

North Carolina Retirement Systems Actuarial Overview of State and Local Systems

Based on Actuarial Valuations as of December 31, 2024

TSERS and LGERS Boards of Trustees Meeting
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NORTH CAROLINA RETIREMENT SYSTEMS
OVERVIEW OF STATE SYSTEM
(Dollar Amounts in Millions)



Number of Members by Status as of December 31, 2024	Teachers' and State Employees'	Consolidated Judicial	Legislative	North Carolina National Guard	Total
Active members	301,507 *	594	170	5,729	308,000
Terminated employees entitled to future benefits	237,365	66	112	2,391	239,934
Retirees and beneficiaries currently in receipt	257,645	862	291	4,895	263,693
Total	796,517	1,522	573	13,015	811,627

* Includes disabled members receiving benefits from DIPNC.

Key Results of Actuarial Valuation as of December 31, 2024	Teachers' and State Employees'	Consolidated Judicial	Legislative	North Carolina National Guard	Total
Market Value of Assets (MVA)	\$ 88,517	\$ 736	\$ 30	\$ 182	\$ 89,465
Actuarial Value of Assets (AVA)	\$ 91,621	\$ 763	\$ 31	\$ 188	\$ 92,603
Actuarial Accrued Liability (AAL)	\$ 103,627	\$ 967	\$ 30	\$ 154	\$ 104,778
Unfunded AAL (UAAL)	\$ 12,006	\$ 204	\$ (1)	\$ (34)	\$ 12,175
Funded Ratio (AVA/AAL)	88.4%	78.9%	101.8%	122.3%	

Preliminary Actuarially Determined Employer Contribution for Fiscal Year Ending June 30, 2027	Teachers' and State Employees'	Consolidated Judicial	Legislative	North Carolina National Guard	Total
Estimated Normal Cost	\$ 1,235.9	\$ 14.4	\$ 0.7	\$ 1.1	\$ 1,252.1
Estimated Accrued Liability Contribution	\$ 1,946.2	\$ 30.1	\$ 0.0	\$ (1.1)	\$ 1,975.2
Estimated Deferred Increase under Direct Rate Smoothing	\$ -	\$ -	\$ -	\$ -	\$ -
Estimated Total Contribution	\$ 3,182.1	\$ 44.5	\$ 0.7	\$ 0.0	\$ 3,227.3
Estimated Contribution under ECRSP/SCRSP	\$ 3,462.7	\$ 44.5	\$ 0.7	\$ 1.1	\$ 3,509.0
Payroll Projected to Fiscal Year of Contribution	\$ 19,798.3	\$ 109.5	\$ 3.9	N/A	\$ 19,911.7
Normal Cost (% of Valuation Payroll)	6.24%	13.21%	17.43%	N/A	N/A
Accrued Liability (% of Projected Payroll)	9.83%	27.47%	0.44%	N/A	N/A
Deferred Increase under Direct Rate Smoothing	0.00%	0.00%	0.00%	N/A	N/A
Total (% of Payroll)	16.07%	40.68%	17.87%	N/A	N/A
Contribution Rate under the Employer Contribution Rate Stabilization Policy (ECRSP) (% of Payroll)	17.49%	N/A	N/A	N/A	N/A

NORTH CAROLINA RETIREMENT SYSTEMS
OVERVIEW OF LOCAL SYSTEM
(Dollar Amounts in Millions)



Number of Members by Status as of December 31, 2024	Local Governmental Employees'	Firefighters' and Rescue Squad Workers'	Registers of Deeds' Supplemental	Total
Active members	145,531	45,576 *	104	191,211
Disabled employees entitled to future benefits	N/A	101	N/A	101
Terminated employees entitled to future benefits	115,944	0	0	115,944
Retirees and beneficiaries currently in receipt	87,699	15,487	111	103,297
Total	349,174	61,164	215	410,553

* Includes active and lapsed members.

