



NORTH CAROLINA
ADMINISTRATIVE OFFICE
of the COURTS

**Benefits Overview
Superior Court Judges**

Date: 10/18/2010
Prepared by: Human Resources Division



Main Topics

- **Supplemental Retirement Savings Plans**
 - 401(k) Plan
 - 457 Deferred Compensation Plan
- **Overview of the Consolidated Judicial Retirement System**



NORTH CAROLINA
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of the COURTS

**Consolidated Judicial Retirement System
Membership**

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
- District Attorney
- Public Defender
- Clerk of Superior Court
- Director of Indigent Defense Services, or
- Administrative Officer of the Courts



NORTH CAROLINA
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Consolidated Judicial Retirement System
Monthly Contributions

- Your share of the cost is automatically deducted from your paycheck each month.
- You contribute 6% of your gross salary.
- The State currently contributes 19.61% of all members' salaries to pay for the benefits for you and other members.



Consolidated Judicial Retirement System
How Beneficiaries Are Protected

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**



Consolidated Judicial Retirement System
How Beneficiaries Are Protected

Eligibility for Surviving Spouse Benefit

If you die in active service after:

- Reaching age 50 with five years of service, and
- Your principle beneficiary designation is your spouse who survives you
- Your surviving spouse may choose to receive a monthly benefit instead of a refund of your contributions with interest.



Consolidated Judicial Retirement System
How Beneficiaries Are Protected

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.



Consolidated Judicial Retirement System
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 added to your creditable service in the Consolidated Judicial Retirement System for the purpose of determining eligibility for a reduced, unreduced, or disability benefit.
 - Only creditable service in the Consolidated Judicial Retirement System will be used in computing the amount of your benefit in this System.
 - Creditable service in any other System will be used in computing benefits from that System.



Consolidated Judicial Retirement 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



Consolidated Judicial Retirement System
How Retirement Benefit Is Figured

The retirement formula for a District Court Judge, District Attorney, Public Defender, Clerk of Superior Court, or Director of Indigent Defense Services is:

3.02% of the final compensation
Times
Years of creditable service

• **Final Compensation** means the annual equivalent of the rate of compensation most recently applicable to you as a member of the Retirement System.



Consolidated Judicial Retirement System
How Retirement Benefit Is Figured

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

3.52% of the final compensation
Times
Years of creditable service



• **Final Compensation** means the annual equivalent of the rate of compensation most recently applicable to you as a member of the Retirement System.



Consolidated Judicial Retirement System
How Retirement Benefit Is Figured

The retirement formula for a Supreme Court Justice or a Court of Appeals Judge is:

4.02% of the final compensation
Times
Years of creditable service

• **Final Compensation** means the annual equivalent of the rate of compensation most recently applicable to you as a member of the Retirement System.



Consolidated Judicial Retirement System
Transferring Service and Contributions From Other Systems

After you have completed five years of membership service in the Consolidated Judicial Retirement System, if you have an active account in any of the following retirement systems:

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

You may transfer contributions and creditable service from any of these systems to the Consolidated Judicial Retirement System.



Consolidated Judicial Retirement System
How Transferred Service Benefit Is Figured

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

$$1.82\% \text{ of the Average Final Compensation} \\ \text{Times} \\ \text{Years of Creditable Service}$$

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

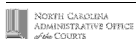


Consolidated Judicial Retirement System
How Transferred Service Benefit Is Figured

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

$$1.85\% \text{ of the Average Final Compensation} \\ \text{Times} \\ \text{Years of Creditable Service}$$

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



Consolidated Judicial Retirement System
Service in More Than One Retirement System

If you have creditable service in more than one of the previous retirement systems, you would apply the appropriate formula to the type of creditable service. The sum of these would be your annual retirement benefit.



Consolidated Judicial Retirement System
Disability Retirement

- To be eligible for disability retirement, you must have 5 years of creditable service
- The benefit is based on the same formula as service retirement, however:
 - The final compensation is calculated as of the disability retirement date.
 - The creditable service is counted as though you continue working to age 65, not to exceed 24 years.



Consolidated Judicial Retirement System
Retirement Payment Options

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.



**Consolidated Judicial Retirement System
Retirement Payment Options**

Option 2 – 100% Joint and Survivor

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



**Consolidated Judicial Retirement System
Retirement Payment Options**

Option 3 – 50% Joint and Survivor

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



**Consolidated Judicial Retirement System
Retirement Payment Options**

Option 4-Social Security Leveling

- 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.



**Consolidated Judicial Retirement System
Retirement Payment Options**

Option 4 – 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.



**Consolidated Judicial Retirement System
Retirement Payment Options**

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.



**Consolidated Judicial Retirement System
Retirement Payment Options**

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.



Consolidated Judicial Retirement System
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.



Consolidated Judicial Retirement System
Guaranteed Return of Contributions
(Payable Under All Options Plans)

- Should both you, your surviving spouse, and your survivorship beneficiary 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.



