



## **Retirement Monitor, July 24, 2009**

*A monthly newsletter for public sector human resources and payroll specialists from the Retirement Systems Division of the North Carolina Department of State Treasurer.*

### **North Carolina Retirement Systems**

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#### **TSERS Return-to-Work Legislation Passed**

The General Assembly recently passed Senate Bill 204, which permits a retiree from the Teachers' and State Employees' Retirement System (TSERS) to return to work as a nursing instructor at a community college or university under certain circumstances and continue receiving his or her TSERS benefit. Under the bill, which became effective July 1, 2009, and which will expire in 2013, a retiree can return to work as a nursing instructor in a permanent full-time position, or a part-time position that exceeds fifty percent of the workweek, in a certified nursing program for a maximum of three years. A retiree who meets the qualifications outlined below will not be subject to the earnable allowance.

The following qualifications also apply:

- A retiree is not allowed to work for a university or a community college in any capacity for the 6 months prior to the new employment.
- If retired after July 1, 2009, the retiree must have retired with a service (unreduced) retirement benefit.
- The employer must certify to the Retirement System that it has a shortage of nursing instructors, that it has made every effort to fill positions with qualified nursing instructors who are not retirees, and that it has complied with several other conditions required in Senate Bill 204. The Retirement System will communicate the certification process at a later date.
- Employers are required to contribute 11.7% of the retiree's salary to the Retirement System. Agencies are asked to report these members in ORBIT with a Plan Code "STRE" and Job Class Code "600."

If you have any questions, please contact the NC Retirement Systems Division's Employer Education and Services Unit at [EESU@nctreasurer.com](mailto:EESU@nctreasurer.com) or call toll-free at 1-877-807-3131 (for outside Raleigh area) and 807-3131 (Raleigh area only).

#### **Retirement Systems All-Member Survey Underway**

The N.C. Department of State Treasurer's Retirement Systems Division wants feedback from all Retirement System members – active and retired – on our processes and our communication strategies, and wants members' views of retirement and financial planning. Our Web-based survey is being conducted by North Carolina State University, and is available until August 21 at <https://survey.ncsu.edu/retirementsurvey>.

Members' confidential responses will help the Retirement Systems create plans that better address member needs for customer service, information and educational outreach.

At the end of the survey, members have the opportunity to sign-up to participate in focus groups to be held in Raleigh in the fall. Members with questions regarding the survey should call (919) 807-3087.

**Note:** E-mail notices were sent to members whose e-mail addresses are in ORBIT. Employers, please forward this request to all of your employees and retirees. Thank you.

### **Best Practices: Foreign Addresses**

To ensure that we have valid mailing addresses on file for all employees who reside outside of the US, please report foreign addresses in ORBIT on the following lines:

- Address Line 1 (columns 204-253) is a required field and should contain the primary street address for the member. Up to 50 characters are accepted.
- Address Line 2 (columns 254-303) is overflow for Address Line 1 and can contain up to 50 characters. These columns are optional fields.
- City (columns 304-328) is a required field and can contain up to 25 characters.
- Out of Country Address line (columns 340-389) is required for all foreign addresses and can contain up to another 50 characters. This is where the designated country, country code or postal code can be listed.

### **Best Practices: Reporting Military Differential Pay**

Military differential pay should now be reported in ORBIT as regular salary compensation. Employee contributions should be deducted from military differential pay and employer contributions should be made on military differential pay at the 2009-2010 contribution rates.

### **Reminder: Reporting Overpayments and Underpayments**

In order to provide consistent guidelines based on retirement law and policies, the following changes will be implemented beginning August 1, 2009, for your agency's July ORBIT report:

Recovery of overpayments reported via ORBIT for active employees, retired members and refunded members should be handled as follows:

- If a negative prior period adjustment is reported via ORBIT and the time period in question has crossed calendar years, the ORBIT record for this adjustment will be deleted and an invoice will be generated.
- If the member has retired and your agency is attempting to recover an overpayment from the prior calendar year, your agency should send us a letter on agency letterhead advising what transpired. We will issue a supplemental benefit payment to the retiree; your agency will not be allowed to recover any portion of its employer contributions that were reported in error.
- If the member has received a refund and your agency attempts to recover an overpayment, the record will be deleted and an invoice will be generated.
- If the member is still an active employee and your agency attempts to recover contributions that cross calendar years, only the member will be eligible to recover his or her contributions via a special type of refund that we refer to as a pink sheet refund. Your agency will not be able to recover its employer contributions.

Underpayments for active employees, retired members, and refunded members should be handled as follows:

- If your agency is attempting to remit additional funds to the Retirement System that were omitted from an earlier ORBIT report for active members, within 90 days the contributions can be reported as a positive prior period adjustment. The pay periods should match the period(s) of time that were underreported.

