



Retirement Monitor, January 23, 2009

A monthly newsletter for public sector human resources and payroll specialists from State Treasurer Janet Cowell and the Retirement Systems Division.

North Carolina Retirement Systems

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Revised Form 5

A newly revised Form 5 - *Withdrawing Your Retirement Service Credit and Contributions* has been updated and incorporates the new tax requirements beginning January 2009.

Effective April 1, 2009, only the revised (Form 5 REV20090101) document will be accepted for processing. Older versions of the form submitted after April 1 will be returned to members with the new form. The updated form is available on the Retirement Systems website at www.myncretirement.com by clicking on "Applications and Forms" on the left-side menu bar. Employers are asked to discard any photocopies of the previous form.

Federal Tax Law Changes to the Form 5 include:

Treatment of Pre-Tax Contributions:

- A member can roll over **pre-tax** contributions to an eligible employer plan or eligible IRA, which now **includes a Roth IRA**, as long as the eligible employer plan or IRA will accept the rollover.

Treatment of After-Tax Contributions:

- A member can now **roll over after-tax** contributions to an eligible employer plan or eligible IRA, **including a Roth IRA**, as long as the eligible employer plan or IRA will accept the rollover.

Members with questions about this change should contact the Division's Member Services unit at 1-877-627-3287 and (919) 807-3050 (Raleigh area only).

School District Eligibility to be Coded as STRE in ORBIT

Only local school administrative units certified by the Department of Instruction (DPI) may use the employer code "STRE" when coding rehired retirees.

In order for an employer to "code" a rehired retiree as STRE, DPI must be able to certify that the retiree has been reemployed to teach by a "local school administrative unit" which includes a city school administrative unit, a county school administrative unit or a city-county school administrative unit. Schools administrated by DHHS for example, including the Schools for the Deaf and Blind, are not "local school administrative units." DPI can not certify teachers employed at these schools per GS 135-3(8)c. Schools administrated by DOC and DJJ also are not "local school administrative units."

Only eligible employers have access to the STRE code in ORBIT as of December 2008.

Employers with questions concerning this issue should contact the NC Retirement Systems Division's Employer Education and Services Unit at EESU@nctreasurer.com or call (877) 807-3131 Option 2 (for outside Raleigh area) and 807-3131 Option 2 (Raleigh area only).

Annual Compensation Limits in 2009 for Retirement System Contributions

Federal and state laws impose limitations on compensation of members that are reportable and subject to contributions to qualified retirement plans. These limitations apply to the: Teachers' and State Employees' Retirement System, Local Governmental Employees' Retirement System and Consolidated Judicial Retirement System, and may be adjusted from year-to-year pursuant to Section 401(a)(17)(B) of the Internal Revenue Code. The limitations for calendar (tax) year 2009 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 2009 has been increased to \$360,000.

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 2009 has been increased to \$245,000.

Since membership service is credited according to the months for which contributions are received by a retirement system, employers should notify this Division in January 2010 as to members whose compensation exceeded the limits during calendar year 2009 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 Processing

If you have employees who applied for retirement and then decided not to retire, please remind them to contact the Retirement Systems Division to cancel their retirement. This will enable the Retirement Systems to eliminate unnecessary processing.

The Retirement Systems Division (RSD) is in the midst of its peak retirement period, which means we are receiving an increased number of retirement applications. We are processing applications as quickly as possible, with our current processing time at around 70 days.

To aid in a timely application process, members are encouraged to use the full 120 days available to submit their Form 6, *Claiming Your Retirement*. Employees then should complete and return the forms provided by the Retirement Systems Division, including the Form 6E, *Choosing Your Retirement Payment Option*. If the retirement date has passed when all paperwork is completed, RSD will process and mail a supplemental check on the first Tuesday or Thursday after the completed 6E form has been received and approved.

2008 Department of State Treasurer Annual Report Available Online

The Department of State Treasurer's 2008 Annual Report is now available on the Department's Website at <http://www.nctreasurer.com/dsthome/OfficeOfTheTreasurer/AnnualReport.htm>. The Annual Report highlights the Department's activities during the 2007-2008 fiscal year, which includes the Retirement Systems Division.