Consolidated Judicial Retirement System
Retirement Application Process

- Monthly retirement benefits are effective the first day of the month. The retirement application must be signed, dated, and filed at least one day and not more than 120 days prior to the effective date of retirement.
- Approximately 90 to 120 days before your planned retirement date, you should complete a Form 6, "Claiming Your Monthly Retirement Benefit." The Form 6 is available on the website www.myncretirement.com.
- If you want an estimate under Option 4, you must furnish the Retirement System with an estimate, obtained from the Social Security Administration, of the Social Security benefit available to you at age 62.



**Consolidated Judicial Retirement System
Retirement Application Process**

Upon receipt of your Form 6, "Claiming Your Monthly Retirement Benefit," the Retirement System will send you:

- an acknowledgement letter
- Form 170, "Authorizing Direct Deposit" and
- Instructions for enrolling in the retiree group of the State Health Plan.
- You will have an opportunity to elect coverage under the optional \$10,000 Contributory Death Benefit for Retired Members. Your election must be made within 60 days from the effective date of your retirement.



**Consolidated Judicial Retirement System
Retirement Application Process**

Later, you will receive:

- An estimate of the maximum allowance you can receive and estimates for the various payment options, if applicable.
- Form 6 EJ, "Choosing Your Retirement Payment Option for the Consolidated Judicial Retirement System," and
- Form 290, "Choosing Income Tax Withholding Preferences."

Note: The Retirement System will not be able to pay monthly retirement benefits to you until they have received your properly completed Form, 6EJ.



**Consolidated Judicial Retirement System
Retirement Application Process**

Finally, you will be sent a:

- Form 336, "Designating Beneficiary(ies) for the Guaranteed Refund as a Retiree."
- Return completed forms directly to the Retirement System.



Consolidated Judicial Retirement System
Your First Monthly Retirement Benefit

- Your first monthly retirement benefit will be mailed to you.
- Thereafter, your monthly payment will be directly deposited in your account on the 25th day of each month, except in December, when it will be deposited on the 20th.
- If the day the Retirement System would normally make your deposit is a Saturday, Sunday, or holiday, then your deposit will be made on the last workday before that Saturday, Sunday, or holiday.



Consolidated Judicial Retirement System
Changing Survivor Beneficiary After Retirement

Under Options 2, 3, 6-2, and 6-3, you may name only one beneficiary to receive a monthly survivor payment after your death. In addition, you may not change your survivor beneficiary after you retire **except**:

- if you name your spouse as survivor beneficiary and later become divorced from that spouse,
- if you return to employment covered under the Consolidated Judicial Retirement System and contribute to a new retirement account for three years, or
- if you chose Option 2 or 3 at retirement and designated your spouse as survivor beneficiary and this spouse dies before you do and you remarry, you may name your new spouse as your beneficiary within 90 days of your remarriage under the same option you chose at retirement. The designation of the new spouse must be filed with Retirement System within 120 days of remarriage. Your new benefit will be reduced on the basis of your age and the age of your spouse at the time of the change.



Consolidated Judicial Retirement System
Changing Survivor Beneficiary After Retirement

- Under Options 6-2 and 6-3, if your survivor beneficiary dies before you do, you may not name another.



**Consolidated Judicial Retirement System
Changing Retirement Payment Plans**

When you begin receiving your retirement benefits, you may not change the payment plan you select once you have cashed your retirement check or after the 25th of the month following the month your first check is mailed (whichever is earlier) **except:**

- If you select a payment option that provides a monthly benefit to your spouse as named beneficiary after your death (i.e. Option 2, 3, or 6) and later become divorced from that spouse, or
- If you are rehired in a position covered by the Retirement System and contribute to your new account for at least three years.



**Consolidated Judicial Retirement System
Retiree Health Insurance Coverage**

Under current law, if you were first hired prior to October 1, 2006 and retire with 5 or more years of Judicial System membership service, the State will pay for your individual coverage in one of the State Health Plan's PPO plans.



**Consolidated Judicial Retirement System
Retiree Health Insurance Coverage**

Under current law, for employees that were first hired on or after October 1, 2006, the following rules apply:

- Retirees that have between 5 but less than 10 years of service will have to pay the full employer's cost for health insurance coverage.
- Retirees that have between 10 but less than 20 years of service will have to pay 50% of the employer's cost for health insurance coverage.
- For retirees that have at least 20 years of service, there will be no cost for the retiree's individual coverage.



**Consolidated Judicial Retirement System
Refund of Contributions**

If you leave the System for any reason other than retirement or death, you can either;

- Receive a refund of your contributions with interest, or
- Leave your contributions in the System and keep all the creditable service you earned to that date.
- To receive a refund, you will need to complete a Form 5, "Withdrawing Your Retirement Service Credit and Contributions" and file it with the Retirement System. The website is www.myncretirement.com.
- State law does not permit the Retirement System to make a refund earlier than 60 days after your last day of service.



**Consolidated Judicial Retirement System
Contact Information**

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



Contact Information

For Benefits Questions Call:

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