





BENEFITS AND RETIREMENT

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TOPICS



- Benefits/Open Enrollment
- Plan Participation & Milestones
- Retirement Eligibility
- Estimating Retirement Benefits & Payment Options
- Health Insurance
- Application Process
- Supplemental Retirement Benefits
- Re-employment
- Resources



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BENEFITS



OPEN ENROLLMENT 2024

October 9 – October 27, 2023

- Take time to review your available options
- You may choose your preferred health plan and complete a tobacco attestation to reduce monthly premiums
- Enroll for the first time or make changes to existing NC Flex options, and add or remove dependents
- Only opportunity to make changes without having a qualified life event
- Elections made during this time will be effective January 1, 2024



STATE HEALTH PLAN

- ALL employees, including dependents, will be moved to the Base PPO Plan (70/30) effective Jan. 1, 2024. **You MUST take action to enroll in the Enhanced PPO Plan (80/20).**
- In order to get your monthly premium reduced, you need to complete the tobacco attestation. This will save you \$60 per month.
- If you use tobacco products, you may still receive this wellness credit provided you agree to and attend a smoking cessation counseling session between now and November 30, 2023.
- Employees may attend a tobacco cessation counseling session a provider's office that offers this. Be sure to obtain a copy of the summary of the visit, then upload this to the "Document Center" located in eBenefits.



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FLEXIBLE SPENDING ACCOUNTS

Health Care

- Must reenroll to continue
- Annual maximum increased to \$3,050 (previously \$2,850)
- Annual rollover minimum \$25 and maximum \$610 (previous \$570 maximum)

Dependent Day Care

- Must reenroll to continue
- Annual maximum is \$5,000 per household



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IMPORTANT REMINDERS

- Save your elections
- Print and/or save a copy of your confirmation statement
- Be sure to provide required dependent verification documents for SHP by November 30
- Make sure SSN's have been provided for all covered dependents 6 months and older
- Visit www.shpnc.org and www.ncflex.org to get more details and to register for the informative webinars offered.



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TEACHERS' AND STATE EMPLOYEES RETIREMENT SYSTEM (TSERS)



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TEACHERS' AND STATE EMPLOYEES' RETIREMENT SYSTEM (TSERS)

- Mandatory with Automatic Enrollment
- Contribute 6% of eligible compensation
- Death Benefit
- Disability Benefits
- Retiree Health Insurance (if hired prior to 2021 & no refund issued)



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PLAN PARTICIPATION AND MILESTONES



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PARTICIPATION AND MILESTONES

One (1) Year of Membership Service

Death Benefit

- If you pass away while actively employed, your designated beneficiary will receive a lump-sum payment equal to the highest 12 consecutive months' salary during the 24 months prior to death. Minimum of \$25,000 and a maximum of \$50,000.

Short-Term Disability

- If you are unable to work due to an illness or injury, you may be eligible for 50% of your pay for up to 1 year under the Disability Income Plan of NC (DIPNC).



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PARTICIPATION AND MILESTONES

Five (5) Years of Membership Service

Vested

- After 5 years of membership service, you have earned a right to a lifetime monthly benefit when you meet the age and service requirements.

Long-Term Disability

- If you are unable to work due to an illness or injury you may be eligible to receive up to 65% of your pay until you are eligible for unreduced retirement benefits provided all other requirements are met.



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PLAN PARTICIPATION AND MILESTONES

Twenty (20) Years of Creditable Service or Age 60 with 5 Years of Membership Service Survivors Alternate Benefit (SAB)

- You have not retired and die while in active service or within 180 days of your last day of service
- You have only 1 eligible principal/primary beneficiary for the Return of Contributions
- Lifetime monthly benefit payable to your beneficiary equal to the amount you would have been entitled to receive under Option 2 (100% Joint & Survivor)



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ELIGIBILITY

When can I retire?



