



North Carolina Total Retirement Plans



Benefit Highlights - LGERS LEOs

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 local government employer has offered you comprehensive retirement benefits that were strategically designed to help you plan for a financially secure retirement. For eligible law enforcement officers (LEOs), these benefits include your pension from the Local Governmental Employees' Retirement System (LGERS), 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 Local Governmental Employees' 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.

LGERS. As a member of LGERS, 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 LGERS. Your employer also makes contributions to LGERS 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 LGERS 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 LGERS as a local Law Enforcement Officer?

You become a member of the system on the date of your hire, if you are a permanent, full-time paid employee of an employer who (i) possesses the power of arrest, (ii) has taken the law enforcement oath administered under the authority of the state as prescribed by General Statutes section 11-11, and (iii) is certified as a law enforcement officer under the provisions of Chapter 17C of the General Statutes or certified as a deputy sheriff under the provisions of Chapter 17E of the General Statutes.

“Law Enforcement Officer” also means the sheriff of the county. In addition, the number of paid personnel employed as law enforcement officers by a law enforcement agency may not exceed the number of law enforcement positions approved by the applicable local governing board.

How do I qualify for benefits as a local Law Enforcement Officer?

Service Retirement (Unreduced) Benefits are available:

- At age 55 with 5 years of creditable service
- At any age with 30 years of creditable service

Early Retirement (Reduced) Benefits are available:

- At age 50 with 15 years of creditable service as an officer

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 leave the system before retirement, you may be entitled to receive a deferred benefit at a later date, once you meet the eligibility requirements after you have completed 5 years of creditable service as an officer, provided you do not withdraw your contributions.

Your benefit is determined by the formula in effect on the effective date of your retirement. If you leave the system before you have 5 years of creditable service as an officer, you are entitled only to a refund of your contributions and interest.

What formula is used to calculate retirement benefits for a local Law Enforcement Officer?

Your annual retirement benefit is based on this formula: 1.85% of your average final compensation TIMES your years and months of creditable service.

Average Final Compensation (AFC) is the average of your salary during your four highest-paid years in a row.

Creditable Service includes your membership service for any period during which you contribute to LGERS, provided you do not withdraw your contributions. It may also include credit for purchased service and for eligible unused sick leave that is converted to creditable service at retirement.

Sick leave earned monthly under a duly adopted policy, and for which you would receive full salary if you were absent from work on account of sickness, counts as creditable service. When you retire, one month of credit is allowed, at no cost to you, for each 20 days of your unused sick leave. One more month is allowed for any part of 20 days left over, provided the remaining portion is at least one hour.

Sick leave is used to increase your creditable service, but cannot be used to meet the minimum qualifications for a disability retirement benefit or deferred benefit. Sick leave may be used to complete 30 years of service at any age. You may also use the portion of your sick leave earned as an officer to complete 15 years of service after age 50 or 5 years of service as an officer after age 55.

How are early and service retirement benefits calculated for a local Law Enforcement Officer?

Early Retirement Percentages - If you are between ages 50 and 55, with fewer than 30 years of creditable service, your early retirement benefit will be reduced to the following percentages:

CREDITABLE SERVICE							
AGE	29	28	27	26	25	20	15
54	96%	96%	96%	96%	96%	96%	96%
53	95%	92%	92%	92%	92%	92%	92%
52	95%	90%	88%	88%	88%	88%	88%
51	95%	90%	85%	84%	84%	84%	84%
50	95%	90%	85%	80%	80%	80%	80%

If you are between birthdays when payments start, the reduction will be adjusted proportionately.

The chart below shows the approximate monthly benefit paid at various salary levels, depending on age and creditable service.

Monthly Retirement Benefit Under Maximum Allowance						
Avg. Final Comp.	50	52	55	ANY	ANY	Age
	15	28	25	30	40	Years of Service
\$60,000	\$1,110	\$2,331	\$2,312	\$2,775	\$3,700	
\$50,000	\$925	\$1,942	\$1,927	\$2,312	\$3,083	
\$40,000	\$740	\$1,554	\$1,541	\$1,850	\$2,466	
\$30,000	\$555	\$1,165	\$1,156	\$1,387	\$1,850	
\$20,000	\$370	\$777	\$770	\$925	\$1,233	

These are only examples. Your benefit is calculated individually.



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.

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

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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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