



North Carolina Retirement Systems

The RETIREMENT

A Newsletter for Retired Government Employees in North Carolina **Report**

A Message from State Treasurer Janet Cowell



Thank you to more than 25,000 Retirement Systems members who took part in our recent member survey. Your feedback is important to maintaining a high level of customer service. Highlights of the survey results are included in this newsletter.

We are in the process of launching customer service surveys to measure your experience each time you have an interaction with Retirement Systems' staff and services. When you speak with a Member Services representative or attend a Retirement Planning conference, a survey link will be e-mailed to you asking how we performed. Surveys also will be sent to members who recently retired, or completed the disability process.

As we measure today's level of customer service, we also are focused on meeting the retirement needs of the future workforce. The Boards of Trustees of the Teachers' and State Employees' Retirement System (TSERS) and the Local Governmental Employees' Retirement System (LGERS) voted in October 2009 to establish the Future of Retirement Study Commission. The Retirement Study Commission is charged with evaluating and making recommendations for retirement benefits that will help the State attract, retain, and manage the workforce needed in the future by state and local governments as well as in our schools.

It is important to have an in-depth study of the Retirement Systems in order to respond to

The Funding Status of the NC Retirement Systems

With daily reports in the news about stock market losses, budget deficits, and pension systems experiencing funding issues, members of the North Carolina Retirement Systems may be asking if their benefits are secure. The answer is yes; your retirement benefits are secure. In addition to the fact that the State is contractually obligated to pay your benefits, the State has set aside enough money in the Retirement Trust Funds to pay benefits for many years to come.

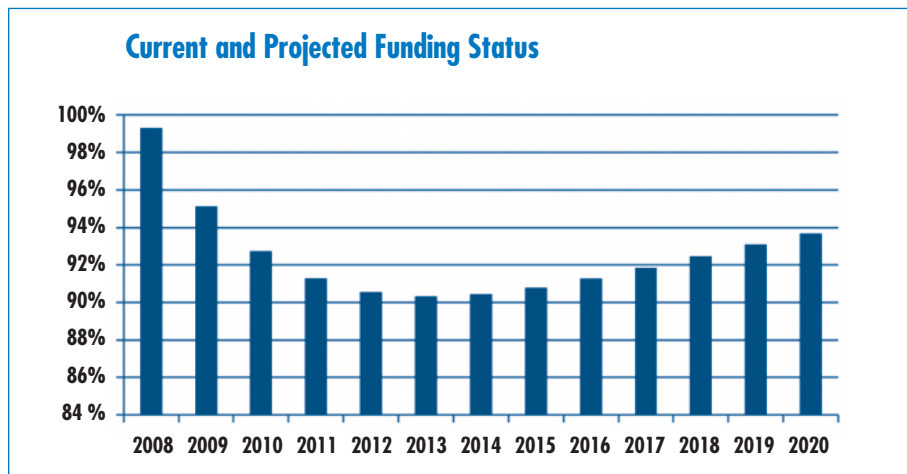
is funded at 99.3 percent and LGERS at 99.6 percent). Funded status is the amount by which a pension plan's assets exceed the projected benefit obligations that will have to be paid in the future. While the North Carolina pension funds experienced positive overall returns in 2009, the effects of the economic downturn and market uncertainty will continue to impact the value of the pension fund over the coming years. Employers will continue to be asked to increase contributions to the fund to offset the loss from 2008, and eventually return to a fully funded retirement system.

Funding Status

At the end of 2008, both the Teachers' and State Employees' Retirement System and the Local Governmental Employees' Retirement System were over 99 percent funded (TSERS

The chart below shows the projected funding status into 2020.

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A Message from the State Treasurer

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the changing economy and workforce. North Carolina is one of 17 states proactively addressing the need for change and designing the right system for the future workforce of the state. I hope the findings of North Carolina's Future of Retirement Study Commission will be used as a national reference for public and private retirement systems.

I encourage Retirement Systems' members and interested citizens to follow along with the Commission's progress. Agenda items, meeting schedules, and readings are available on the Department's website at www.myncretirement.com. Click the "Future of Retirement" button on the "Retirement" drop-down menu.

Finally, please take the time to review your ORBIT account. It contains helpful information about your membership in the North Carolina Retirement Systems, and your benefit information. I hope all the information is helpful to you in managing your finances in retirement. □

Manage Your Health and Financial Needs with HR InTouch on ORBIT

In partnership with the State Health Plan, the North Carolina Retirement Systems is enhancing online capabilities and services for retirees with HR InTouch.