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RETIREMENT ELIGIBILITY

Service Retirement (Unreduced Benefit)

- 30 Years of Service
- Age 60 with 25 Years of Service
- Age 65 with 5 Years of Service

Early Retirement (Reduced Benefit)

- Age 50 with 20 Years of Service
- Age 60 with 5 Years of Service



BENEFIT CALCULATIONS



ESTIMATING RETIREMENT BENEFITS

1.82% x Average Final Compensation x Years of Service

Three (3) Components

- **Accrual Factor-** 1.82%; The percentage of your Average Final Compensation used in the calculation; determined by the General Assembly.
- **Average Final Compensation (AFC)-**Average of your salary during your four highest-paid years in a row.
- **Creditable Service-** Total amount of ALL service credit that counts toward retirement.



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UNREDUCED RETIREMENT BENEFIT

30 Years of Service

$$\text{\$60,000} \times .0182 = \text{\$1,092}$$

$$\text{\$1,092} \times 30 = \text{\$32,760}$$

$$\text{\$32,760} / 12 = \text{\$2,730}$$

\\$2,730 monthly under Maximum Allowance payment option

- Service Retirement = Unreduced benefit
- Years and Months of Service increase annual and monthly benefit



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EARLY RETIREMENT / REDUCED BENEFIT

Average Final Compensation x Accrual Factor x Years of Service x [Early Retirement Percentage](#)

Early Retirement Percentages

Age	Years of Creditable Service							Early Retirement Percentage
	29	28	27	26	25	24	23	
59	95%	90%	85%	80%	80%	80%	80%	97%
58	95%	90%	85%	80%	75%	75%	75%	94%
57	95%	90%	85%	80%	75%	70%	70%	91%
56	95%	90%	85%	80%	75%	70%	65%	88%
55	95%	90%	85%	80%	75%	70%	65%	85%
54	95%	90%	85%	80%	75%	70%	65%	
53	95%	90%	85%	80%	75%	70%	65%	
52	95%	90%	85%	80%	75%	70%	65%	



TSERS EARLY RETIREMENT CALCULATION

Age 50 with 20 Years of Service

$$\$60,000 \times .0182 \times 20 \times .50 = \$10,920$$

$$\$10,920 / 12 = \text{\$910}$$

- Early Retirement = Reduced Benefit
- Reduced based on Age or Age and Service
- Early Retirement Percentage sometimes referred to a 'Reduction Factor'



ESTIMATING RETIREMENT BENEFITS

Resources

- ORBIT – Create Custom Benefit Estimate (more than 1 year from retirement)
- Form 309- Contact Retirement Systems Division (within 1 year of retirement)
- AOC Benefits Specialist



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RETIREE HEALTH INSURANCE



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RETIREE HEALTH COVERAGE: ELIGIBILITY



First hired **before October 1, 2006**, maintained an active TSERS Account:

- 5 years or more: Premium Free & Reduced Premium Options

First hired **on/after October 1, 2006, maintained an active TSERS Account**

- 5 - 9 years of service: Pay Full Amount of Premium
- 10 – 19 years: Pay Fifty Percent (50%) of the Premium
- 20 years or more: Premium Free & Reduced Premium Options

First hired on/after **January 1, 2021**, not eligible for Retiree Health Coverage



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RETIREE HEALTH COVERAGE –MEDICARE

- Medicare Primary members have several options for health plan coverage. These options include the following plans:
 - Humana Group Medicare Advantage (PPO) Base Plan or Enhanced Plan
 - 70/30 Plan
- **In order for a retiree to be eligible for the Humana Group Medicare Advantage (PPO) Plans, the retiree must be enrolled in Medicare Parts A and B.**
- To enroll in Medicare, please contact the Social Security Administration at [800-772-1213](tel:800-772-1213) or www.socialsecurity.gov
 - Form CMS-40 B
 - CMS –L564



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RETIREE HEALTH COVERAGE FLEX & SUPPLEMENTAL INSURANCES

NC

When NCFlex coverage is lost due to retirement, separation of employment or other losses of eligibility, employees and covered dependents may continue certain benefits. Below is a list of some examples of the continuation options.

- Dental- COBRA iTedium will send COBRA enrollment materials to your last known address.
- Vision Care- COBRA iTedium will send COBRA enrollment materials to your last known address.
- Term Life – Portability/Conversion -Contact Voya for rates & to continue coverage
- Health Care Flexible Spending Account -COBRA P&A will send COBRA enrollment materials to your last known address.

