



## North Carolina Retirement Systems

### 2010 Annual Benefits Statement Frequently Asked Questions for Employers

May 2011

The North Carolina Department of State Treasurer creates the Annual Benefits Statement for actively employed public sector personnel. The statement provides members with an accounting of their contributions to their retirement system, coupled with benefit projections for retirement, Social Security and NC 401(k) or NC 457 plans.

This Frequently Asked Questions document, combined with the [User Guide](#), is a resource for you to use in answering your employees' questions about the format and content of the statement.

#### **Statement Changes**

##### **Q: What is different about this year's statement compared to last year's statement?**

The most significant change in this year's statement is your employees' gap analysis.

The gap analysis under Checkpoint 3 shows that employees need to save more for retirement because of changes in two of the assumptions used to estimate the financial needs in retirement:

- The rate-of-return on investments was lowered from 7% to 5%, a more conservative estimate given lower expectations for economic growth in future years. Increasing inflation and lower returns on pension fund investments mean that employees cannot count on salary increases while they work, or cost-of-living adjustments in retirement. As a result, employees' dollars will not buy as much as they used to. Saving more will help finances keep up with or exceed inflation.
- Life expectancy was raised from 84 to 90 years of age. Life spans are becoming longer. Statistics show that more than 50% of people outlive their finances.

As a result of the changes in the assumptions, the gap analysis should provide employees with a more realistic picture of how much they may need to save in order to have sufficient income during retirement.

## **Statement Distribution**

### **Q: Who is eligible to receive an Annual Benefits Statement this year?**

Members who actively contributed to the Retirement Systems as of December 31, 2010, and have at least 12 months of service will have a statement posted to their personal ORBIT account.

### **Q: How will my employees receive their statements this year?**

The 2010 Annual Benefits Statements will be available online in your employees' personal ORBIT account. Statements will not be mailed this year.

### **Q: Why are you not mailing statements this year?**

Placing the statement in members' [ORBIT](#) accounts will maintain their personal security by eliminating mailings of personal account information. Up to two years of statements will be stored in each [ORBIT](#) account. Members may print out multiple copies of the statement if needed. Not mailing statements also is environmentally friendly and eliminates the cost of printing and mailing.

### **Q: When will statements become available?**

The 2010 Annual Benefits Statements will be available in members' [ORBIT](#) accounts by May 31, 2011.

### **Q: How will employees who do not have access to computers be able to see their Annual Benefits Statement?**

We ask that you please provide computer access to your employees who do not regularly have access to a computer at work. This may mean setting up a centrally located computer kiosk or providing access to a computer at a spare desk.

### **Q: How can employees who left employment prior to December 31, 2010, obtain a statement?**



Members who left local or state employment prior to contributing to their Retirement System in December will not receive a statement, but can see their account information and balance through [ORBIT](#) at [www.myncretirement.com](http://www.myncretirement.com).

- Members should click on the "[ORBIT](#)" button to be directed to the log-in page to register, or log-in if already registered.

**Q: How can employees obtain duplicates of their statements?**

Having statements available in [ORBIT](#) means that members can view, download, save, or print copies of their statement 24 hours-a-day. Retirement Systems' staff does not have access to members' benefit statements since additional savings information may be included.

**Q: Will an employee who was on leave without pay in December get a statement?**

No. Employees who did not make a contribution to the Retirement System as of December 31, 2010, will not receive a statement.



Employees can see their account information and balance through [ORBIT](#) at [www.myncretirement.com](http://www.myncretirement.com).

- Click on the "[ORBIT](#)" button. The employee will be directed to the log-in page to register, or log-in if already registered.

**Q: Will employees with less than one year of service in 2010 receive a statement?**

No. Employees with fewer than 12 months of service as of December 31, 2010, will not receive an Annual Benefits Statement. Instead, a letter will be posted to their personal [ORBIT](#) account that communicates where to find their length of service, retirement account balance, and beneficiary designation(s) within [ORBIT](#). A more detailed statement will be prepared next year if the members meet the criteria above.

