

# Local Government Employee Retirement System of North Carolina

## Highlights of Your Retirement Benefits

### When You Join

You become a member of the System after a two month waiting period if you are a permanent employee of a participating unit and your duties require that you work at least 1,000 hours a year. *If you are transferring from another local or state government agency, you are already a member of the System and are not subject to the waiting period.* A participating unit is any county, city, town or other local government, which has agreed to participate in the System. When you begin working for your employer, you will be asked to complete a Notice of Enrollment (Form 2). You will also be asked to name a beneficiary to receive a refund of your contributions and a death benefit, if you die before retirement. You can change your beneficiary at any time by completing Form 2C, available from your employer or the Retirement System. **By NC law, all members of the retirement system are required to contribute 6% of your gross paycheck each pay period, (this is deducted pre-tax saving you payroll tax dollars).** If you are new to the retirement system, then your contributions begin with the first paycheck immediately following two months from your date of hire. If you are transferring within the retirement system, your contributions begin with the first paycheck following your completion of the enrollment form as a new employee with the Town of Cary.

### THE AMOUNT OF YOUR BENEFITS

#### At Service Retirement (Unreduced Benefits)

You may retire with an unreduced service retirement benefit after:

- You reach age 65 and complete five years of creditable service,
- you reach age 60 and complete 25 years of creditable service, or
- You complete 30 years of creditable service, at any age.

#### At Early Retirement (Reduced Benefits)

You may retire early with a reduced retirement benefit after:

- You reach age 50 and complete 20 years of creditable service, or
- You reach age 60 (age 55 if you are a fireman) and complete five years of creditable service.

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

Even if you leave before service or early retirement, you may still receive a benefit. You are entitled to a benefit at a later date if you leave for any reason - at any age- after you have completed five years of creditable service, provided you do not with-draw your contributions.

Your benefit is determined by the formula in effect on the effective date of your retirement, your average final compensation, and years of creditable service. You can apply for deferred payments to begin when you reach age 60. If you have at least 20 years of creditable service when you leave, you can apply for early payments starting at age 50; however, your benefit is reduced because you may receive payments for a longer period of time than if you waited until you were eligible for service retirement.

## How Your Benefit Is Calculated

Your annual retirement benefit is based on this formula:

*1.85% of "average final compensation" TIMES years and months of "creditable service."*

**Average final compensation** means the average of your salary during your four highest-paid years in a row.

**Creditable service** means any period during which you contribute to the System. Provided you do not withdraw your contributions. Creditable service may also include unused sick leave and service credit purchased or granted under the special service rules outlined in "Your Retirement Benefit" handbook, which is located on our web site.

**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. One month of credit is allowed, at no cost to you, for each 20 days of your unused sick leave when you retire. One more month is allowed for any part of 20 days left over.

Sick leave is used to increase your creditable service but sick leave cannot be used to meet the minimum qualifications for a deferred benefit or the Survivor's Alternate Benefit. You may use your sick leave to complete 30 years of service, regardless of age; 25 years of service after age 60, 20 years of service after age 50; 5 years of service after age 60.

Your employer will certify the amount of sick leave you have on your Application for Retirement.

## How To Contact Us

### System Address

The address of the Retirement System is:

Local Government Employees' Retirement System  
Department of State Treasurer  
Albemarle Building  
325 North Salisbury Street  
Raleigh, North Carolina 27603-1385

**System Telephone Number** - 1-919-807-3050

**System Fax Number** – 1-919-508-5350

**System E-Mail** - [nc.retirement@treasurer.state.nc.us](mailto:nc.retirement@treasurer.state.nc.us)

**System Internet Address** -<http://www.treasurer.state.nc.us>

Visit our Internet web site to learn more about the benefits that are available to you:

- Download and view "Your Retirement Benefits" handbooks,
- Review "Frequently Asked Questions,"
- Estimate your monthly retirement benefits, and
- Download and complete applications and forms used by the Retirement System.

**DISCLAIMER:** While this pamphlet is intended to be as accurate as possible, the explanation is subject in all respects to the detailed provisions of the Retirement System law. It must be understood that the explanation in this pamphlet cannot alter, modify, or otherwise change the controlling legal documents or General Statutes in any way nor can any right accrue by reason of any statement or omission of any statement in this pamphlet.