



Benefits and Retirement

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topics



- State Health Plan & NC Flex Options
- Supplemental Insurance
- Plan Participation & Milestones
- Retirement Eligibility
- Estimating Retirement Benefits & Payment Options
- Retiree Health Insurance
- Application Process
- Supplemental Retirement Benefits
- Re-employment
- Resources



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Benefits



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State Health Plan 2023

- Base (70/30) and Enhanced (80/20) PPO plans
- Website: www.shpnc.org
- Provider is **Blue Cross Blue Shield**, 1-888-234-2416
- Pharmacy Benefits, **CVS Caremark**, 1-888-321-3124
- Open Enrollment each year in October



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NC Flex

- Core Vision ([no cost](#))
- Core AD&D ([no cost](#))
- Vision (Basic or Enhanced)
- Voluntary AD&D
- Dental (Low, Classic, High options)
- Flexible Spending Accounts (Health Care or Dependent Day Care)
- Accident
- Cancer (Low or Premium)
- Critical Illness (\$15k, \$25k, or \$40 k)
- Group Term Life (includes options for spouse and children)
- Disability
- Tricare Supplement

Visit www.ncflex.org for coverage details, rates, webinars, and to sign up for their newsletter.



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Benefit highlights

Enrollment done online via [eBenefits](#) or call the Eligibility and Enrollment Support Center, **1-855-859-0966**

Open Enrollment

- Active enrollment required to get Enhanced 80/20 PPO & wellness credit
- Pay attention to deadlines. Exceptions are rare
- Upload applicable dependent verification docs & add SSN's for dependents age 6 months and older
- Always print a confirmation statement and review your choices

Qualified Life Events

- 30-day window from effective date to make changes AND submit documentation
- Can only make changes to current options, not choose new benefits
- Upload required docs (proof of life event/ dependent verification) & add SSN's for dependents age 6 months and older
- Always print a confirmation statement and review your choices



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Supplemental Insurance

Colonial Life

Cancer
Disability
Hospitalization
Term Life

1-888-732-6248

Pierce Insurance Company

Whole Life
Universal Life
Long Term Care

1-800-421-3142

AFLAC

Accident Insurance

919-846-0768



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Teachers' And State Employees Retirement System (TSERS)



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Teachers' and State employees' retirement system (TSERS)

- Defined Benefit Plan qualified under IRS Code 401(a)
- 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).



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 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.



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

- 30 Years of Service
- Age 60 with 25 Years of Service
- Age 65 with 5 Years of Service
- Benefit is **Unreduced**

Early Retirement

- Age 50 with 20 Years of Service
- Age 60 with 5 Years of Service
- Benefit **Reduced**
- Reduced Based on Age/Service



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Benefit Calculations



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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 (may include payouts for vacation, bonus leave, and/or longevity).
- **Creditable Service**- Total amount of ALL service credit that counts toward retirement (membership service and non- contributory service).



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Average final compensation

Retirement Date: July 1, 2023

| Year | Months | Service | Gross Salary | |
|------|----------|---------|--------------|--------------------|
| 2023 | Jan-Jun | 6/12 | \$27,540.48 | |
| 2022 | Jan-Dec | 12 | \$53,426.01 | |
| 2021 | Jan-Dec | 12 | \$51,172.50 | |
| 2020 | Jan-Dec | 12 | \$49,385.68 | |
| 2019 | July-Dec | 6/12 | \$24,893.02 | |
| | | | | = \$206,417.69 ÷ 4 |
| | | | | AFC = \$51,604.42 |



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Unreduced retirement benefit

30 Years of Service

$$\$60,000 \times .0182 = \$1,092$$

$$\$1,092 \times 30 = \$32,760$$

$$\$32,760 / 12 = \$2,730$$

\$2,730 monthly under Maximum Allowance payment option

- Service Retirement = Unreduced benefit
- Years and Months of Service increase annual and monthly benefit
- Monthly benefit based on payment option elected



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% | |



early retirement Calculation

Age 50 with 20 Years of Service

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

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

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



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PAYMENT OPTIONS



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AFC = \$60,000 Service = 30 years of service; Member age = 50
 Beneficiary age = 51 Social Security age 62 benefit = \$1,200.00

| Payment Option | Retiree Benefit | Beneficiary Benefit |
|--|-------------------|---------------------|
| Maximum Allowance | \$2,737.58 | \$0.00 |
| Option 2 - 100% survivorship | \$2,607.00 | \$2,607.00 |
| Option 3 - 50% survivorship | \$2,670.78 | \$1,335.39 |
| Option 4- Social Security Leveling to age 62 | \$3,183.84 | \$0.00 |
| Option 4- Social Security Leveling after age 62 | \$1,983.84 | \$0.00 |
| Option 6-2 - Modified 100% survivorship | \$2,594.68 | \$2,594.68 |
| Option 6-3 - Modified 50% survivorship | \$2,664.21 | \$1,332.11 |



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)



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 supplemental insurances

nc flex &

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: www.myncplans.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. This *may be done at any time*, even after you retire.
- Complete Form 319 to elect. Provided by Retirement Systems Division or download from ORBIT.



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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



Active Employees

- View service credit & account balance
- Designate a beneficiary
- Estimate retirement benefits
- 401(k)/457 transfer benefit estimates
- Download forms

Retirees

- 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: ncretirement@nctreasurer.com

AOC Benefits Specialists

LaJune Harrison: 919-890-1309

Priya Narayanan: 919-890-1105

Katina Smith: 919-890-1120

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



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Thank You

NC Administrative Office of the Courts
Human Resources Division