New U.S. Postal Service Mailing Requirements

The Retirement Systems is now required to verify every address on all mailings due to new address verification requirements imposed by the U.S. Postal Service. The Retirement Systems will mail the intended document to the new mailing address supplied by the postal service. Retirement System members are asked to verify their mailing address and correct spelling on file with the employer or through BEACON. Having the correct address in the system will help expedite distribution of important information, as well as the processing of retirements and disability claims. You can update your employees' addresses in your monthly reporting process on ORBIT. Please do not ask employees to call the Retirement Systems to correct their addresses, as this must come through the employer or BEACON (for state agencies).



State Retirees' 1099s Available on ORBIT

In addition to mailed 1099 tax statements, retired members of the N.C. Retirement Systems also can choose to download their 1099 from their personal ORBIT account. ORBIT is a secure website that provides retirees with access to their personal retirement account 24 hours a day.

To access the 1099 through ORBIT, go to www.myncretirement.com and select the "ORBIT" button from the "Retirement" drop-down menu. Members will be directed to the log-in page to register, or to log-in if already registered. (Note: retirees who registered prior to March 13, 2008 using the NCID process will need to re-register as a first-time user. This is a one time event.) Once logged in to the personal ORBIT account, members may print their tax statements from the 1099 link.

Retirement Planning Conferences Schedule

We are proud to partner with Prudential Retirement to provide information on the 401(k) and Deferred Compensation (457) plans at conferences across the state that are geared toward all members of the Local Governmental Employees' Retirement System or the Teachers' and State Employees' Retirement System. The conferences provide an orientation for new members, pre-retirement planning information for members closer to retirement and education information for personnel officers and others who handle retirement matters. Registration is not required. Some locations may charge a parking fee.

For members who are unable to attend their local conferences but would still like to receive the information provided, the PowerPoint presentations shown at the conferences are available on the Employers section of the Retirement Systems website at <http://www.mynctreasurer.com/DSTHome/RetirementSystems/Employers> under "News and Publications."

There are two presentations: one for TSERS members and one for LGERS members. Note: The presentations were updated for 2009.

Below is the schedule of Retirement Planning Conferences. **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.** For dates beyond what is listed below, please refer to the Employer section of the Retirement Systems website at www.myncretirement.com.

January 28, 2009

Elizabeth City State University
Kermit E. White Graduate Center Room 117
1704 Weeksville Rd
Elizabeth City, NC

February 3, 2009	Department of Transportation Highway Building Auditorium 1 S. Wilmington St. Raleigh, NC
February 12, 2009	Public Works Commission Conference Room 955 Old Wilmington Rd. Fayetteville, NC
February 20, 2009	Village of Pinehurst Assembly Hall 395 Magnolia Rd. Pinehurst, NC
February 24, 2009	Vernon James Center Conference Room 207 Research Station Rd. Plymouth, NC
February 25, 2009	New Hanover County Government Center HR Training Room 230 Government Center Dr. Wilmington, NC
March 4, 2009	Wayne Community College Moffatt Auditorium 3000 Wayne Memorial Dr. Goldsboro, NC
March 5, 2009	Western Piedmont Community College Moore Hall Auditorium 1001 Burkemont Ave Morganton NC
March 10, 2009	Alamance Community College Auditorium – Main Campus 1247 Jimmie Kerr Rd. Graham, NC
March 12, 2009	UNC - Wilmington Cameron School of Business Room 105 601 S. College Rd Wilmington, NC
March 24, 2009	Forsyth Co Agriculture Building Auditorium C 1450 Fairchild Rd Winston Salem, NC

Locations Needed For Retirement Planning Conferences

Your help is needed to find locations where we can hold a Retirement Planning conference in your area April through December 2009.

The facilities should have the capacity to hold approximately 150-200 people and be available for the full day, as the length of each session 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.

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 or call (877) 807-3131 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 at 1-877-627-3287 and (919) 807-3050 (Raleigh area only).
- Retirees with questions or in need of information or forms should contact the Division's Members Services unit at 1-877-733-4191 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 10th largest public pension plan in the United States.