Available through ORBIT (Online Retirement Benefits through Integrated Technology), HR InTouch provides 24-hour online access to health and financial wellness information and resources. Retirees will find links to our partners, such as the NC Health and Wellness Trust Fund. There are also videos on health and wellness, and featured documents with information on financial management in retirement and Medicare enrollment.

Retirees will also be able to enroll, edit and update their State Health Plan information



through HR InTouch. Medicare-eligible employees may contact the State Health Plan directly for assistance. For information on Medicare eligibility, go to www.medicare.gov.

To Access HR InTouch:

1. Go to the ORBIT registration page at www.myncretirement.com.
2. Members will be directed to the log-in page to register, or to log-in if already registered.
3. Once logged on to ORBIT, click on the link to HR InTouch. □

Funding Status of NC Retirement Systems

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Comparisons with Other Systems


By many measures, the North Carolina systems behave more conservatively and more responsibly when compared with systems in other states.

With a 99.3 percent funding status as of December 31, 2008, TSERS beats the national average of 85.3 percent for money on hand, during the same time frame, and assumes a weaker future economy in its projections than the national average. A recent study, *The Trillion Dollar Gap*, conducted by The Pew Center on the States, ranked North Carolina as one of only five states "doing a far better job than others of

managing" unfunded liabilities, such as pensions and post-retirement healthcare.

Even if we achieve investment target returns as the economy recovers, it is very likely that the funded status will continue to decline as losses from the 2008 downturn are distributed over the next several years. Because we are still \$10 billion below peak, the losses will be factored in over time.

The Department will continue to monitor, advocate, and work on your behalf to maintain strong retirement systems for all of our members, and educate state and local leaders on the need for increased contributions to the systems.

 The Pew Center on the States' chart showing North Carolina's funding levels can be found at www.myncretirement.com under "Retirees' Newsletters." □

Member Survey Results

For the first time in its 68-year history, the N.C. Department of State Treasurer’s Retirement Systems Division conducted a survey of its members, with the assistance of North Carolina State University’s Office of Urban Affairs and Community Services.

Retired and active members were asked questions to help the Division better understand:

- Members’ satisfaction with the Retirement Systems Division
- Members’ expectations of service and information delivery, and
- Whether the Division is meeting its mission *“To deliver timely and accurate retirement benefits and services, educate our customers, and support our employers.”*

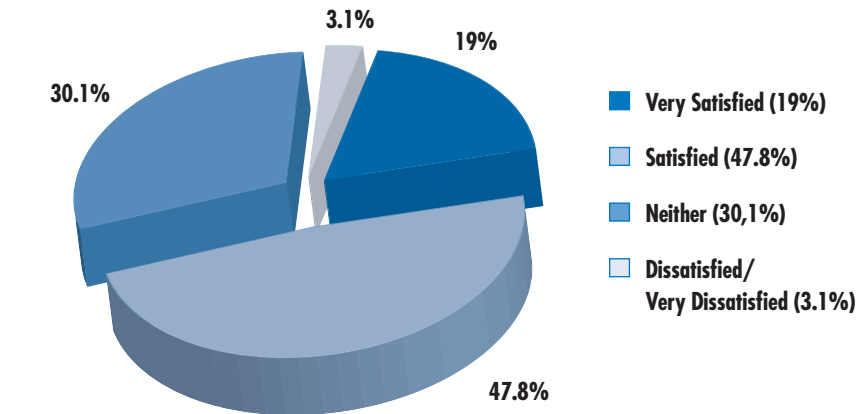
Key findings:

- Sixty-six percent of members expressed overall satisfaction with the service and information delivery provided by the Retirement Systems Division (including, but not limited to Member Services, Retirement Processing and ORBIT).
- Retirees’ experiences with specific processes related to the retirement process, including direct deposit, State Health Plan enrollment and change of personal information rated the strongest. Services such as disability processing, death benefit services and service purchases rated the weakest.

