



North Carolina  
Total Retirement Plans

## Other Demographic Assumptions: DIPNC



- Disability Claim Termination: the 2012 GLTD table is still the most recent table available. We recommend no change in the current assumption.
- Social Security Disability Approval Rates: recommend no change to the current assumptions due to lack of credible data. We will revisit this assumption at the next experience study.
- Disability Offsets: recommend no change to the current assumptions.



## Funding Methodology Administrative Expenses



- An amount is added to the Normal Cost Rate to take into consideration the administrative expenses paid by the plans each year.
- CMC looked at actual administrative expenses paid by each plan over the last five years, compared this to the current assumption and reviewed with staff.
- Based on this analysis we recommend the following administrative expense assumptions:
  - TSERS: we recommend no change to the current assumption of 0.10% of payroll
  - LGERS: we recommend a change from 0.20% of payroll to 0.13% of payroll
  - CJRS: we recommend a change from 0.75% of normal cost to 0.05% of payroll
  - LRS: we recommend no change to the current assumption of 1.00% of payroll
  - RoDS: we recommend a change from 0.15% of MVA to 0.40% of payroll
  - National Guard: we recommend a change from prior year actual expenses to \$150,000 per year
  - Fire & Rescue: we recommend no change to the current assumption of prior year actual expenses
  - DIPNC: we recommend no change to the current assumption of 0.01% of payroll



## Summary of Assumptions

	Retirement								Termination		Disability		
	Service								Service	Rate	Age	Male	Female
50			4.0%	3.5%	3.0%	90.0%	82.5%	0	9.00%		25	0.06%	0.25%
55	15.0%	22.5%	30.0%	35.0%	60.0%	90.0%	50.0%	1	8.75%		30	0.10%	0.30%
60	15.0%	15.0%	12.5%	25.0%	32.5%	95.0%	25.0%	2	9.00%		35	0.20%	0.40%
65	17.5%	20.0%	25.0%	25.0%	37.5%	35.0%	30.0%	3	9.25%		40	0.30%	0.50%
70	17.5%	30.0%	35.0%	20.0%	37.5%	35.0%	27.5%	4	7.25%		45	0.40%	0.60%
75+	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%				50	0.40%	0.70%
											55	0.40%	0.70%
											60	0.40%	0.70%

  

After 5 years of membership in the system:	
Age	Rate
25	10.00%
30	6.00%
35	6.00%
40	4.00%
45	3.00%
50	4.50%
55	0.00%