



**North Carolina**  
Total Retirement Plans



# Guide for CJRS Members Nearing Retirement

**Congratulations on your upcoming retirement!**



On behalf of the North Carolina Department of State Treasurer and the Retirement Systems Division, we offer our heartfelt thanks for your service to the state of North Carolina and its citizens.

Your state government employer has offered you comprehensive retirement benefits that were strategically designed to help you plan for a financially secure retirement. For eligible employees, these benefits include your pension from the Consolidated Judicial Retirement System (CJRS), Social Security, and savings through the NC 401(k) and NC 457 Plans.

You must also take healthcare options into consideration, whether they be through the North Carolina State Health Plan, Medicare, or one of North Carolina’s supplemental dental and vision insurance offerings.

To make the most of these benefits, it is important for you to know how they fit into your retirement strategy and how to maximize the benefits available to you.

This guide is a snapshot of these benefits and is intended to assist you as you begin the transition to retirement. More detailed information can be found in the handbook for your retirement system on our website at [www.MyNCRetirement.com](http://www.MyNCRetirement.com).

## What do I do about healthcare once I retire?

Taking time to carefully consider your State Health Plan options can reduce your worries and enhance your retirement. Advance action is required to preserve your widest range of health plan options.

If you are an active employee considering retirement, you are encouraged to start your retirement paperwork processing 120 days before your planned retirement date. If your retirement processing is not completed early enough, you may miss the opportunity to enroll in a Medicare Advantage Plan.

Medicare Advantage Plans do not allow exceptions for late enrollments, which may result in you only having the option to enroll in the Traditional 70/30 Plan option until the next Open Enrollment period.

If you are a retiring member who is under 65, you will be automatically enrolled into the health plan in which you were enrolled as an active employee, along with any covered dependents.

If you are an active member nearing retirement who is 65 or older, Medicare becomes primary the last month that you are covered by your agency and the Medicare-eligible coverage will apply. Please be aware of the Medicare primacy change and the need to elect Medicare Part B to be effective the date of your retirement.

You will be auto-enrolled into the appropriate plan (as noted above) unless you opt out during the retirement process. In addition, if you were not covered by the State Health Plan as an active employee, you still must opt out of State Health Plan coverage or you will be auto-enrolled in coverage as a retiree.

Please see the last page of this brochure for more information about the supplemental dental and vision insurance products that are available to you as a retiree.

If you have questions about your health plan options, eligibility or premium contribution, please contact:

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|---|--|
| Eligibility & Enrollment Support Center | • 1-855-859-0966                                   |
| State Health Plan Website               | • <a href="http://www.shpnc.org">www.shpnc.org</a> |



**Terms to know:**

**Final Compensation** is the annual equivalent of the rate of compensation most recently applicable to you as a member of CJRS.

**Average Final Compensation** is the annual average of your 48 consecutive highest-paid months of membership in CJRS.

**Creditable Service** includes your membership service for any period during which you contribute to CJRS, provided you do not withdraw your contributions. Creditable service may also include service credit purchased or granted under the creditable service provisions outlined in *Your Retirement Benefits* handbook located at [www.MyNCRetirement.com](http://www.MyNCRetirement.com).

**Transferred Service** is creditable service and accumulated contributions from the Teachers’ and State Employees’ Retirement System, Local Governmental Employees’ Retirement System, or the Legislative Retirement System that you transferred to CJRS after you completed 5 years of membership service in CJRS.

**Who is eligible to be a member of the Consolidated Judicial Retirement System (CJRS)?**

You become a member of the Consolidated Judicial Retirement System on the date you take your oath of office as a:

- Justice of the Supreme Court
- Judge of the Court of Appeals
- Judge of the Superior Court
- Judge of the District Court
- Solicitor or District Attorney
- Clerk of Superior Court
- Public Defender
- Director of Indigent Defense Services
- Administrative Officer of the Courts

**How do I qualify for retirement benefits under CJRS?**

Service Retirement (Unreduced) Benefits are available:

- At age 65 with five years of membership service
- At age 50 with 24 years of creditable service

Early Retirement (Reduced) Benefits are available:

- At age 50 with five years of membership service

**Your early retirement benefit** is determined by the same formula as an unreduced service retirement benefit multiplied by a reduction percentage based on your age and/or service at early retirement. If you retire before age 65 or the completion of 24 years of creditable service, your early retirement benefit will be reduced to the lesser of three percent for each year (pro-rated by month) that you are under age 65 or have fewer than 24 years of creditable service.

