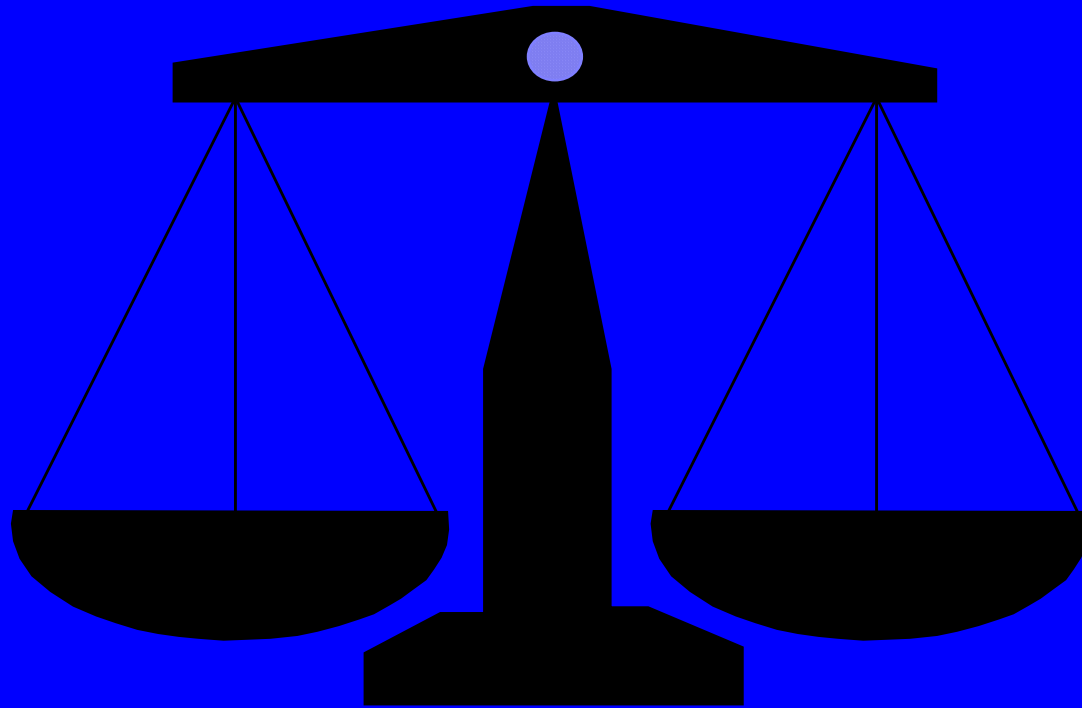


# Consolidated Judicial Retirement System Overview As Of October 21, 2008



# Membership in the Consolidated Judicial Retirement System

You become a member of the 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
- ◆ Public Defender
- ◆ Director of Indigent Defense Services
- ◆ Clerk of Superior Court
- ◆ Administrative Officer of the Courts

# Monthly Contributions

- ◆ Your share of the cost is automatically deducted from your paycheck.
- ◆ You contribute 6% of your gross salary.
- ◆ The State currently contributes 17.31% of all members' salaries to pay for the benefits for you and other members.





# How Your Beneficiaries Are Protected If You Die In Active Service

**If you should die before retirement, your beneficiary will receive:**

- ◆ **Death Benefit** – The death benefit is a lump sum payment which is equal to your annual rate of compensation at the date of death.
- ◆ **Refund of Retirement Contributions with Interest**

# How Your Beneficiaries Are Protected If You Die In Active Service

## Eligibility for Surviving Spouse Benefit

If you die in active service (while being paid salary) after:

- ◆ Reaching age 50 with five years of service, and
- ◆ Your principal beneficiary designation is your spouse who survives you

Then, your surviving spouse may choose to receive a monthly benefit instead of a refund of your contributions with interest.

# How Your Beneficiaries Are Protected If You Die In Active Service

## **Surviving Spouse Benefit**

The benefit equals one-half of the retirement allowance to which you would have been entitled on the first day of the calendar month following the date of death, reduced by 2% for each full year your age exceeds that of your spouse. This benefit is payable for life unless the surviving spouse remarries.

