Approved Leave Hierarchy

1. Holiday Comp
2. Overtime Comp
3. On-Call Comp
4. Travel Comp
5. Vacation Leave

Note: All of the above leave falls under the "Approved Leave" hierarchy.

Note: If your position is eligible for Gap Hours Comp time, it will be deducted before On-Call Comp Time (#3).

Sick Leave Hierarchy

1. Sick Leave
2. Voluntary Shared Leave

Note: All of the above leave falls under the "Sick Leave" hierarchy.

For example, when a time entry is entered for "Approved Leave," when the HR Payroll System runs the Time Evaluation, the leave quotas are checked in succession until enough quota is found to cover the recorded absence (Holiday Comp, then Overtime Comp, etc.).

Bonus Leave

In 2002, 2003, 2005 and 2014, the General Assembly authorized bonus leave for eligible state employees. Bonus leave, with the appropriate authorization, can be used for any purpose for which regular vacation leave is used, but may be taken only upon appropriate authorization and can only be used after holiday compensatory time, over-time compensatory time, gap hours compensatory time, callback compensatory time, on-call compensatory time, travel compensatory time, and emergency closing compensatory time.

Bonus leave shall be accounted for separately from regular earned vacation leave and shall be charged in units of time consistent with regular vacation leave guidelines. Any balance of bonus leave on December 31 will be retained by the employee and transferred into the next calendar year. It will not be as part of the maximum 240 hours of vacation that can be retained. Bonus leave will not be subject to conversion to sick leave. Any balance of bonus leave will be transferred with the employee who transfers to another State agency eligible for bonus leave. Bonus leave balance will be paid in addition to regular vacation leave if the employee leaves state government or the appointment type changes to a non-leave earning status (such as exempt, part-time, etc.).

LONGEVITY

Longevity Pay recognizes long-term service of employees who have worked at least 10 years with State government. The employee must have a full-time or part-time (20 hours a week or more) permanent, probationary, trainee, or time-limited appointment. Periods of leave without pay in excess of one-half the workdays and holidays in a pay period will delay the longevity date (except for Workers' Compensation Leave).

The employee receives a lump sum payment each year on their anniversary date based on a percentage of their salary ranging from 1.5% to 4.5%, as the percentage increases with every 5 years of state service.

YEARS OF TOTAL STATE SERVICE	LONGEVITY PAY RATE
10 but less than 15 years	1.5%
15 but less than 20 years	2.25%
20 but less than 25 years	3.25%
25 or more years	4.5%

NOTE: Teachers' longevity rate is different.

RETIREMENT

Location

https://www.nctreasurer.com/retirement-and-savings

The State of North Carolina provides retirement benefits for state employees in case of disability, retirement, or death after an employee has completed certain service requirements. The State, state employees, and the investment earnings on total contributions pay the cost of providing retirement benefits

Employees pay 6% into a retirement account under the Teacher's & State Employee's Retirement System (TSERS) which is automatically deducted from the paycheck each month.
Employees become vested in the Retirement System after completing a minimum of five years of membership service (10 years if becoming a member on or after August 1, 2011).

Employees may retire with an unreduced service retirement benefit after:

Reaching age 65 and completing five years of membership service
Reaching age 60 and completing 25 years of creditable service
Completing 30 years of creditable service at any age

Employees may retire early with a reduced retirement benefit after:

Reaching age 50 and completing 20 years of creditable service
Reaching age 60 and completing five years of membership service

Refund of Contributions

If you leave the System for any reason other than retirement or death, you can either:

- Receive a refund of your contributions plus interest, (refunds can only be processed once you have been separated from employment for at least 60 days), or
- Leave your contributions in the System and keep all the creditable service you earned to that date. *(NOTE: You are entitled to a benefit at a later date if you leave after you have completed 5 years of membership service, provided you do not withdraw your contributions).*

If you leave the System before you have 5 years of membership service, the only payment you can receive is a refund of your contributions. If contributions are withdrawn, creditable service may be restored by making a lump sum payment. To be eligible to buy back creditable service an employee must be rehired and contribute to this System for 5 years.

