



RETIREMENT SYSTEMS DIVISION

STEVEN C. TOOLE
EXECUTIVE DIRECTOR

MEMORANDUM

Date: January 18, 2018

To: Local Governmental Employees' Retirement System Board of Trustees

From: Steve Toole, Executive Director and Secretary to the Board

Re: Notification of Local System Court Cost Offset to Employer
Contribution Rate for Law Enforcement Officers

Pursuant to N.C. General Statute 143-166.50(d), the Department of State Treasurer is required to use certain funds derived from court costs to offset employer contribution rates paid for law enforcement officers participating in the Local Governmental Employees' Retirement System (LGERS). The Department reviews receipts of these funds and updates the offset periodically. It was last adjusted in January 2014, beginning with fiscal year 2015, and it has remained stable through fiscal year ending June 30, 2017. Based on a review of receipts since 2008, the Executive Director of the Retirement Systems has set the Court Cost Offset on the LGERS Employer Contribution Rate at 0.14 percent of Law Enforcement Officer payroll for the fiscal year beginning July 1, 2018.

Impact on Employer Rate

The Rate Stabilization Policy provides that the law enforcement employer contribution rate will exceed the General Employer rate by 0.75 percent of payroll each year. Under the policy, any COLA or rate adjustment greater than the COLAs that may be granted by the Board of Trustees for general employees should be similarly reflected in the law enforcement rate.

The Law Enforcement Rate for Fiscal Year Ending 2019 with the ECRSP would be derived as follows:

Current Year Contribution Rate (ECRSP)	8.25%
Increase in Contribution Rate	+0.25%
Contribution Rate for FY 201	8.50%
Court Cost Offset	-0.14%
SUB-TOTAL	8.36%
Death Benefit	+0.14%
Net Payable Contribution TOTAL	8.50%