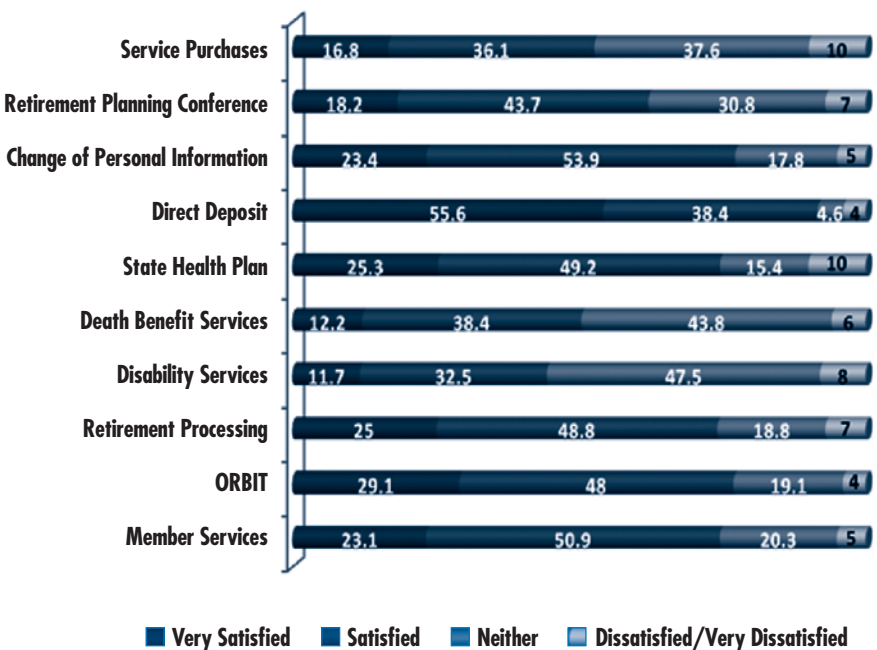
Key findings of expectations:

- About half of the retired respondents indicated that they would view the status of requests through ORBIT (if it was available).
- Retirees indicated a willingness to wait for various services:
 - Three to five minutes to wait to speak with Call Center representatives
 - Two weeks to one month to wait for specific requests, including receipt of contributory death benefits
- While only 48 percent of members identi-

Overall Satisfaction



Satisfaction with Retirement System



fied reemployment as very important, almost 70 percent of members planned to or are working in retirement.

- The majority of active (84 percent) and retired (77 percent) members feel that the current economic crisis will have a negative

impact on their retirement. Through focus groups, members expressed concern about the future of retirement.

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Numbers and Websites to Know

Retirement Systems Division

1-877-733-4191 (toll-free)
919-733-4191 (in the Raleigh area)
www.myncretirement.com

Department of State Treasurer's Unclaimed Property Program

919-508-1000; www.nccash.com

NC Supplemental Retirement Income Plans

NC 401(k) and Deferred Compensation Plans
1-866-NCPlans (1-866-627-5267) (toll-free)
www.ncplans.prudential.com

State Health Plan

1-888-234-2416 (toll-free); www.shpnc.org

Social Security Administration

1-800-772-1213 (toll-free); www.ssa.gov

SHIIP (Senior Health Insurance Info Program)

1-800-443-9354
919-807-6900 (Raleigh area)

State Insurance Services

1-800-462-7864 (toll-free)
www.stateinsservices.com

United Healthcare Dental

1-877-905-0659 (toll-free)
www.yourdentalplan.com/npd

United Healthcare Vision

1-800-980-2965 (toll-free)
www.myuhcvision.com

Colonial Insurance, Buchan Agency

1-800-622-4954 (toll-free)

Prudential Long-term Care

1-888-669-3916 (toll-free) for plan members
1-800-732-0416 (toll-free) for non-members

NCAE/NCRSP

1-800-662-7924 (toll-free)
www.ncae.org; www.ncrsp.org

NCRGEA

1-800-356-1190 (toll-free); www.ncrgea.com

SEANC

1-800-222-2758 (toll-free); www.seanc.org

NC Retirement Systems Division

325 N. Salisbury Street
Raleigh, NC 27603

Member Survey Results

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Next Steps:

As a result of your feedback, the N.C. Retirement Systems will undertake the following strategies:

- Improve the turn-around time for disability processing.
- Enhance self-service technology through

ORBIT, enabling members to complete forms and provide information online.

- Provide more educational information about steps you can take to manage your personal finances in retirement.



Additional survey results are available on the Retirement System's Web page at

www.myncretirement.com. □

Dates for Monthly Retirement Payments in 2010

For Month of	Date Payment is Direct Deposited into Your Bank Account or Date Check is Mailed from Our Office
May 2010	Tuesday, May 25, 2010
June 2010	Friday June 25, 2010
July 2010	Friday, July 23, 2010
August 2010	Wednesday, August 25, 2010
September 2010	Friday, September 24, 2010
October 2010	Monday, October 25, 2010
November 2010	Wednesday, November 24, 2010
December 2010	Monday, December 20, 2010