



North Carolina Total Retirement Plans



Benefit Highlights – CJRS

Thank you for your service to North Carolina!



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

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

The North Carolina Total Retirement Plans Solution. Many financial experts suggest that individuals will need a monthly income in retirement equal to 80% of their pre-retirement income. With the North Carolina Total Retirement Plans, as an eligible employee, you participate in one of the most secure and responsibly managed defined benefit plans in the nation — the Consolidated Judicial Retirement System. You also have the potential to save additional funds to help you reach your financial goals by participating in the defined contribution plans.

CJRS. As a member of CJRS, you are entitled to a monthly lifetime benefit calculated using a specified formula once you meet eligibility requirements. You are required to contribute 6% of your compensation to CJRS. Your employer also makes contributions to CJRS based on calculations prepared by an actuary. Your contributions and your employer's contributions are invested by the Department of State Treasurer to provide the funding needed to pay lifetime monthly benefits for you and other members.

NC 401(k) and NC 457 Plans. Whether you're a new employee just starting your retirement planning journey, or you've been planning and saving for retirement for years, participating in these defined contribution plans may help you take the next step toward reaching your retirement financial goals. The amount you receive at retirement will be based on your personal contributions, any employer contributions (if applicable), and any earnings on the plan investments you've selected. As long as you have an account, you have access to a Regional Retirement Education Manager and the plans' knowledgeable participant service representatives.

The NC 401(k) Plan and NC 457 Plan — along with your CJRS benefits and Social Security — are part of the Total Retirement Plans solution that may help you achieve a secure financial future and a more comfortable retirement.



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 5 years of membership service
- At age 50 with 24 years of creditable service

Early Retirement (Reduced) Benefits are available:

- At age 50 with 5 years of membership service

Your early retirement benefit is determined by the same formula as a 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 3% 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 5 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 continue working to age 65, not to exceed 24 years.

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 5 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% of your final compensation
TIMES
your years of creditable service

Superior Court Judge service

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

Transferred service

1.82% of your average final
compensation
TIMES
your years of creditable
service transferred from
the Teachers' and State
Employees' or Legislative
Retirement Systems

1.85% of your average final
compensation
TIMES
your years of creditable
service transferred from
the Local Governmental
Employees' Retirement
System

Your maximum allowance is limited to 75% 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.

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.

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.

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 5 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 2% 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 2% 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 providing after your death the same reduced retirement allowance 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 providing after your death one-half of the reduced retirement allowance 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.

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.

Is retiree health coverage available?

Under current law, if you were first hired prior to **October 1, 2006**, and retire with 5 or more years of CJRS membership service, the state will pay for your individual coverage under the 70/30 or Medicare Advantage Base Plan.

If you were first hired on or after October 1, 2006, in order to receive the 70/30 individual coverage at no cost, you must retire with 20 or more years of retirement service credit. If you have 10, but fewer than 20 years of retirement service credit, you will have to pay 50% of the cost for your coverage. If you have 5, but fewer than 10 years, you will have to pay the full cost of your coverage, if elected.

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

Eligibility and Enrollment Support Center • 855-859-0966
State Health Plan website • www.shpnc.org

My Social Security Account

You probably plan to receive Social Security benefits someday. Maybe you already do. Either way, you'll want to go online and create a My Social Security account to quickly and easily:

- Keep track of your earnings and verify them every year
- Get an estimate of your future benefits if you are still working
- Get a letter with proof of your benefits if you currently receive them
- Manage your benefits:
 - Change your address
 - Start or change your direct deposit
 - Get a replacement Medicare card
 - Get a replacement SSA-1099 or SSA-1042S for tax season

With instant access to your Social Security Statement at any time, you will no longer receive one periodically in the mail, saving money and the environment.

Setting up an account is quick, secure, and easy. Just go to socialsecurity.gov/myaccount.

Social Security Information...For Every Age

The Social Security website now has different web portals with information for people of all ages and all stages of life.

For example, younger workers can use the online retirement estimator to create "what if" scenarios to determine when would be the best age to retire and what their post-retirement income could be.

The web portal for Kids and Families has kid-friendly materials that educate why Social Security is important for families. And brides, mothers, newly widowed women, divorcees and caregivers looking for financial planning resources can access them on the Women's web portal.

There's so much more, so check out socialsecurity.gov today!

How do I contact the Retirement Systems Division?

Visit MyNCRetirement.com at any time to:

- Estimate monthly benefits using our Retirement Estimator
- Download and complete retirement applications and forms
- Download and view Your Retirement Benefits handbooks
- Review Frequently Asked Questions
- Manage your retirement account online using ORBiT

Or send an email to nc.retirement@nctreasurer.com

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

Follow us on Twitter at twitter.com/nctreasurer

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Appointment-only Policy: If you wish to visit our office, please contact the Retirement Systems Division to schedule an appointment.



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