# Reciprocity Between Retirement Systems

If you have credit in any of these systems:

- ◆ LEGISLATIVE RETIREMENT SYSTEM
- ◆ TEACHERS' AND STATE EMPLOYEES' RETIREMENT SYSTEM
- ◆ LOCAL GOVERNMENTAL EMPLOYEES' RETIREMENT SYSTEM
  - ◆ That service may be counted along with your credit in the Consolidated Judicial Retirement System for the purpose of determining eligibility for a reduced, unreduced, or disability benefit.
  - ◆ Only your creditable service in this System (CJRS) will be used in computing the amount of your benefit in this System, and creditable service in any other System will be used in computing benefits from that System.

# Eligibility for Retirement Benefits

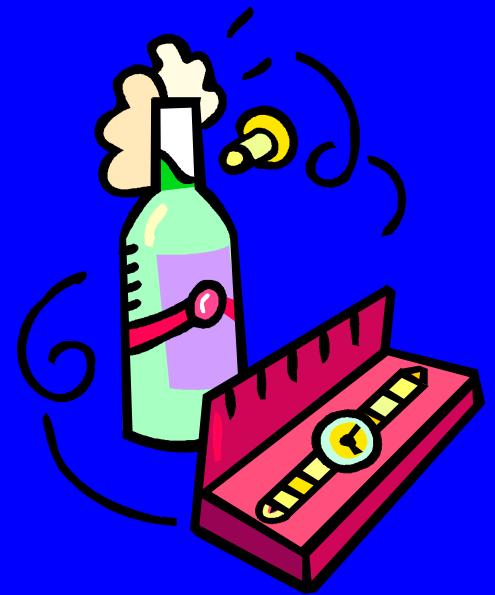
## For Unreduced Benefits:

- ◆ 5 years of creditable service at age 65
- ◆ 24 years of creditable service at age 50

*Note: Your retirement benefit cannot exceed 75% of your final compensation.*

## For Reduced Benefits:

- ◆ 5 years of creditable service at age 50





# How Your Retirement Benefit Is Figured

The retirement formula for a Superior Court Judge or an Administrative Officer of the Courts is:

3.52% of final compensation

Times

Years of creditable service





# Transferring Service and Contributions From Other Systems

If you have completed five years of membership service in the Consolidated Judicial Retirement System, you may transfer creditable service from the following Systems to this Retirement System:

- ◆ Teachers' and State Employees' Retirement System
- ◆ Local Governmental Employees' Retirement System
- ◆ Legislative Retirement System



# Transferring Service and Contributions From Other Systems

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Effective September 1, 2005, if you are a reemployed retiree of the Teachers' and State Employees' Retirement System or Consolidated Judicial Retirement System, who, following retirement, has returned to employment under the Consolidated Judicial Retirement System, you may transfer service credits from the Teachers' and State Employees' Retirement System to the Consolidated Judicial Retirement System upon completion of three years following your return to employment, provided you have a total of five years of Consolidated Judicial Retirement System service.

# How Your Transferred Service Benefit Is Figured

The formula for service transferred from the Teachers' and State Employees' Retirement System or the Legislative Retirement System is:

1.82% of Average Final Compensation  
TIMES  
Years of Creditable Service

*Note: Average final compensation means the annual average of your 48 consecutive highest-paid months of membership in the Consolidated Judicial Retirement System.*

# How Your Benefit Is Figured

The formula for service transferred from the Local Governmental Employees' Retirement System is:

$$\begin{array}{c} 1.85\% \text{ of "Average Final Compensation"} \\ \text{TIMES} \\ \text{Years of Creditable Service} \end{array}$$

Note: Average final compensation means the annual average of your 48 consecutive highest-paid months of membership in the Consolidated Judicial Retirement System.

# Disability Retirement

- ◆ To be eligible for disability retirement, you must have 5 years of creditable service.
- ◆ Disability retirement must be approved by the Medical Review Board.
- ◆ The disability benefit under the Maximum Allowance is calculated based on same formula as a service retirement, however:
  - ◆ Your final compensation is calculated as of your disability retirement date.
  - ◆ The creditable service is counted as though you continue working to age 65, not to exceed 24 years.

# Payment Options

## Maximum Monthly Benefit



### Option 1

- ◆ When you retire on a service or disability retirement benefit, your maximum payment is calculated under a formula depending on your title in the Judicial Department. If you retire early, your maximum payment is calculated under the same formula and then reduced for early retirement. You receive the maximum monthly benefit for life. All payments stop at your death unless a surviving spouse benefit is payable. Under the maximum payment plan, your total benefit may not exceed 75% of your final compensation.