Health Insurance at Retirement

At the time of completion of the Application for Retirement, the Retirement System will provide you with instruction for going online and enrolling in the State's health insurance plan.

For employees hired PRIOR to October 1, 2006, and retire with 5 or more years of state service, their individual coverage under the non-contributory plan at retirement will be paid by the state (currently 70/30 or Medicare Advantage Base).

For employees hired after October 1, 2006 retiring with 20 years or more of state service, the State will cover 100% of health care costs. For employees retiring with 10 years but less than 20 years of state service, the State will cover 50% of health care costs. For employees retiring with 5 years but less than 10 years, you will have to pay the full cost for your coverage.

Unused Sick Leave:
Unused sick leave may be converted to creditable service and, therefore, can be used to establish eligibility for Retirement. Unused sick leave can be converted to creditable service at the rate of one month of service for each (20) days of Sick Leave. One more month of retirement credit is allowed for any part of 20 days left over.

Sick leave may be used to complete:

- 30 years of service, regardless of age;
- 25 years of service after age 60; and
- 20 years of service after age 50.

Sick leave cannot be used to meet the minimum qualifications for a disability, deferred benefit or the Survivor's Alternate Benefit.

Payment of Vacation Leave:
The retiree shall be paid for accumulated vacation leave, using an hourly rate of pay based on 2080 work hours per year, not to exceed a maximum of 240 hours. The retiree shall also be paid for any unused Bonus Leave. Employees retiring on Service Retirement or Early Retirement may choose to exhaust vacation leave, upon management's approval, after the last actual day of work but prior to the effective date of retirement. Retirement is always effective on the first day of the month, so the employee should work or exhaust vacation leave, if available, until the last possible workday of the month prior to the effective date of retirement.

All benefits are earned while exhausting leave. Any unused vacation leave (not to exceed 240 hours) and unused bonus leave not exhausted prior to the effective date of retirement will be paid in a lump sum. Payment for unused vacation/bonus leave will be made on the regular payroll. Leave is paid through the nearest tenth of an hour.

ORBIT
Your retirement information can be viewed at any time through the NC Department of the State Treasurer's ORBIT site (Online Retirement Benefit through Integrated Technology). https://orbit.myncretirement.com/ You will first have to create an account. This online tool provides you with full, secure access to your personal retirement account information 24 hours a day. In ORBIT, you can view your account summary, view your annual benefits summary, estimate your benefits, and create an estimate for purchasing years of service.

TOTAL RETIREMENT PLANS FOR STATE EMPLOYEES

Location

http://www.ncplans.prudential.com/

The State offers additional savings plans to provide a way for employees to save money and supplement the State's retirement benefits by making contributions through payroll deduction. These plans are administered by Prudential and include:

401(K), AND DEFERRED COMP (457) SAVINGS PLANS

Both plans offer tax-deferred or Roth (after tax) investment programs. All members currently contributing to the Teachers' and State Employees' Retirement System (TSERS) are eligible to participate in 401(k) and all employees compensated directly by the State are eligible to participate in Deferred Comp (457).

For the tax deferred plans, employees have the opportunity to build their savings while reducing their taxes. Contributions to the Plans are pre-tax payroll deductions which reduce the current taxable income. The Roth after-tax savings plans also offer the opportunity to build retirement savings. Like the pre-tax savings, the interest and earnings grow tax deferred but upon receipt of a qualified Roth distribution in retirement, the Roth benefits will be tax free for NC state and federal income tax purposes.

Contact Information

If you would like more information on the 401(k) and Deferred Compensation programs, please visit the North Carolina Supplemental Retirement Plans' website at www.NCPlans.prudential.com. You can also take advantage of the North Carolina Supplemental Retirement Plans' toll-free phone number by calling 1-866NCPlans (1-866-627-5267).

Enrollment Information

To enroll in a Supplemental Retirement Plan (401k and/or Deferred Comp), you can go to www.NCPlans.prudential.com and complete an enrollment form online. You can also contact Prudential directly at: 1-866-NCPlans (1-866-627-5267).