**Disability retirement benefits** are available after five years of creditable service, if you become permanently disabled while serving in a judicial capacity under CJRS and are unable to work, as approved by the Medical Review Board.

Your disability benefit is based on the same formula as service retirement. However, final compensation is calculated as of your disability retirement date, and creditable service is counted as though you continued working to age 65, not to exceed 24 years of service.

**If you leave the system before retirement**, you may be entitled to receive a deferred benefit at a later date, once you meet eligibility requirements after you have completed five years of service, provided you do not withdraw your contributions.

**What formula is used to calculate retirement benefits?**

Your annual retirement benefit is based on these formulas:

**District Court Judge, District Attorney, Clerk of Court, Director of Indigent Defense Services, or Public Defender service**

3.02 percent of your final compensation  
TIMES  
your years of creditable service

**Superior Court Judge service**

3.52 percent of your final compensation  
TIMES  
your years of creditable service

**Supreme Court Justice, Court of Appeals Judge, or Administrative Officer of the Courts service**

4.02 percent of your final compensation  
TIMES  
your years of creditable service

### Transferred service

1.82 percent of your average final compensation TIMES your years of creditable service transferred from the Teachers' and State Employees' or Legislative Retirement Systems	1.85 percent of your average final compensation TIMES your years of creditable service transferred from the Local Governmental Employees' Retirement System
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**Your maximum allowance is limited to 75 percent of your final compensation** when added to any benefits to which you are entitled under the maximum allowance from the Teachers' and State Employees' Retirement System, Local Governmental Employees' Retirement System or the Legislative Retirement System.

### What death and survivor benefits are available for active employees under CJRS?

**Death Benefit for Active Employees:** At any age, if you die while employed and are being paid a salary under CJRS, your beneficiary(ies) will receive a lump-sum payment equal to your final annual rate of compensation, plus a refund of your accumulate contributions with interest, or if eligible, a surviving spouse benefit.

**Surviving Spouse Benefit for Active Employees:** If you die in active service under CJRS after reaching age 50 with five years of service and your one principal beneficiary is your surviving spouse, your surviving spouse may choose a monthly surviving spouse benefit instead of a refund of your contributions. This surviving spouse benefit is equal to one-half of the monthly retirement benefit under the maximum allowance to which you would have been entitled on the first day of the month following your death reduced by two percent for each full year your age exceeds that of your spouse. This benefit is payable for life unless the spouse remarries.

### What surviving spouse and guaranteed refund benefits are available for CJRS retirees?

**Surviving Spouse Benefit for Retirees:** After your death, a monthly benefit is payable to your surviving spouse for life or until remarriage. This surviving spouse benefit is equal to one-half of the monthly retirement benefit payable under the maximum allowance reduced by two percent for each full year that your age exceeds that of your spouse. This benefit is in addition to any survivorship benefits payable under Options 2, 3, 6-2 or 6-3.

**Guaranteed Refund for Retirees:** If you and your surviving spouse and your monthly survivorship beneficiary, if any, die before the total of the retirement allowances paid equals the amount of your contributions and interest at the date of retirement, the remaining portion of your contributions and interest will be paid in a lump sum to the beneficiary(ies) you designated to receive the Guaranteed Refund.

### What retirement payment options are available?

When you retire, you must elect one of the payment options listed below. Each option includes a Guaranteed Refund feature which provides that should you and your monthly survivor beneficiary, if any, die before the total of all monthly payments equals the amount of your contributions and interest at the date of retirement, the unrecovered portion of your contributions and interest will be paid in one lump sum to another beneficiary(ies).

**Maximum Allowance:** Basic, Straight Life Benefit (no monthly survivor) is paid throughout your lifetime. All monthly benefit payments stop at your death.

**Option 2:** 100% Joint and Survivor (one monthly survivor) is a reduced retirement allowance paid to you. After your death, the same reduced retirement allowance is paid to your monthly survivor beneficiary for the remainder of his/her life.

**Option 3:** 50% Joint and Survivor (one monthly survivor) is a reduced retirement allowance paid to you that is slightly larger than Option 2. After your death, one-half of the reduced retirement allowance is paid to your monthly survivor beneficiary for the remainder of his/her life.

