



North Carolina Retirement Systems

The RETIREMENT

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

A Message from State Treasurer Janet Cowell



Understanding the Return-to-Work Laws

During these uncertain economic times, we understand that more retirees want to return to work in the familiar surroundings in which they spent much of their career. Before you decide to return to work for an employer under the Retirement System from which you retired, familiarize yourself with the regulations governing return to work.

Return-to-work laws apply differently to members of the Local Governmental Employees' Retirement System (LGERS) and the Teachers' and State Employees' Retirement System (TSERS). Following the return-to-work regulations will protect you from incurring financial penalties, possible loss of retirement benefits and/or possible loss of health benefits. Some of the requirements include:

- With the exception of teachers, members of TSERS and LGERS should not exceed 50 percent of their gross pre-retirement salary or \$28,080, in a year (for 2009).
- All TSERS members who retired after October 1, 2005, must wait six months from retiring before returning to work.
- LGERS members do not have the same six month restriction, but are limited to not returning to work during the month in which the retirement became effective, and must work in a position that requires less than 1,000 work hours per year.

The Return-to-Work laws are much more extensive than presented in this article. For more detailed information on the regulations pertaining to each system, visit the Benefit Recipients section of the Retirement Systems Web site at www.myncretirement.com. □

NC Retirement Systems Going Green

The North Carolina Retirement Systems is making changes that will enhance benefit recipients' personal security, reduce the use of paper and save money for your retirement system.

Retirees' and other benefit recipients' "deposit notification" statements are now only available through ORBIT (Online Retirement

Benefits Integrated through Technology). Statements are no longer mailed. Previously statements were mailed a few times a year when there was a change in deductions, or gross or net benefit amounts.

ORBIT provides secure 24-hour Web site

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Keeping Our Retirement System Healthy

There has been a steady stream of news reports in recent months about the financial crisis and its impact on pension funds, both public and private.

Know that our retirement system remains healthy. We have enough cash on hand to meet our obligations, now and in the future. We continue to be one of the strongest pension funds in the country, despite the current market volatility and the change in North Carolina's pension fund value.

However, we must cope with the new reality resulting from the market losses of 2008. The General Assembly and local governments will need to dramatically increase employer contributions. The funding status and health of the system can rapidly erode if these contributions are not made, even if we continue to meet our investment return goal of 7.25 percent.

My staff and I are working with elected leaders to help them understand the pension system and their obligation to fund it. North Carolina has a tradition of fiscal prudence and honoring its obligation to people like you—people who dedicated their lives to public service each day. It's a tradition we must uphold in bad times and in good.

As for the Office of State Treasurer's role, I

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am working with our professional investment managers to navigate the markets to get the best return on every dollar we invest.

We will continue to diversify our holdings in stocks, bonds and other financial instruments to help protect our pension from economic volatility. Diversification contributes to the continued overall financial strength of the retirement system.

At times like these, it helps to take the long view. There will always be storms, but it's how we "sail our ship" that counts.

You can do your part by taking the time to review "Your Retirement Benefits" handbook. It contains helpful information about your membership in the North Carolina Retirement System.

We have added a number of guidance publications to the "Benefit Recipients" page of our Web site at www.myncretirement.com, which also can help answer many questions about your retirement benefits. If you have additional questions, please contact our member services at 1-877-733-4191 (toll-free) or (919) 733-4191 (Raleigh area only).

It is an honor to serve as your State Treasurer. I hope the information in this newsletter will be helpful to you.

Managing Your Finances in Retirement

Congratulations! You are now reaping the rewards from years of public service—Retirement.

You've worked hard all of your life, followed the financial experts' advice, and saved up for retirement—through the North Carolina Retirement System and supplemental income plans (401(k) and 457)—among other strategies. Now that you've achieved the "this milestone," make sure you manage your money well to ensure financial stability throughout your retirement.

The following are some suggestions to manage your retirement savings for the long-term:

1) Conduct an annual budget assessment – As inflation rises, so will your expenses. Calculate your monthly living expenses, such as rent/mortgage, utilities, transportation, healthcare, food, recreation, etc., versus your monthly income from your retirement benefits, Social Security, supplemental retirement savings, or additional income.

It's no surprise that your income needs to exceed the amount of money you spend each month. If it does not, identify what expenses you can reduce, or identify additional ways to generate income. The last thing you want to do is live in a deficit and not be prepared for an emergency expense.

2) Understand your 401(k), IRA withdrawal guidelines – The standard guidelines for distribution are:

- Traditional 401(k) and traditional IRAs – You must begin withdrawing a required amount by age 70 1/2. The amount depends on how much you've saved and life expectancy.

- Roth 401(k) and Roth IRAs – You can leave your money in place as long as you want.
- Budget wisely – Financial advisors suggest you limit your withdrawals from your IRAs, 401(k) plans, and other savings plans, to no more than five percent of your initial total retirement funds.

3) Know your social security options – Your Social Security benefit may replace about 40 percent of your paycheck. If you've not already done so, decide when to begin receiving your Social Security benefit. The full retirement age for Social Security is 65; however, you may start receiving benefits as early as age 62. Remember, the longer you wait, the higher the benefit will be.