**Employee Support**

**Q: We have employees who do not speak English as their primary language. What services are available to assist them with reviewing their statements?**

To better serve our Spanish-speaking customers, the Retirement Systems' Call Center is staffed with a representative who can assist members with translating Retirement Systems' information and addressing their retirement-related questions.

## **ORBIT**

### **Q: How does an employee gain access to ORBIT?**



1. Employees can access [ORBIT](#) at [www.myncretirement.com](http://www.myncretirement.com).
2. Click on the “[ORBIT](#)” button.
3. Employees will be directed to the log-in page to register, or log-in if already registered. Once logged on to your personal [ORBIT](#) account, click on “View Annual Benefits Statement” to view or print your statement.
4. Employees will be guided through the log-in process by a series of prompts to register on [ORBIT](#).

### **Q: What happens if the employee forgot his or her user ID or password?**

To reset an ORBIT password the employee should:



1. Go to the [ORBIT](#) registration page at [www.myncretirement.com](http://www.myncretirement.com)
2. Click on “Forgot Your Password...?”
3. Answer the series of questions

Answering the questions correctly enables the employee to reset his or her own password and user identification. The last screen will prompt the employee to type in a new user identification and password. Once that is done the employee will receive screen confirmation that the process was successful, and the [ORBIT](#) site will launch. A new password is not sent to the employee.

### **Q: Can the employer access the employees’ annual statement information?**

Employers do not have access to employees’ statements. Since employees may have other financial information in their statement such as supplemental savings or Social Security benefit information, statements are only available to the identified member.

### **Q: Can employees who are no longer working use ORBIT?**



Members who left local or state employment can access their account information and balance through [ORBIT](#). To access [ORBIT](#):

- Visit [www.myncretirement.com](http://www.myncretirement.com).
- Click on the “[ORBIT](#)” button. The employee will be directed to the log-in page to register, or log-in if already registered.

## **Statement Balances**

**Q: Will "Dual Account" participants in Cooperative Extension see both Local Governmental Employees' Retirement System (LGERS) and Teachers' and State Employees' Retirement System (TSERS) balances even if they are not actively contributing to both?**

Yes. "Dual Account" employees in Cooperative Extension will see account balances for both LGERS and TSERS. However, the estimate and projected retirement age is based on the one system in which the members have the most years of service. The estimate and projected retirement age may not be accurately represented in the statement.

**Q: Will employees with less than five years of service receive statements showing their age at retirement and projected benefit, or will they have to wait until they have five years of service?**

- Employees with less than 12 months of service as of December 31, 2010, will not receive a statement.
- Employees with at least one full year of service and with contributions as of December 31, 2010, will receive statements showing a projected monthly retirement benefit, based on the first date they are eligible to retire with an unreduced benefit.

**Q: We have an employee who always meets the maximum earnable allowance in the middle of the year. Does this mean he will not receive a statement?**

Your employee will not receive a statement. Employees must have contributed to their retirement account in December 2010 to receive a statement. Your employee can see his or her personal retirement account information on [ORBIT](#) at



[www.myncretirement.com](http://www.myncretirement.com). Click on the "[ORBIT](#)" button. The employee will be directed to the log-in page to register, or log-in if already registered.

## **Statement Format**

**Q: What is the format of the statement?**

The Annual Benefits Statement will be posted to the employees' [ORBIT](#) account as a PDF. When printed out, the statement will be four pages in an 8 ½" x 11" format.

## **Member Identification Number (ID)**

### **Q: Will the member's identification number be the same as the employee's retirement number?**

Yes. The Member ID number is the same number used in retirement. The Member ID number enhances member security by reducing the use of Social Security numbers in correspondence with the Retirement Systems Division. Members are asked to use this number in all future correspondence with our office.

### **Q: Will employers be given member ID numbers?**

All members of the N.C. Retirement Systems – employees and employers – have a unique Member ID number. In addition to a personal Member ID, all employers have a unique ID number that enables them to perform their monthly reporting. As an employer, you will see your employer ID and your employees' Member ID when logged into [ORBIT](#).