Key Results of Actuarial Valuation as of December 31, 2024	Local Governmental Employees'	Firefighters' and Rescue Squad Workers'	Registers of Deeds' Supplemental	Total
Market Value of Assets (MVA)	\$ 34,783	\$ 540	\$ 46	\$ 35,369
Actuarial Value of Assets (AVA)	\$ 35,961	\$ 558	\$ 50	\$ 36,569
Actuarial Accrued Liability (AAL)	\$ 42,211	\$ 528	\$ 34	\$ 42,773
Unfunded AAL (UAAL)	\$ 6,250 *	\$ (30)	\$ (16)	\$ 6,204
Funded Ratio (AVA/AAL)	85.2%	105.7%	144.6%	

* Includes the employer's initial unfunded prior service cost liability of about \$2.9 million.

Preliminary Actuarially Determined Employer Contribution for Fiscal Year Ending June 30, 2027	Local Governmental Employees'	Firefighters' and Rescue Squad Workers'	Registers of Deeds' Supplemental	Total
Estimated Normal Cost	\$ 690.4	\$ 4.5	\$ 1.3	\$ 696.2
Estimated Accrued Liability Contribution	\$ 935.5	\$ (4.1)	\$ (1.3)	\$ 930.1
Estimated Deferred Increase under Direct Rate Smoothing	\$ -	\$ -	\$ 0.0	\$ -
Estimated Total Contribution	\$ 1,625.9	\$ 0.4	\$ 0.0	\$ 1,626.3
Estimated Contribution under ECRSP/SCRSP	\$ 1,593.9	\$ 21.1	N/A	\$ 1,615.0
Payroll Projected to Fiscal Year of Contribution	\$ 10,325.9	N/A	N/A	\$ 10,325.9
Normal Cost (% of Valuation Payroll)				
General Employees and Firefighters	6.31%	N/A	N/A	N/A
Law Enforcement Officers	8.55%	N/A	N/A	N/A
Accrued Liability (% of Projected Payroll)	9.06%	N/A	N/A	N/A
Deferred Increase under Direct Rate Smoothing				
General Employees and Firefighters	0.00%	N/A	N/A	N/A
Law Enforcement Officers	0.00%	N/A	N/A	N/A
Total Contribution (% of Payroll)				
General Employees and Firefighters	15.37%	N/A	N/A	N/A
Law Enforcement Officers	17.61%	N/A	N/A	N/A
Contribution Rate under the Employer Contribution Rate Stabilization Policy (ECRSP) (% of Payroll)				
General Employees and Firefighters	15.10%	N/A	N/A	N/A
Law Enforcement Officers	17.10%	N/A	N/A	N/A

Certification

Future actuarial measurements may differ significantly from current measurements due to plan experience differing from that anticipated by the economic and demographic assumptions, increases or decreases expected as part of the natural operation of the methodology used for these measurements, and changes in plan provisions or applicable law. Because of limited scope, Gallagher performed no analysis of the potential range of such future differences, except for some limited analysis in financial projections or required disclosure information.

The purpose of this summary is to provide a broad overview of the December 31, 2024 actuarial valuation results to the TSERS and LGERS Boards at the October 30, 2025 meeting attended by the actuaries. Use of this report for any other purposes may not be appropriate and may result in mistaken conclusions because of failure to understand applicable assumptions, methods, or inapplicability of this presentation for that purpose. This summary should not be provided without a copy of each of the associated valuation reports. Because of the risk of misinterpretation of actuarial results, you should ask Gallagher Benefit Services, Inc. (hereinafter “Gallagher”) to review any statement you wish to make on the results contained in this presentation. Gallagher will not accept any liability for any such statement made without prior review.

This overview is considered part of each annual actuarial valuation report included in the summary above. Please see the individual actuarial valuation report for a full description of data, actuarial assumptions and methods, plan provisions, and other applicable disclosures.

This summary was prepared under our supervision and in accordance with all applicable Actuarial Standards of Practice. We are Fellows of the Society of Actuaries, Enrolled Actuaries, Members of the American Academy of Actuaries, and Fellows of the Conference of Consulting Actuaries. We meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein. We are available to discuss this report with you at your convenience.

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