Retiree Supplemental Benefits

- **Pierce Insurance** is vendor, 1-855-627-3847, www.ncretiree.com



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RETIREMENT APPLICATION PROCESS



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RETIREMENT APPLICATION PROCESS

Online through ORBIT

- 90- 120 days prior to retirement date
- Upload Documents
 - Proof of Birth (Retiree & Beneficiary)
 - Age 62 SS Estimate (Option 4 Only)
- RSD will request salary and sick leave information from AOC Human Resources
- RSD will **email** employee to complete next steps

Retirement Application Form 6

- 90- 120 days prior to retirement date
- Submit Documents to AOC HR
 - Proof of Birth (Retiree & Beneficiary)
 - Age 62 SS Estimate (Option 4 Only)
- AOC HR/Payroll completes Page 2- Form 6 (salary, sick leave) & Forwards to RSD
- RSD will **mail** employee forms to complete



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RETIREMENT APPLICATION PROCESS

- **Allow 60 days to receive payment options & payment election, Form 6E**
- Process “complete” when payment election/Form 6E returned & processed
- **Automatic Enrollment in SHP medical coverage**
- First payment is always a paper check, direct deposit following months
- **Retiree Pay Day = 25th of the Month**



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SUPPLEMENTAL RETIREMENT PLANS



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SUPPLEMENTAL RETIREMENT PLANS

NC 401(K) PLAN AND NC 457 PLAN

NC 401(k) Eligibility: Employees contributing to Teachers' and State Employees' Retirement System or Consolidated Judicial Retirement System

NC 457 Eligibility: Employees of participating state and local government entities: Full Time, Temporary or Part-Time; Elected and Appointed Officials and Rehired Retirees

Enroll online: <https://ncplans.retirepru.com/> or Enrollment Form

Increase Savings: In-coming Rollovers, Catch-up Contributions or One Time Contributions (longevity payouts)



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SUPPLEMENTAL RETIREMENT PLANS: 401(K)/457 TRANSFER BENEFIT

- May transfer all or portion of NC 401(k)/457 funds to TSERS.
- Receive separate monthly lifetime benefits based on the amount of transfer.
- After-tax Roth contributions are non-transferable.
- One-time \$100 administrative fee per account. Transfer is irrevocable.
- Complete Form 319 to elect. Provided by Retirement Systems Division.



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SUPPLEMENTAL RETIREMENT PLANS 401(K)/457 TRANSFER BENEFIT RESOURCES

State Employees' Credit Union

Phone: 1-888-732-8562
www.nclifetimeincome.org

Empower Retirement

Phone: 1-866-627-5267
www.ncplans@empower.com

North Carolina Retirement Systems

Phone: 919-814-4590
www.myncretirement.com



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RE-EMPLOYMENT



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RE-EMPLOYMENT

Non - Contributing Position

- Six-Month Waiting Period
- Temporary, Contract, Part-time, Interim
- Earnings Cap
- Hours per week and ACA

Contributing Position


- Six-Month Waiting Period
- Suspend retirement
- Cancel health coverage as retiree
- Re-enroll in health coverage as active employee



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RESOURCES




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RESOURCES

 <https://orbit.myncretirement.com>

Active Employees	Retirees
<ul style="list-style-type: none">● View service credit & account balance● Designate a beneficiary● Estimate retirement benefits● 401(k)/457 transfer benefit estimates● Download forms	<ul style="list-style-type: none">● View payment history● Change direct deposit● Change tax withholding elections● View 1099-R● Download forms



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RESOURCES

Retirement Systems Division

Phone: 919-814-4590

Internet: www.MyNCretirement.com

E-Mail: nc.retirement@nctreasurer.com

AOC Benefits Specialists

Katina Smith: (919)890-1120

Priya Narayanan: (919)890-1105

LaJune Harrison: (919)890-1309

Refer to the **NCAOC Contact Directory** in **June** (juno.nccourts.org) to get the name and contact information for your assigned representative.



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