**Option 4:** Adjustment of Retirement Allowance and Social Security Benefits (no monthly survivor) is a retirement allowance providing for larger monthly payments than you would otherwise be entitled to receive until you become eligible for Social Security at age 62. Beginning at age 62, your monthly payments will be reduced to an amount that is less than what you would otherwise be entitled to receive. However, your reduced retirement payments after age 62, plus your allowance from the Social Security Administration, will be approximately the same amount as the inflated payment you received from the Retirement System before age 62.

**Option 6-2 or 6-3:** Modified Joint and Survivorship (one monthly survivor) is a reduced retirement allowance as provided by Option 2 or Option 3, with the added provision that if your monthly survivor beneficiary dies before you do, your retirement allowance will increase to the Maximum Allowance the following month for the remainder of your life.

## What do I do about funds in my NC 401(k) or NC 457 Plans?

The short answer: You can keep your money in the plans! A participant service representative can help you make sound decisions about your NC 401(k) and/or NC 457 Plan accounts during this period of transition from your active CJRS employment. They can work with you to determine which of the following options is right for you:

### *Option 1: Keep your Funds in the Plan*

Once you separate from service, you can no longer contribute to the plans, but you may remain in the plans and continue to enjoy all of the benefits, including:

- 24/7 access to online tools to monitor your investments
- Tax-deferred growth of your investment options
- The ability to transfer among investments in the plans
- The ability to roll over money from other eligible retirement plans or IRAs
- Access to your regional retirement education manager and the plan's participant service center
- Low fees through the buying power of the state

### *Option 2: Roll savings into an IRA or new employer's retirement plan*

This path allows your assets and earnings to continue to grow tax-deferred until you begin taking withdrawals. However, once rolled into another plan, your account could be subject to fees or restrictions that are not present in your NC 401(k) and NC 457 Plans.

### *Option 3: Begin withdrawals*

You may begin withdrawals if you've separated from service. However, cashing out your retirement savings should be an action of last resort, since it could hamper your efforts to achieve your long-term retirement savings goals. The plans allow lump-sum withdrawals, partial withdrawals and systematic withdrawals.

## How do I get information about Social Security benefits?

Contact the Social Security Administration at [socialsecurity.gov](http://socialsecurity.gov) or toll-free at 1-800-772-1213.

**DISCLAIMER:** The availability and amount of all benefits you might be eligible to receive is governed by North Carolina law. The information provided in this publication cannot alter, modify or otherwise change the controlling North Carolina law or other governing legal documents in any way, nor can any right accrue to you by reason of any information provided or omission of information provided herein. In the event of a conflict between this information and North Carolina law, North Carolina law governs.

## Do you offer supplemental insurance for retirees?

Yes! In an effort to continuously enhance the benefits available to retired public employees, the Retirement Systems Division is proud to offer you supplemental dental and vision insurance through our trusted partner, Pierce Insurance.

Soon after you retire, Pierce will mail information about these insurance products directly to you. Enrollment is optional and retirees pay the full cost of coverage; however, you may be able to benefit from the lower group rates offered through Pierce.

If you would like to contact Pierce Insurance directly with questions, please call 1-855-NCRETIRE (1-855-627-3847) or visit [www.ncretiree.com](http://www.ncretiree.com).

## How do I contact the Retirement Systems Division?

Visit [MyNCRetirement.com](http://MyNCRetirement.com) at any time to:

- Download and view Your Retirement Benefits handbooks
- Review Frequently Asked Questions
- Use ORBIT to manage your retirement account online

Send an email to: [nc.retirement@nctreasurer.com](mailto:nc.retirement@nctreasurer.com)

Like and follow us on Facebook at: [Facebook.com/MyNCRetirement](https://www.facebook.com/MyNCRetirement)

Send a letter to:

North Carolina Department of State Treasurer  
Retirement Systems Division  
3200 Atlantic Avenue  
Raleigh, North Carolina 27604  
Toll-free: 1-877-NC SECURE (877-627-3287)  
Fax: 919-855-5800

Appointment-only Policy: If you wish to visit our office, please contact the Retirement Systems Division at [NCRetirement@nctreasurer.com](mailto:NCRetirement@nctreasurer.com) to schedule an appointment.



# North Carolina Total Retirement Plans

a division of

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DEPARTMENT OF STATE TREASURER  
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