### **Q: If an employee resigned and opted to leave his or her retirement contributions in the System, how would the member get a Member ID?**

Inactive members, those who are no longer employed in an actively participating public agency, have been assigned a Member ID. Inactive members may obtain their Member ID through ORBIT.



To access [ORBIT](#), visit [www.myncretirement.com](http://www.myncretirement.com). Click on the "[ORBIT](#)" button to be directed to the log-in page to register.



Active and inactive members may call 1-877-NCSECURE (1-877-627-3287) (toll-free) or 919-807-3050 (within local calling distance of Raleigh).

## **Unreduced Retirement Benefits**

### **Q: Where is the information on age for eligibility for an unreduced retirement benefit?**

The member's age for eligibility for an unreduced retirement benefit is found under the "Notes and Assumptions" section on the side of Checkpoints 1 and 2. The third checkmark shows the member's age at retirement and is based on the years of service qualifications in the Retirement System.

**Q: Am I correct that the Projected Monthly Income on Checkpoint 2 is based on retirement at age 62? How can an employee who plans to retire earlier based on years of service figure out what his or her monthly income will be?**

The Projected Monthly Income in Checkpoint 2 is calculated to the first unreduced benefit for each retirement system. This means that the retirement age is based on years of service or years of service and age, which varies by retirement system. Members should refer to their [retirement handbooks](#) to understand the qualifications for retiring in their system.



- The handbooks can be found at [www.myncretirement.com](http://www.myncretirement.com) under the “[Benefits Handbook](#)” tab.
- Members who wish to retire early also can obtain a benefit estimate using the benefit estimator in their personal [ORBIT](#) account, or by submitting a completed [Form 309](#), *Estimating Your Service Retirement Benefits*.

### **Beneficiary Information**

**Q: Will employees be able to change a beneficiary through ORBIT or will this always need to be submitted on paper?**

Active Retirement System members with less than 10 years of service can designate beneficiaries online for a return of contributions, or for the employee death benefit (if applicable), in the event of a member’s death. Employees with 10 or more years of service are required to complete and submit a [Form 2RC](#), *Designating Beneficiary(ies) for Retirement System Return of Contributions*, and, if applicable, [Form 2DB](#), *Designating Beneficiaries for the Death Benefit*.



Personalized forms are available in ORBIT at [www.myncretirement.com](http://www.myncretirement.com).

### **Supplemental Retirement**

**Q: If an employee contributes to both the traditional and Roth 401(k) Plan, will the Roth 401(k) information be listed?**

No. The Benefits Statement will show only the traditional NC 401(k) account balance offered through our third-party administrator, [Prudential Retirement](#). Roth contributions have a different tax treatment and are reported separately.

**Q: Are there any plans to add other 457 plans (such as Nationwide 457 or ICMA) to this statement?**

No. Only information on NC 401(k) and NC 457 supplemental savings plans offered by our third-party administrator, [Prudential Retirement](#), are included on the Annual Benefits Statements.

**Q: Will local government employees see a deferred compensation contact number listed for reference information?**

Local government employees will see a 457 Deferred Compensation amount listed only if the employer participates in the NC 457 Plan and the employee is a participant in that plan.

**Fire & Rescue Workers**

**Q: Will the North Carolina Firemen's and Rescue Squad Workers' Pension Fund (FRSWPF) be listed on the statement? If so, will it indicate the number of years of service credit in the Fund?**

No. The N.C. Firemen's and Rescue Squad Workers' Pension Fund will not be included on the Annual Benefits Statement since the make-up of the pension plan is different than the other systems managed by the N.C. Department of State Treasurer. Firefighters who are a part of the Local Governmental Employees' Retirement System (LGERS) will receive a statement.

**Q: Will Charlotte firefighters receive these statements?**

No. Charlotte firefighters will not receive a statement, since they are not a part of the LGERS. Firefighters who are a part of the LGERS will receive a statement.