



MEMORANDUM

TO: Local Governmental Employees' Retirement System (LGERS) Board of Trustees (Board)

FROM: Sam Watts, Executive Director

DATE: January 29, 2026

RE: Notification of Court Cost Offset

Pursuant to N.C. General Statutes § 143-166.50(d), the Department of State Treasurer (DST) is required to use certain funds derived from court costs provided for in G.S. 7A-304(a)(3) to offset employer contribution rates paid for law enforcement officers (LEOs) participating in the Local Governmental Employees' Retirement System (LGERS). DST reviews receipts of these funds and updates the offset periodically.

The court cost offset was previously adjusted from 0.27% to 0.14% of LEO compensation effective July 1, 2014; from 0.14% to 0.20% effective July 1, 2020; and from 0.20% to 0.16% effective July 1, 2025.

Based on a review of receipts, the Executive Director of the Retirement Systems Division has determined that the court cost offset on the LGERS Employer Contribution rate will be reduced to 0.14% of LEO compensation for the fiscal year beginning July 1, 2026.