- If you have an active employee who was underreported and the period since the omission has been more than 90 days, the member may request a cost calculation for purchasing this service by completing a Form 466, *Purchasing Retirement Credit for Unreported Service Omitted Through Error*. This salary should not be reported via ORBIT.
- If a member has retired and your agency underreported the member's salary and contributions, your agency may report the underpayment via ORBIT within a period of 90 days as a positive prior period adjustment.
- If the period of omission for a retired member is more than 90 days, the member may request a cost calculation for purchasing this service by completing a Form 466.
- If a member has received a refund and your agency reports a positive prior period adjustment via ORBIT within 90 days from omission, the member will receive a supplemental refund.
- If 90 days has passed and the member has received a refund, the record cannot be processed in ORBIT and, whenever possible, should not be reported in ORBIT. If the record is reported in ORBIT, we will delete it and an invoice will be generated.
- The only exception to this policy will be ABC Bonuses for school systems. We will accept a positive prior period adjustment for the ABC Bonus up to 14 months after the member last actively contributed to the Retirement System.

The Retirement System appreciates your assistance in helping us provide quality service and accurate information to employers, active members, and retirees.

### **Retirement Planning Conferences Schedule**

The Educational Retirement Group of the Retirement Systems Division with the Department of State Treasurer conducts retirement conferences for members of the Teachers' and State Employees' Retirement System and the Local Governmental Employees' Retirement System. The conferences 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. The sessions also offer information on the N.C. 401(k) and N.C. Deferred Compensation (457) plans. Registration is not required. Some locations may charge a parking fee.

For members unable to attend their local conferences and who would still like to receive the information provided, the PowerPoint presentations shown at the conferences are available on the [Employers](#) and [Active Employees](#) sections of the Retirement Systems Web site under "Retirement Planning Resources."

There are two presentations: one for Teachers' and State Employees' Retirement System (TSERS) members and one for Local Governmental Employees' Retirement System (LGERS) members.

Below is the schedule of Retirement Planning Conferences. **TSERS sessions will begin at 9:30 a.m. and LGERS sessions will start at 1:30 p.m.** All of the 2009 dates are available on the Employer section of the Retirement Systems Web site at [www.myncretirement.com](http://www.myncretirement.com). **We request that members who plan to attend a conference please check our Web site regularly or contact Member Services (telephone numbers below) for schedule updates.**

Member Services employees at the Retirement Systems Division are happy to help with questions. Please call 1-877-627-3287 (toll-free) or 919-807-3050 (Raleigh area only). Members may also schedule an appointment to meet with a counselor. We ask that members request and receive a retirement estimate before scheduling an appointment. Members should complete a [Form 309](#) to request an estimate.

<b>August 5, 2009</b>	<b>Montgomery Community College</b> Building 200, Multi-purpose Room 1011 Page St. Troy, NC
<b>August 12, 2009</b>	<b>Vance-Granville Community College</b> Building #9 Civic Center 200 Community College Rd Henderson, NC
<b>August 19, 2009</b>	<b>Wilkes County Public Library</b> Friends of the Library Meeting Room 215 Tenth St. North Wilkesboro, NC
<b>August 25, 2009</b>	<b>City of Sanford Public Works Building</b> Assembly Room 601 North Fifth St Sanford, NC
<b>August 27, 2009</b>	<b>Winston Salem State University</b> Dillard Auditorium/Anderson Conference Center 601 Martin Luther King Jr Drive (Corner of MLK & Reynolds Park Rd) Winston Salem, NC
<b>September 1, 2009</b>	<b>Agricultural Building</b> Auditorium 359 Ferrell Lane Halifax, NC
<b>September 16, 2009</b>	<b>Franklin County Schools</b> Mitchell Media Center 102 Dogwood Rd Louisburg, NC

### **Retirement Systems Contact Information**

- Employers with questions or in need of information should contact the NC Retirement Systems Division's Employer Education and Services Unit at [EESU@nctreasurer.com](mailto:EESU@nctreasurer.com) or call toll-free at 1-877807-3131 Option 2 (for outside Raleigh area) and 807-3131 Option 2 (Raleigh area only).
- Active Employees with questions or in need of information or forms should contact the Division's Member Services unit toll-free at 1-877-627-3287 (for outside Raleigh area) and (919) 807-3050 (Raleigh area only).
- Retirees with questions or in need of information or forms should contact the Division's Member Services unit toll-free at 1-877-733-4191 (for outside Raleigh area) and (919) 733-4191 (Raleigh area only).

Remember, to better serve our Spanish-speaking customers, the Retirement Systems' Call Center is staffed with a representative who can assist members with translating Retirement Systems' information and addressing their retirement-related questions.

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*The Retirement Systems Division manages retirement benefits for more than 820,000 working and retired N.C. public employees. The North Carolina Retirement Systems are among an elite group of public pension plans that remain fully-funded and financially sound. With approximately \$60 billion in assets, the Systems comprise the 9<sup>th</sup> largest public pension plan in the United States.*