

Retirement Monitor Update, February 8, 2008

A publication from State Treasurer Richard H. Moore and the Retirement Systems Division

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Manage Your Retirement Account with ORBIT

Managing your retirement account has become easier than ever before. North Carolina's active and retired employees can now log-in to ORBIT, a web-based system that allows you to safely and securely access personal account information and conduct transactions online 24 hours a day.

Enter the ORBIT system and explore the many features it has to offer – view your account history, track requests for information, schedule a one-on-one meeting with a retirement counselor and much more.

To access ORBIT, visit www.nctreasurer.com. Employees may use their existing NCID user ID and password or and log-in as an "**Individual**" when creating a new account. View the Registration Guide for log-in instructions.

Increase in Reemployment Earnings For 2008

The Boards of Trustees of the Retirement Systems have increased by 4.1% the amount a reemployed beneficiary may earn from an employer participating in the same Retirement System under which the beneficiary is retired, effective January 1, 2008.

The increase in the Consumer Price Index for the period from January 1, 2007, to January 1, 2008, was 4.1%, prompting the increase in the earnings cap. Under the law, a member's retirement benefit must be suspended for the remainder of 2008 if his or her earnings during the 12-month period immediately following the effective date of retirement or during the calendar year 2008 exceed the greater of 50% of the member's compensation during the 12 months of service before retirement, excluding any termination payments, as increased by 4.1%, or \$28,060.00.

Please remember that coverage provided to beneficiaries of the Teachers' and State Employees' Retirement System under the retiree group of the State Health Plan will be suspended at the same time a retirement benefit is suspended.

Hartford Insurance Revises Claim Forms for Law Enforcement Officers

In the next month, Hartford Insurance will e-mail state and local systems the revised claim form for Policy AGP 1673, a benefit for law enforcement officers. The new claim form provides additional space to provide all of the information necessary to process claims in a timely manner.

Employer Best Practice: Completing the Form 6

To enhance the processing of your employees' retirements, please take note of these very important points when completing the Form 6, "Claiming Your Monthly Retirement Benefit:"

- 1) Be sure to provide the retiring employee's last four months of salary prior to the member's retirement date even though you may have provided that same information in Employer Reporting.

- 2) "Last Day of Work" in Section B should be the same date as in Section H #1, "the last date for which the employee was paid."
- 3) "Compensation" in Section H should be salary only.
- 4) Under Section H, the boxes for "Annual Leave Payout," "Bonus Payout," "Terminal Payout" and "Longevity," should be a monetary amount and separate from the "Compensation" box in the same section.
- 5) Please make a notation anywhere on page 2 of what the employee's salary was in the prior year and salary in the year of retirement.

Special Note: School systems please note, the "Pay Period End," in Section H should be the last day worked. Please make a notation on page 2 indicating on what contract the teacher is working, i.e., 10-, 11-, or 12-month employee, and if the employee is a straight 10 or on installments.

Thanks to your feedback, we are in the process of improving Form 6.

Enter New Forms – Phase Out Old Forms

In conjunction with implementation of the ORBIT system, all of the retirement forms have been updated. The forms have a new look and have undergone a new naming and numbering convention.

For the next several months, we will list the names of the new forms and identify the old forms they replaced based by category, such as Death, Disability, Retirement Processing, etc. Please maintain this document for future reference. **As of March 1, old forms will no longer be accepted and will be returned to you.**

Please discard any of the old forms you have stored in your office and use the new forms that are accessible on the employer portion of the Retirement System Web site at www.nctreasurer.com. Click on "Retirement," then "Employers" and see the "Applications and Forms" link.

Death-related Forms

The following new form is to be completed and submitted by you, the employer:

Current Form Numbers & Names
Form 253 – Reporting an Employee's Work Record in the Event of Death (replaces Forms 69 and 253)

Retirement Systems Division will send to applicable beneficiaries the appropriate forms noted below:

Form DB228 – Choosing Tax Treatment for a Payment of Undistributed Contributions Due to a Death
Form 170S – Survivor's Benefit: Authorizing Direct Deposit
Form 290S – Survivor's Benefit: Choosing Income Tax Withholding Preferences
Form 5ROC – Choosing the Return of Contributions
Form 6SAB – Choosing the Survivor's Alternate Benefit

Retirement Planning & Application Forms

Provide your employees with the following forms to aid them in making decisions about retirement:

New Number & Document Name
Form 309 – Estimating Your Retirement Benefits
Form SVC – Reviewing Your Service Record and Requesting an Audit of Your Service Credit
Form 709 – Estimating Your Disability Retirement Benefits
Form 5TR – Transferring Service and Contributions Between Systems (available upon member request)
Form 6 – Claiming Your Retirement Benefit (replaces Form 6RET)
Form 6FR – Retiring from the Firemen's and Rescue Squad Workers Pension Fund

Retirement Systems staff will send your employees the appropriate forms noted below:

Form 319 – Choosing to Transfer Supplemental Income Plan Contributions for an Additional Monthly Benefit (LEOs only)
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Form 6E – Choosing Your Retirement Payment Option (TSERS & LGERS)
Form 6EJ – Choosing Your Retirement Payment Option for CJERS (replaces Form JR6E)
Form 6EL – Choosing Your Retirement Payment Option for LRS (replaces Form ELEG)
Form 6ER – Authorizing Your New Spouse as Beneficiary
Form 333 – Choosing the Contributory Death Benefit for Retired Members
Form 333C – Contributory Death Benefit Certificate (replaces Forms CDB)

Annual Compensation Limits in 2008 for Retirement System Contributions

Federal and State laws impose limitations on the compensation of members that is reportable and subject to contributions to qualified retirement plans. These limitations apply to TSERS, LGERS and CJRS, and may be adjusted from year-to-year pursuant to Section 401(a)(17)(B) of the Internal Revenue Code. The limitations for calendar year 2008 are as follows:

For any member of a State-administered retirement system who was hired prior to January 1, 1996, the annual limit on compensation subject to retirement contributions in calendar (tax) year 2008 has been increased to \$345,000.

For any employee hired on and after January 1, 1996, who is a member or becomes a member of a State-administered retirement system, the annual limit on compensation subject to retirement contributions in calendar (tax) year 2008 has been increased to \$230,000.

Since a member's membership service is credited according to the months for which contributions are received by a retirement system, employers should notify this Division in January, 2009 as to members whose compensation exceeded the limits during calendar year 2008 and, for each of these members, the months for which compensation was paid but not reportable. This action will ensure that each affected member will receive credit for each month of service.

Retirement Planning Conferences for 2008

The Retirement Systems Division will hold retirement planning conferences across the State in 2008. These conferences are open to any employee seeking information regarding retirement benefits under the Local Governmental Employees' Retirement System or the Teachers' and State Employees' Retirement System. We need your help identifying facilities where we can hold a conference in your area for May – December 2008.

The facilities should have the capacity to hold approximately 150-200 people. The length of all sessions is approximately 2 ½ hours. The Teachers' and State Employees' Retirement System sessions will begin at 9:30 a.m. and the Local Governmental Employees' Retirement System sessions will start at 1:30 p.m. Please send your recommendations for conference sites to Alice DeVane at Alice.Devane@nctreasurer.com.

We are proud to partner with Prudential 401(k) and Great West Deferred Comp. for these conferences geared toward all members of the above retirement systems. Our conferences are an orientation for newer members, pre-retirement planning information for members closer to that golden moment and educational for personnel officers and other persons who handle retirement matters. Registration is not required. Some locations may charge a parking fee.

February 13, 2008 **NASH COMMUNITY COLLEGE**
 Business & Industry Center
 522 N. Old Carriage Rd
 Rocky Mount, NC

Teachers' and State Employees' Retirement System – 9:30 a.m.
 Local Governmental Employees' Retirement System – 1:30 p.m.

February 20, 2008 **TOWN OF FARMVILLE**
Upstairs Courtroom
3672 N. Main St.
Farmville, NC

Teachers' and State Employees' Retirement System – 9:30 a.m.
Local Governmental Employees' Retirement System – 1:30 p.m.

February 28, 2008 **PUBLIC WORKS COMMISSION**
Conference Room
955 Old Wilmington Rd
Fayetteville, NC

Teachers' and State Employees' Retirement System – 9:30 a.m.
Local Governmental Employees' Retirement System – 1:30 p.m.

March 4, 2008 **UNC WILMINGTON**
Cameron School of Business Room 105
601 S. College Rd
Wilmington, NC

Teachers' and State Employees' Retirement System – 9:30 a.m.
Local Governmental Employees' Retirement System – 1:30 p.m.

March 6, 2008 **NC COOPERATIVE EXTENSION SERVICE**
Burke County Center
130 Ammons Dr
Morganton, NC

Teachers' and State Employees' Retirement System – 9:30 a.m.
Local Governmental Employees' Retirement System – 1:30 p.m.

March 11, 2008 **UNC CHARLOTTE**
McKnight Auditorium, Bonnie Cone Center
9201 University City Blvd.
Charlotte, NC

Teachers' and State Employees' Retirement System – 9:30 a.m.
Local Governmental Employees' Retirement System – 1:30 p.m.

March 18, 2008 **DEPARTMENT OF TRANSPORTATION**
Highway Building Auditorium
1 S. Wilmington St
Raleigh, NC

Teachers' and State Employees' Retirement System – 9:30 a.m.
Local Governmental Employees' Retirement System – 1:30 p.m.

March 25, 2008 **UNC CHARLOTTE**
McKnight Auditorium, Bonnie Cone Center
9201 University City Blvd.
Charlotte, NC

Teachers' and State Employees' Retirement System – 9:30 a.m.
Local Governmental Employees' Retirement System – 1:30 p.m.

March 26, 2008

GASTON COUNTY GOVERNMENT

DSS Building
330 N. Marietta St.
Gastonia, NC

Teachers' and State Employees' Retirement System – 9:30 a.m.

Local Governmental Employees' Retirement System – 1:30 p.m.

The Retirement Systems Division manages retirement benefits for more than 780,000 working and retired NC 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 \$69 billion in assets, the Systems comprise the 9th largest public pension plan in the United States.