

**Teachers' and State Employees' Retirement System (TSERS) Board of Trustees  
Decisions and Recommendations  
For Presentation to the 2026 General Assembly  
(Adopted January 29, 2026)**

Retirement System	Employer Contributions	Enhanced Benefits
Teachers' and State Employees' Retirement System	Establish employer contribution rate at 17.49%, an increase of 0.35%, increasing recurring costs by \$47.1 million to General Fund and \$2.4 million to Highway Fund. <sup>1</sup>	None
Consolidated Judicial	Establish employer contribution rate at 40.68%, an increase of 2.95%, increasing recurring General Fund costs by \$3.1 million. <sup>2</sup>	None
Legislative	Establish employer contribution rate at 17.87%, a decrease of 0.39%, decreasing recurring General Fund costs by \$14,000. <sup>3</sup>	None
Disability Income Plan	Establish employer contribution rate at 0.06%, a decrease of 0.01%, decreasing recurring costs by \$1.5 million to General Fund and \$0.1 million to Highway Fund. <sup>4</sup>	Contingent increase to compensation up to 3.25% (see footnote). <sup>6</sup>
National Guard Pension Fund	Establish State contribution of \$1,173,123, increasing recurring General Fund costs by \$52,174. <sup>5</sup>	Amend G.S. 127A-40(a) to change \$105 to \$110; \$10.50 to \$11.00; and \$210 to \$220.
Death Benefit Plans	No change	None

**FOOTNOTES:**

<sup>1</sup>The estimated payrolls for the 2025 Session of the General Assembly were \$13,450,413,000 for the General Fund and \$697,659,000 for the Highway Fund.

<sup>2</sup>The estimated payroll for the 2025 Session of the General Assembly was \$105,457,000.

<sup>3</sup>The estimated payroll for the 2025 Session of the General Assembly was \$3,620,000.

<sup>4</sup>The estimated payrolls for the 2025 Session of the General Assembly were \$14,983,576,000 for the General Fund and \$697,659,000 for the Highway Fund.

<sup>5</sup>The employer contribution for fiscal year ending June 30, 2026 under continuing budget authority is \$1,120,949. The recommended contribution for the fiscal year ending in 2027 is \$1,126,618 if the change in the "Enhanced Benefits" column is not made, and \$1,173,123 if the change in the "Enhanced Benefits" column is made.

<sup>6</sup>In the event that a permanent across-the-board salary increase for State employees is enacted and effective on or before June 30, 2027, the Board directs RSD staff to increase the base rate of compensation upon which DIPNC benefits are calculated, by an equivalent percentage to the generally applicable salary increase for State employees, no greater than 3.25%. The Board directs staff to apply the adjustment prospectively to benefits payable from DIPNC, effective the first day of a calendar month 90 days after enactment of the permanent across-the-board salary increase for State employees.

**Local Governmental Employees' Retirement System (LGERS) Board of Trustees  
Decisions and Recommendations  
For Presentation to the 2026 General Assembly  
(Adopted January 29, 2026)**

Retirement System	Employer Contributions	Enhanced Benefits
Local Governmental Employees' Retirement System <b>(Actions by Board of Trustees)</b>	Increase employer contribution rate by 0.75% for non-LEOs and 1.00% for LEOs, increasing the cost to employers from fiscal year ending 2026 to fiscal year ending 2027 by \$80,262,170. <sup>1</sup>	None
Firefighters' and Rescue Squad Workers' Pension Fund	Increase appropriation for fiscal year ending 2027 by \$350,000, to \$21,102,208. <sup>2</sup>	Increase monthly pension to \$184.
Registers of Deeds' Supplemental Pension Fund	No change <sup>3</sup>	None
Death Benefit Plans	No change	None

**FOOTNOTES:**

<sup>1</sup>The employer contribution rates for the fiscal year ending June 30, 2026, are 14.35% for employees other than Law Enforcement Officers (non-LEOs) and 16.10% for Law Enforcement Officers (LEOs). For the fiscal year ending June 30, 2027, the Board's Employer Contribution Rate Stabilization Policy calls for contribution rates of 15.10% for non-LEOs and 17.10% for LEOs. The total estimated payroll for the 2025 Session of the General Assembly was \$10,134,595,000, which includes \$8,433,512,000 for non-LEOs and \$1,701,083,000 for LEOs.

<sup>2</sup>The appropriated State contribution for fiscal year ending June 30, 2026 is \$20,752,208. For the fiscal year ending June 30, 2027, the Board's State Contribution Rate Stabilization Policy calls for a contribution at least equal to \$21,102,208, which is an increase of \$350,000.

<sup>3</sup>The total actuarially determined employer contribution for fiscal year ending June 30, 2027 is \$0 after taking into account the assets in excess of the actuarial accrued liability. Contributions to the fund are set by statute.