Comparison of 401k & Deferred Comp (457)

	NC Deferred Comp Plan (NC 457 Plan)		**NC 401(k) Plan**	
	Pre-Tax Contributions	**Roth After-Tax Contributions**	**Pre-Tax Contributions**	**Roth After-Tax Contributions**
Eligibility	• Full-time, temporary, and part-time employees. • Elected or appointed officials. • Rehired retired employees.		Contributing members to one of the NC public employees Retirement Systems including: • Teachers' and State Employees' Retirement System (TSERS); • Local Governmental Employees' Retirement System (LGERS); • Legislative Retirement Systems; • Consolidated Judicial Retirement Systems.	
Contributions	• Payroll deduction; • No minimum contribution requirement • 2016 annual contribution limit of $18,000 (amount is not reduced by rollovers into the Plan from other qualified plans).		• Pre-tax contributions and/or Roth after –tax contributions; • Payroll deduction; • No minimum contribution requirement. • 2016 annual contribution limit of $18000 (amount is not reduced by rollovers into the Plan from other qualified plans).	
Age 50+ Catch-Up Contributions	If age 50 or older by December 31, 2016, the member may contribute an additional $6,000 to the Plan for a total maximum deferral of $24,000.		If age 50 or older by December 31, 2016, the member may contribute an additional $6,000 to the Plan for a total maximum deferral of $24,000.	

	Note: Cannot be used in conjunction with the 3-year Catch-Up contribution.			
Three-Year catch-up provision (457) *(Note: Cannot be used in the 457 Plan if the age 50 & older catch-up is used)*	Available to members who are within 3 yrs of the taxable year in which normal retirement age is attained & who did not contribute the maximum allowed in prior years. Maximum contribution is $36,000 in 2016. *Note: Cannot be used in conjunction with the Age 50+ Catch-Up provision.*		Not available.	
Savers Tax Credit	A non-refundable tax credit is available to eligible taxpayers who make contributions to qualifying retirement plan(s). Depending upon the member's adjusted gross income (AGI), the credit ranges from 10 to 50% of the first $2,000 in eligible contributions. Generally, this credit would be available to joint filers with an AGI of up to $61,500, head of household filers with an AGI of up to $46,125 and single filers with an AGI of up to $30,750.			
Rollovers into the Plan	Pre-tax rollovers are accepted form eligible retirement plans including 401(k), 401(a), 403(b), governmental 457(b) plans & some IRAs.	Roth after-tax rollovers are accepted from eligible retirement plans such as governmental 457(b), 401(k) and 403(b) plans but not from Roth IRAs.	Pre-tax rollovers are accepted form eligible retirement plans including 401(k), 401(a), 403(b), governmental 457(b) plans & some IRAs.	Roth after-tax rollovers are accepted from eligible retirement plans such as Roth 401(k), Roth 403(b), Roth 457 plans but not from Roth IRAs.
Loan Provision	Loans may be taken for any reason, provided funds are available in the member's account, and are repaid with interest through payroll deduction. May take up to five years to repay with no prepayment penalty. Only one loan may be outstanding at a time.			
Hardship Withdrawals	Available in the following circumstances: • For medical expenses not covered by insurance for the member, spouse, or dependents; • To prevent eviction or foreclosure on a primary residence; • To cover funeral/burial expenses for the member's immediate family member; • To repair damage to the member's principal residence that qualifies as a casually deduction.		Available in the following circumstances as defined by the IRS: • For medical expenses not covered by insurance for the member, spouse, or dependents; • To provide a down payment on a primary residence; • For college tuition, room, board, and some related educational expenses for member, spouse or dependents. • To prevent eviction or foreclosure on a primary residence; • To cover funeral/burial expenses for the member's immediate family member; • To repair damage to the member's principal residence that qualifies as a casually deduction.	
Withdrawals & Rollovers while Employed	• Available upon reaching age 70 ½; • Transfer to the NC Retirement System to purchase service credit, if eligible for purchase; • Allowed if the account balance is less than $5,000 and no contributions have been made for a period of two years.	• Available upon reaching 70 ½ & in order to receive favorable tax treatment the 1st contribution must be at least 5 years old. • Allowed if the balance is less than $5,000 & no contributions have been made for a period of 2 years.	• Available upon reaching age 59 ½ ; • Transfer to the NC Retirement System to purchase service credit, if eligible for purchase.	• Available upon reaching age 59 ½ & in order to receive favorable tax treatment the 1st contribution must be at least 5 years old.
Options upon Termination or Retirement	• Leave funds in the Plan (subject to federal rules on minimum required distributions); • Begin making withdrawals (lump sum, partial payments or systematic payout options); • Annuitize all or a portion; • Roll all or a portion of the balance to another qualified retirement plan or IRA; • At or after retirement, members may move balance to the	• Leave funds in the Plan (subject to federal rules on minimum required distributions); • Begin making withdrawals (lump sum, partial payments or systematic payout options); • Roll all or a portion of the balance to	• Leave funds in the Plan (subject to federal rules on minimum required distributions); • Begin making withdrawals (lump sum, partial payments or systematic payout options); • Roll all or a portion to an annuity; • Roll all or a portion of the balance to another qualified	• Leave funds in the Plan (subject to federal rules on minimum required distributions); • Begin making withdrawals (lump sum, partial payments or systematic payout options); • Roll all or a portion of the balance to another Roth 401(k), Roth 457, Roth 403(b) or Roth IRA.

