



Expanded Options Available for Law Enforcement Officers to Transfer Funds to Retirement Systems Account at Retirement
NC 401(k) and NC Deferred Compensation (457) Transfer Benefit

North Carolina law enforcement officers now have expanded options for transferring funds from their Supplemental Retirement Accounts to their North Carolina Retirement Systems account at retirement. This opportunity became available when the General Assembly passed a bill, during the 2010 legislative session, providing the opportunity for all retiring Teachers' and State and Local Governmental Employees' Retirement System members to transfer all or a portion of their NC 401(k) or NC Deferred Compensation funds to their North Carolina Retirement Systems account and receive an additional separate monthly lifetime benefit based on these transferred funds. Previously, you could only transfer all of your NC 401(k) funds.

Alternative A

If you are a law enforcement officer who was vested (has five years of service) by June 30, 2010, you now have the option to transfer all or a portion of your NC 401(k) funds to your North Carolina Retirement System account at retirement using Form 319LEO.

Alternative B

As a law enforcement officer, regardless of when you are vested, you can transfer all or a portion of your funds from your NC 401(k) or NC Deferred Compensation account(s) using Form 319401k or Form 319457.

Understanding the Difference between the Options

	Alternative A		Alternative B
	Transfer Benefit for LEOs who were in the LEORS ¹	Transfer Benefit for all other LEOs who vested by June 30, 2010	Transfer Benefit Available to All Members
Form	319LEO	319LEO	319401k or 319457
Payment Options	Maximum Option 2 Option 3 Option 6-2 Option 6-3 Option 4	Maximum Option 2 Option 3 Option 6-2 Option 6-3 Option 4	Maximum Option 2 Option 3 Option 6-2 Option 6-3
Guaranteed Refund	Refund of Employee Contributions Transferred	Refund of Employee Contributions Transferred	Choice between 3 Year Guarantee and Guaranteed Return of Transfer

¹ The Law Enforcement Officers' Retirement System. Balances were transferred to the NC 401(k) in January 1, 1985 for State LEOs and January 1, 1986 for local LEOs.

COLA Options	COLA granted in Retirement System (TSERS or LGERS)	COLA granted in Retirement System (TSERS or LGERS)	No COLA or COLA equal to CPI-U
Interest Rate Assumption²	7.25%	3.25% Net Interest (7.25% minus 4.00% COLA assumption)	U.S. Treasury Bond Yield (around 3.5% as of September, 2010)
Mortality (Lifespan) Assumption³	Based on experience of LEOs ⁴	Based on experience of LEOs ⁴	Based on experience of general population
Timing of Transfer	Only available at time of retirement	Only available at time of retirement	At time of retirement or any time after
Plans in Which Available	NC 401(k) Only	NC 401(k) Only	NC 401(k) or NC Deferred Compensation
Portion of Balance	Any portion ⁵	Any portion ⁵	Any portion

Having multiple options to transfer a portion of your money may give you the opportunity to maintain a cash reserve in case of emergencies, or to use at some future date.

How the NC 401(k)/NC 457 Transfer Benefit Works

- You may apply to transfer all or a portion of your NC 401(k) or NC 457 funds at the same time you apply for retirement. Employees can transfer funds from both accounts.
- Upon retirement you would submit the Form 319401k and/or Form 319457, or for law enforcement officers vested by June 30, 2010, the Form 319LEO, to initiate the transfer of funds from your respective accounts. Forms are available from www.myncretirement.com, under the “Applications and Forms” section.
- Transfers are a one-time, irrevocable election. After-tax Roth contributions are non-transferrable.
- There is a one-time administrative fee of \$100 per transfer.

How can I learn more about the NC 401(k)/NC 457 Transfer Benefit?

Several resources are available to help you learn more about the Transfer Benefit, and to help you determine if the benefit is right for you. The North Carolina Retirement Systems and Prudential Retirement have partnered with the State Employees’ Credit Union (SECU) to provide you with information on the Transfer Benefit. Contact any one of the partners for more information:



State Employees’ Credit Union – SECU has employees who are ready to advise you on whether this benefit is right for you. They offer this service free of charge and you do

² Higher interest rates result in a higher benefit payment for a given transfer amount.

³ A shorter assumed lifespan results in a higher benefit payment for a given transfer amount.

⁴ Because LEOs are mostly male, their life spans are shorter than the general population, resulting in a larger benefit, all else equal.

⁵ Under this option, members used to have to transfer their entire balance or nothing. This was changed effective July 1, 2010.

not need to be a Credit Union member. As a non-profit, member-owned organization, SECU will provide you with unbiased advice.

Visit the NC 401(k)/NC 457 Transfer Benefit website. View the information and use the “Is This for Me?” quick calculator at www.nclifetimeincome.org.

Additional information regarding the law enforcement Transfer Benefit option is available at <https://www.nclifetimeincome.org/SpecialOptionsForLEOs.html>.



If you do not have access to the Internet or have further questions about the material on the website, SECU call center staff is available to assist you 24 hours a day at 1-888-732-8562. Press “3” to reach an experienced call center staff person.

North Carolina Retirement Systems – The NC Retirement Systems will help you identify or obtain the correct forms to complete, will address questions about how to apply for the Transfer Benefit, or check on the status of your application.



Visit the NC 401(k)/NC 457 Transfer Benefit educational website at www.myncretirement.com. Click on the ORBIT link to use the Transfer Benefit Estimator in your personal ORBIT account.



NC Retirement Systems call center staff is available to verify the status of your application. The call center is open Monday through Friday from 8:30 a.m. – 5 p.m. at 1-877-NCSECURE (1-877-627-3287).

Prudential Retirement – Prudential’s call center staff will answer questions about your existing NC 401(k) or NC 457 account(s), or will assist you in establishing a new account, if you are employed by a participating employer.



Learn about the Plan features by visiting www.ncplans.prudential.com.



Prudential Retirement call center staff is available Monday through Friday from 8 a.m. to 9 p.m. at 1-866-NCPLANS (1-866-627-5267).

If you miss the opportunity to transfer your funds when you retire, you will have the option to do it at any point after retirement. However, Alternative A above, for law enforcement officers only, is not available after you retire. Note that once you transfer funds from your account, you cannot generally go back to transfer additional funds, or change your mind after the funds have transferred.

Review and learn about the Transfer Benefit options and the NC 401(k) and NC 457 Plans as part of your long-term financial planning. **Start planning your financial future today.**