our website to learn more about the benefits available to you:

- estimate your monthly benefits using our "Retirement Estimator,"
- download and complete retirement applications and forms,
- download and view *Your Retirement Benefits* handbooks,
- review "Frequently Asked Questions," and
- manage your retirement account online using our ORBIT System.

EMAIL: nc.retirement@nctreasurer.com

ADDRESS:

Local Governmental Employees' Retirement System for
Local Law Enforcement Officers
Department of State Treasurer
325 North Salisbury Street
Raleigh, North Carolina 27603-1385

PHONE NUMBERS:

Toll-Free: 1-877-627-3287
Raleigh Area: 919-807-3050
Fax: 1-919-508-5350

NOTE: Appointment Only Policy: Please contact the Retirement System to schedule an appointment if you wish to visit our office.

Treaty you:

DISCLAIMER: The availability and amount of all benefits you might be eligible to receive is governed by Retirement System law. The information provided in this publication cannot alter, modify or otherwise change the controlling Retirement System 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 the Retirement System law, Retirement System law governs.

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North Carolina Department of Retirement Systems

Separate Insurance Benefits Plan for State and Local Law Enforcement Officers

Quick Reference Guide

About the Separate Insurance Benefits Plan of North Carolina

A law enforcement officer of the State of North Carolina or any of its political subdivisions may be eligible for benefits from the Separate Insurance Benefits Plan regardless of the officer's membership in a North Carolina retirement system.

The Separate Insurance Benefits Plan is administered by the Boards of Trustees that administer the Teachers' and State Employees' and the Local Governmental Retirement Systems. The Boards select the company that provides the disability benefits part of the Plan (see table below). Disability benefits are currently underwritten by Hartford Life Insurance Company. The Retirement Systems Division administers the death benefits part of the Plan. All benefits are paid at a fixed rate.

You are automatically eligible for benefits from the Plan as long as you meet one of the following requirements:

- You are a full-time law enforcement officer as defined in either

Chapter 135 or Chapter 128 of the North Carolina General Statutes.

- You were a full-time law enforcement officer for any amount of time and the Retirement Systems' Medical Board has determined you are disabled due to a duty-connected cause.
- You were a full-time law enforcement officer for 5 years or more and the Medical Board has determined you are disabled due to a non-duty cause.
- You were a full-time law enforcement officer, but you are receiving disability retirement benefits from one of the State's retirement systems or you are receiving benefits from the Disability Income Plan of North Carolina.
- You were a full-time law enforcement officer for 20 years or more.

Your Separate Disability/Hospital Benefits At-A-Glance

Service Status/Situation	Amount of Benefit	Claims Process
If you are in active service and you experience a disability due to an accident:	The following benefits, which may be aggregated up to a combined maximum of 52 weeks for any one period of disability: <ul style="list-style-type: none"> • \$140 per week for a maximum of 13 weeks if you are in the hospital • \$60 per week if you are not in the hospital 	Obtain a claim form from your employer. You, your doctor, and your current employer (if applicable) must complete it and submit it to the administrator: Hartford Life Insurance Company ATTN: Association/Affinity Markets Disability Post Office Box 2999 Hartford, Connecticut 06104-2999 Call (888) 232-5340 toll free Mon-Fri 8 a.m. - 5 p.m. EST Fax (866) 913-4044 Policy Number AGP-1673
If you are in active service, retired, or receiving a disability benefit, and you enter the hospital due to a sickness:	\$140 per week of hospitalization for a maximum of 13 weeks for any one period. Eligibility begins on the second day in the hospital.	
If you are retired or receiving a disability benefit and enter the hospital due to an accident:	<ul style="list-style-type: none"> • \$140 per week for a maximum of 13 weeks if you are under age 65 • \$105 per week for a maximum of 13 weeks if you are over age 65 	The administrator will pay you directly, not the hospital or doctor.

Your Separate Death Benefits At-A-Glance

Service Status/Situation	Amount of Benefit	Claims Process
If your death occurs while you are in active service:	\$5,000 paid to your surviving spouse unless you designated a different beneficiary. The amount is increased by \$2,100 if your death is line-of-duty related.	Your survivors should submit a copy of the final certificate of death to the administrator: N.C. Department of State Treasurer Retirement Systems Division 325 North Salisbury St. Raleigh, NC 27603-1365 Call (919) 807-3050 in the Raleigh area or (877) 627-3287 toll free Fax (919) 807-3050
If your death occurs after you are retired from active service:	\$4,000 paid to your surviving spouse unless you designated a different beneficiary	

Disclaimer

The official texts governing the operations of the Plan and payment of all benefits under the Plan are found in Chapter 143 of the General Statutes, Title 20 of the North Carolina Administrative Code and your Certificate of Insurance. In the event of a conflict with the information in this flyer, then the Statutes, Code, or policy contract documents govern. Please refer to your Certificate of Insurance for more information (including exclusions, limitations, and terms of coverage).