# Payment Options

## 100% Joint and Survivor

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### Option 2

- ◆ You receive reduced monthly payments for life. After you die, your beneficiary receives the same amount monthly for life.





# Payment Options

## 50% Joint And Survivor

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### Option 3

- ◆ You receive reduced monthly payments for life. After you die, one-half of your payment continues to your beneficiary for life.



# Payment Options

## Social Security Leveling

### Option 4

- ◆ You receive larger 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.



# Payment Options

## Social Security Leveling

- ◆ Your reduced retirement payments after age 62 plus your allowance from the Social Security Administration should be approximately the same amount as the inflated payment you received from the Retirement System before age 62.
- ◆ The actual amount of your retirement payments both before and after age 62 will be based on the estimate of benefits you will provide to the Retirement System from the Social Security Administration *prior* to your retirement. All monthly payments cease at your death.

# Payment Options

## Modified Joint And Survivor

### Option 6-2

- ◆ Under a combination of Option 2 and the maximum payment, your death entitles your beneficiary to receive a monthly payment for life in the same amount as you received. However, if the beneficiary dies before you do, your monthly payments are increased to the amount payable under the maximum payment

# Payment Options

## Modified Joint And Survivor

### Option 6-3

- ◆ Under a combination of Option 3 and the maximum payment, your death entitles your beneficiary to receive a monthly payment for life of one-half the amount you received. However, if your beneficiary dies before you do, your monthly payments are increased to the amount payable under the maximum payment.



# Surviving Spouse Benefit (Payable Under All Option Plans)

- ◆ The surviving spouse of a retired member will receive a monthly benefit.
- ◆ The benefit is equal to one-half the benefit under the maximum plan reduced by two percent for each full year your age exceeds the age of your spouse.
- ◆ Payment ceases at death or upon remarriage of the spouse.

# Guaranteed Return of Contributions (Maximum Payment Option Only)



The law provides that the total of your accumulated contributions at the date of retirement be returned through monthly benefits or a lump sum payment. Should you, your surviving spouse, and your survivorship beneficiary, if any, die before the total amount of benefits received equals the sum of your accumulated contributions at retirement, the excess would be paid to the beneficiary you have designated to receive this payment.



# Retiree Health Insurance Coverage

If you were first hired **prior to October 1, 2006**, and retire with five or more years of Judicial System membership service, the State will pay either all or most of the cost, depending on the plan chosen, for your individual coverage under one of the Preferred Provider Organization (PPO) plans.



# Retiree Health Insurance Coverage

For employees that were first hired **on or after October 1, 2006**, the following rules apply:

- ◆ Retirees that have 5 but less than 10 years of retirement service credit will have to pay the full employer's cost for health insurance coverage.
- ◆ Retirees that have 10 but less than 20 years of retirement service credit will have to pay 50% of the employer's cost for health insurance coverage.
- ◆ For retirees that have at least 20 years of retirement service credit, the employer's portion will be paid for them.
- ◆ In all cases, the full cost of dependent coverage, if elected, must be paid by the retiree.



# Retiree Health Insurance Coverage

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As a retiree, when you or covered dependents become eligible for Medicare, both Parts A (Hospital) and B (Medical) must be elected in order to maintain the same level of coverage provided before retirement.

# Retirement Questions?



**For the Consolidated Judicial  
Retirement System, contact:**

**Don Perry  
(919) 508-5377**

**For State & Local Retirement  
Systems, contact:**

**Outside Raleigh Area 1-877-627-3287**

**Local Calls (919) 807-3050**

# Additional Information

## For Benefits Questions Call:

- ◆ Debbie Perkinson      A-F      919-890-1120
  - ◆ [Debbie.Perkinson@nccourts.org](mailto:Debbie.Perkinson@nccourts.org)
  
- ◆ Sarah Corbett      G-M      919-890-1106
  - ◆ [Sarah.A.Corbett@nccourts.org](mailto:Sarah.A.Corbett@nccourts.org)
  
- ◆ Robert McKane      N-Z      919-890-1117
  - ◆ [Robert.M.Mckane@nccourts.org](mailto:Robert.M.Mckane@nccourts.org)