	Retirement System to increase their monthly benefit.	another Roth 401(k), Roth 403(b), Roth IRA or Roth 457.	retirement plan or IRA; • At retirement only, members may move balance to the Retirement System to increase their monthly benefit.	
One-Time Deferrals	• Upon separation, employees may choose to defer their leave payout of vacation/bonus leave or longevity into their Prudential Savings Plan (401k or Deferred Comp/457b) to help increase their savings contributions or meet their annual savings maximum.			
Tax Considerations	• Withdrawals of pre-tax funds are subject to federal and state income taxes for the year in which the distribution(s) is processed; • Rollovers to other qualified plans or IRAs are not taxable events.	Withdrawals are NOT subject to federal or state income taxes provided: • The 1st Roth contribution has been in the account for a t least 5 tax years; and • The member is 59 ½ or older, disable, or deceased.	• Withdrawals of pre-tax funds are subject to federal and state income taxes for the year in which the distribution(s) is processed; • Rollovers to other qualified plans or IRAs are not taxable events.	Withdrawals are NOT subject to federal or state income taxes provided: • The 1st Roth contribution has been in the account for a t least 5 tax years; and • The member is 59 ½ or older, disable, or deceased.
Tax Penalties	Regardless of age at withdrawal, no additional penalties will apply.	Regardless of age at withdrawal, no additional penalties will apply.	Withdrawals prior to age 59 ½ may be subject to an additional 10% federal income tax penalty. This penalty can be avoided if the member: • Separates from service in the calendar year they turn 55, or later; • Elects to receive substantially equal payments based upon life expectancy; • Is disabled or deceased.	State and federal income taxes along with a federal tax penalty for early withdrawal may apply to the earnings (not contributions) if the member is younger than 59 ½ or if the first Roth contribution has not been in the account for at least 5 years.
Minimum Required Distributions	The federal government dictates that minimum withdrawals must begin by age 70 ½ , provided a member is no longer employed by the sponsoring employer. Failure to receive this annual minimum required distribution (MRD) may result in significant tax penalties.			

SHORT-TERM DISABILITY

Location

https://www.nctreasurer.com/ret/DINCP%20Employer/TSERSDisabilityHandbook.pdf

Employees who become temporarily or permanently disabled and are unable to perform their regular work duties may be eligible to receive partial replacement income through the Disability Income Plan of North Carolina. In order to qualify for short-term disability benefits, an employee must be in permanent status and work at least 30 hours per week for nine months of the year and participate as a member of the retirement system for at least one year during the 36 months preceding the disability. Eligible employees may receive a monthly short-term benefit equal to 50% of their monthly salary, plus 50% of their annual longevity. Monthly benefits during the short-term period cannot exceed $3,000. This monthly benefit is reduced by any workers' compensation or Veteran's Affairs benefit received for the same disability. Short-term benefits are available for up to one year and may be extended for up to one additional year if the disability is temporary and is likely to end within that additional year. Additional information can be found on The Office of the NC State Treasurer's website at www.nctreasurer.com.