North Carolina Retirement System

Additional Benefits for State and Local Law Enforcement Officers

Quick Reference Guide

Supplemental Retirement Income Plan

As a law enforcement officer, you are automatically a member of the Supplemental Retirement Income Plan (NC 401(k) Plan). Your employer pays an amount equal to 5% of your salary into your account in the Plan, and you may elect to make additional contributions on a tax-deferred basis. You decide how the contributions in your account are invested and also how you want to receive the contributions when you separate from employment. Prudential Retirement administers the NC 401(k) Plan, and they can give you further details about the Plan.

NC 401(k) Plan

Prudential Retirement

30 Scranton Office Park, Scranton, PA 18507

150 Fayetteville Street Suite 1340, Raleigh, NC 27601

1-866-627-5257

www.ncplans.prudential.com

Additional Death Benefits

You may also be entitled to additional benefits such as:

- a line-of-duty death benefit of \$50,000 which is administered jointly by the North Carolina Industrial Commission and the State Treasurer
- a line-of-duty death benefit of \$315,746 from the Public Safety Officers' Benefits Program, United States Department of Justice

Additional information is available from your employer or one of the above agencies.

N.C. Department of State Treasurer

Retirement Systems Division

325 North Salisbury St.

Raleigh, NC 27603-1385

(919) 807-3050 in the Raleigh area or (877) 627-3287 toll free

U.S. Department of Justice

Public Safety Officers' Benefits Program

(888) 744-6513

Special Separation Allowance

As a law enforcement officer, if you retire on a service retirement allowance (i.e., 30 years of creditable service at any age, or age 55 with at least five years of credit as a law enforcement officer), you may be eligible for a monthly separation allowance payable until you reach age 62, or until

you return to any employment with the State government if a TSERS retiree or with the local government if a LGERS retiree. Other conditions also apply. Contact your employer for details, since your employer is responsible for making all determinations of eligibility and for making these benefit payments when they become payable.

Contact Us

Write anytime or visit by appointment:

N.C. Department of State Treasurer

Retirement Systems Division

325 North Salisbury St.

Raleigh, NC 27603-1395

Visit us on the web

www.myncretirement.com

Log on to ORBIT

E-mail

nc.retirement@nctreasurer.com

Call

(919) 807-3050 in the Raleigh area

or (877) 627-3287 toll free

Fax

(919) 807-3050



North Carolina Retirement System

The Supplemental Retirement Plans

NC 401(k) Plan

NC Deferred Compensation (457) Plan

Why do we supplement retirement savings?

Experts say that you'll need to replace at least 80% of your annual pre-retirement working income to continue your current lifestyle after you stop working full time. As a public employee in North Carolina, you're lucky that you have several sources of income to draw from to reach this target. *

Your pension plan, consistently rated as one of the strongest in the country, will provide you with a solid income foundation during your retirement years. And Social Security is an additional source of retirement income. You also have access to two supplemental retirement savings options that can provide you with the additional income you may need to meet your long-term retirement goals.

The NC 401(k) Plan and the NC Deferred Compensation Plan both offer you the opportunity to build supplemental retirement savings.

You've already got information on your defined benefit pension plan (your retirement system). Let's stop to explain how these supplemental, or defined contribution, plans work.

A *defined contribution plan* is a qualified retirement plan that focuses primarily on the contributions made to the plan by you, and in some cases your employer, and the investment earnings of those contributions.

At retirement, the difference comes in how your monthly benefit is derived. In defined contribution plans, the amount you receive at retirement will depend exclusively on the amount you have accumulated in your plan account (your personal contributions plus any employer contributions plus investment earnings).

So which plan is right for you?

There are many factors to consider about the two plans as you make the decision.

- **Contribution options:** NC 401(k) Plan allows for both traditional pre-tax contributions and Roth after-tax contributions; NC Deferred Compensation Plan can receive only pre-tax contributions.
- **Contribution limits:** IRS regulations allow contributions up to the maximum annual amount to both Plans, \$16,500 to the NC 401(k) Plan and \$16,500 to the NC Deferred Compensation Plan for a total annual contribution of \$33,000.
- **Distribution options:** rollovers, systematic withdrawals in periodic payments and purchasing service credits with the Retirement Systems.
- **Tax considerations:** NC 401(k) Plan is subject to the 10% federal early distribution penalty, where the NC Deferred Compensation Plan is not.
- **Investment options:** The Plans offer a unique set of investment options to encourage diversity in your investment portfolio.

The NC 401(k) Plan

and

NC Deferred Compensation (457) Plan

NORTH CAROLINA

SUPPLEMENTAL RETIREMENT PLANS

1-866-627-5267

www.ncplans.prudential.com

Your human resources professional should have enrollment information on the NC 401(k) Plan and the NC Deferred Compensation Plan, if it is offered by your agency. You can get more detailed information on both plans anytime by visiting their website.