4) Weigh your healthcare options – Healthcare expenses for you, your partner or your dependents can increase the amount you'll need in retirement. Review your health insurance plans to understand the level of coverage you have, what you may need in the future and what the cost will be.

5) Enjoy working – AARP research found that more than 70 percent of retirees expect to continue to work in some way during retirement. While financial need is one reason, many continue working because they like their work and enjoy being productive. If you plan to work in any job related to state or local government in North Carolina, know your Return-to-Work policies and Earnable Allowance guidelines. For more information, refer to the "Frequently Asked Questions" section of the Retirement Systems Web site, www.myncretirement.com.

Give Us Your Feedback on The Retirement Report Newsletter

Give us your feedback on this issue of *The Retirement Report* newsletter. Please go to www.myncretirement.com/RetirementReport and take a few moments to complete the survey. Responses will be kept anonymous and confidential. Your feedback is greatly appreciated.

Retirement Systems All-Member Survey Underway

The N.C. Department of State Treasurer's Retirement Systems Division wants feedback on your experiences with and expectations of Retirement System processes and communication, and retirement and financial planning. The Web-based survey, being conducted by North Carolina State University, is available at <https://survey.ncsu.edu/retirementsurvey> until September 11.

E-mail notices were sent to members whose e-mail addresses are in ORBIT, so register on ORBIT today.

Benefit recipients who do not wish to complete the online survey, may download and print a PDF version, and mail the completed copy to the North Carolina State University's Center for Urban Affairs; or members may

contact the Retirement Systems office and ask to complete a survey over the phone by calling Meredith Davis at (919) 508-1018 or 1-877-733-4191 (toll-free).

At the end of the survey, members will have the opportunity to sign-up to participate in focus groups to be held in Raleigh in the fall. Your confidential survey responses will help the Retirement Systems create plans that better address member needs for customer service, information and educational outreach.

Please share this information with your fellow Retirement System retirees so they too have an opportunity to provide input.

Thank you in advance for your participation.

ORBIT — Your Retirement Information Resource



Keep track of your personal retirement account information through ORBIT (Online Retirement Benefits through Integrated Technology). ORBIT provides you with safe and secure access 24 hours a day. Through ORBIT you can:

- View your direct deposit statements
- View your benefit payment history
- View your tax documents
- Change your address and update your contact phone numbers and e-mail address
- Download personalized transaction forms

Explore the many features that ORBIT offers. To access ORBIT, visit www.myncretirement.com and click on the "ORBIT" button. You will be directed to the log-in page where you may complete your registration or log-in if you've already registered.

Your "user identification" and password will be established through a secure user registration process that requires key pieces of information only you should know, such as your last net benefit payment.

Don't worry if you don't have Internet access. Retirement Systems counselors will continue to be available to assist you when you call (877) 733-4191 (toll-free) or (919) 733-4191 (Raleigh area only) from 8 a.m. to 5:30 p.m., Monday through Friday.

Retirement News at Your Fingertips

Be the first to know all of the latest retirement news — only if you register on ORBIT to receive updates from the Retirement Systems including our free e-mail newsletter and periodic informational updates.

It is easy to sign up, just visit our Web site at www.myncretirement.com and click on the "ORBIT" button. As you register on ORBIT you can check the box to receive more information from the Retirement Systems.

If you already registered on ORBIT, log on and update your e-mail address. Check the box to receive more information from the Retirement Systems.

Going Green

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access to your statements and personal retirement account information. Not only is this a cost saving measure that supports North Carolina's Project Green initiative, but this change also enhances your personal security by eliminating mailings containing your Social Security or member identification numbers.

Should this change in process present a hardship for you **because you do not have access to a computer or the Internet**, contact Member Services at 1-877-733-4191 (toll-free) or (919) 733-4191 (Raleigh area only) to opt-out of electronic statements.

Numbers & Websites to Know

Retirement Systems Division

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

Department of State Treasurer's Unclaimed Property Program

919-508-1000; www.nccash.com

Social Security Administration

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

State Health Plan

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

State Insurance Services (National Pacific Dental and Superior Vision)

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

SEANC

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

NCAE/NCRSP

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

NCRGEA

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

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

Department of NC State Treasurer

Retirement Systems Division

325 N. Salisbury Street
Raleigh, NC 27603

Dates for Monthly Retirement Payments in 2009

| For Month of | Date Payment is Direct Deposited into Your Bank Account or Date Check is Mailed from Our Office |
|----------------|--|
| August 2009 | Tuesday, August 25, 2009 |
| September 2009 | Friday, September 25, 2009 |
| October 2009 | Friday, October 23, 2009 |
| November 2009 | Wednesday, November 25, 2009 |
| December 2009 | Friday, December 18, 2009 |

Effective April 2009, your direct deposit notification statement is only available through the ORBIT system. A notice of direct deposit will be placed in your personal ORBIT account when your benefit amount changes from the prior month.

Verify Your Address to Meet U.S. Postal Mailing Requirements

The Retirement Systems now verifies every mailing address against a new U.S. Postal Service verification file. The address used to mail this newsletter was verified by the U.S. Postal Service. Please update your mailing address on ORBIT each time you move. Having the correct address in the system will help expedite distribution of important information.