North Carolina
Retirement Systems

Policy, Planning, and Compliance Updates

1) Items listed on consent agenda
2) Preview of policy and compliance agenda items
3) Alternative repayments of overpayments (quarterly update)
4) Actuarial valuation, experience study, and funding policy reviews
5) Fraud, waste, and abuse detection and elimination

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Alternative Repayments of Overpayments (Quarterly Update)

- Alternative repayment is available for an overpayment “entirely due to administrative error on the part of” RSD (G.S. 128-31(c1); G.S. 135-9(c1); 20 NCAC 02B .0215; 20 NCAC 02C .0212)

- In quarter ended 6/30/2025, no alternative repayment requests were approved or denied by RSD

Timeline of Assumption/Method and Policy Reviews

2025

Oct. 2025: BOTs to accept 12/31/2024 valuations including actuary's recommendations of contribution rates eff. July 2026 based on assumptions and policies adopted in 2021

Oct. 2025 (estimated): Actuary presents five-year experience study of calendar years 2020-2024, analyzing rate of return, salary increases, mortality, etc.

Oct. 2025: BOTs to adopt CBBC cap factors effective for 2026 retirements (rest of experience study not to be adopted until Jan. 2026)

2026

Jan. 2026: BOTs to establish/recommend contribution rates eff. July 2026 based on assumptions and policies adopted in 2021

Jan. 2026 (estimated): BOTs to adopt new actuarial assumptions or methods informed by experience study

Apr. 2026 (estimated): BOTs to define funding policies (new ECRSPs, actuarial funding w/o ECRSP, etc.) eff. July 2027

Oct. 2026: BOTs to accept 12/31/2025 valuations including actuary's recommendations of contribution rates eff. July 2027 based on assumps./policies adopted in 2026

2027

Jan. 2027: BOTs to establish/recommend contribution rates eff. July 2027 based on assumptions and policies adopted in 2026

Jun. 2027: End of current ECRSPs (FYE 2027)

Jul. 2027: Beg. of any new policies (FYE 2028)

Oct. 2027: BOTs to accept 12/31/2026 valuations including actuary's recommendations of contribution rates eff. July 2028 based on assumptions and policies adopted in 2026

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Fraud, Waste, and Abuse Detection and Elimination

- Types of fraud regularly encountered by RSD
  - Account takeover with action request
  - Others, including situations reported to email / hotline: **retfraud@nctreasurer.com** or **1-855-90FRAUD (1-855-903-7283)**
- Various authentication methods used for online logins and phone calls
  - Based on assessment of current methods, development of AI, and other factors, RSD pursuing move to newer technologies
- Other defenses, after authentication, have often helped prevent financial loss for RSD and members
  - Including built-in process rules and staff alertness
  - Need strong authentication in addition to these defenses