



## **Active Members Have the Ability to Transfer NC 401(k) and NC Deferred Compensation (457) Funds at Retirement for a Lifetime Benefit**

Effective January 1, 2011, retiring members of the Teachers' and State Employees' Retirement System (TSERS) and Local Governmental Employees' Retirement System (LGERS) with an existing NC 401(k) or NC Deferred Compensation (457) account through Prudential Retirement, will have the opportunity to transfer all or a portion of their NC 401(k) and/or NC Deferred Compensation funds at retirement to the North Carolina Retirement Systems.

During the 2010 legislative session, the General Assembly passed a bill providing the opportunity for retiring active members to transfer funds to receive an additional separate monthly lifetime benefit based on the transferred funds, also known as creating an annuity. Previously, this option was available only to North Carolina law enforcement officers.

### **Who can transfer?**

- This option is available to retiring TSERS or LGERS members, including law enforcement officers, who have NC 401(k)/NC 457 account balances through Prudential Retirement, the Plan's third-party administrator.
- Law enforcement officers vested by June 30, 2010, have the option to transfer funds under this newly established Transfer Benefit available to all members, or transfer funds under the previously established plan specifically for law enforcement officers.

### **Determining if the NC 401(k)/NC 457 Transfer Benefit is Right for You**

Having multiple options to transfer all or a portion of your NC 401(k) or NC 457 funds can give you the opportunity to increase your monthly retirement benefit for recurring expenses while maintaining a cash reserve in case of emergencies, or to use at some future date.

The NC 401(k)/NC 457 Transfer Benefit is designed to provide a lifetime benefit. However, the NC 401(k)/NC 457 Transfer Benefit may not be the right option if you only need income for a fixed period of time, or if you have large expenses for which you need access to your funds. Transferring entire 401(k)/NC 457 account balances may not be the right option for those who:

- 1) Need their NC 401(k)/NC 457 to provide emergency funds after retirement,
- 2) Desire to leave a bequest, or
- 3) Want to bridge from retirement to Social Security

### **How the NC 401(k)/NC 457 Transfer Benefit Works**

- You may apply to transfer all or a portion of your NC 401(k) or NC 457 funds at the same time you apply for retirement. Employees can transfer funds from both accounts.
- Upon retirement you would submit the Form 319401k and/or Form 319457, or for law

enforcement officers vested by June 30, 2010, the Form 319LEO, to initiate the transfer of funds from your respective accounts. Forms are available from [www.myncretirement.com](http://www.myncretirement.com), under the “Applications and Forms” section.

- Transfers are a one-time, irrevocable election. After-tax Roth contributions are non-transferrable.
- There is a one-time administrative fee of \$100 per transfer.

### How can I learn more about the NC 401(k)/NC 457 Transfer Benefit?

Several resources are available to help you learn more about the Transfer Benefit, and to help you determine if the benefit is right for you. The North Carolina Retirement Systems and Prudential Retirement have partnered with the State Employees’ Credit Union (SECU) to provide you with information on the Transfer Benefit. Contact any one of the partners for more information:

**State Employees’ Credit Union** – SECU has employees who are ready to advise you on whether this benefit is right for you. They offer this service free of charge and you do not need to be a Credit Union member. As a non-profit, member-owned organization, SECU will provide you with unbiased advice.



Visit the NC 401(k)/NC 457 Transfer Benefit website at [www.nclifetimeincome.org](http://www.nclifetimeincome.org).



If you do not have access to the Internet or have further questions about the material on the website, SECU call center staff is available to assist you 24 hours a day at 1-888-732-8562. Press “3” to reach an experienced call center staff person.

**North Carolina Retirement Systems** – The NC Retirement Systems will help you identify or obtain the correct forms to complete, will address questions about how to apply for the Transfer Benefit, or check on the status of your application.



Visit the NC 401(k)/NC 457 Transfer Benefit educational website at [www.myncretirement.com](http://www.myncretirement.com). Click on the ORBIT link to use the Transfer Benefit Estimator in your personal ORBIT account.



NC Retirement Systems call center staff is available to verify the status of your application. The call center is open Monday through Friday from 8:30 a.m. – 5 p.m. at 1-877-NCSECURE (1-877-627-3287).

**Prudential Retirement** – Prudential’s call center staff will answer questions about your existing NC 401(k) or NC Deferred Compensation (457) account(s), or will assist you in establishing a new account, if you are employed by a participating employer.



Learn about the Plan features by visiting [www.ncplans.prudential.com](http://www.ncplans.prudential.com).



Prudential Retirement call center staff are available Monday through Friday from 8 a.m. to 9 p.m. at 1-866-NCPLANS (1-866-627-5267).

If you miss the opportunity to transfer your funds when you retire, you will have the option to do it at any point after retirement. However, if you are a law enforcement officer, certain options are only available at the time of retirement.