SIX-MONTH FOLLOW-UP REPORT #10
DEPARTMENT OF STATE TREASURER

Retirement Systems Division

As Directed by Session Law 2005-276, Section 27.2

April, 2008

Prepared By:

Office of State Budget and Management
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INTRODUCTION

Scope & Purpose

Session Law 2005-276, Section 27.2(a), requires that the Office of State Budget and Management (OSBM) conduct semiannual follow-up analyses to the April 2003 operational and staffing analysis of the Retirement Systems Division (RSD) within the Department of State Treasurer (DST). This is the 10th follow-up report since April 2003.

The purpose of the report is to help assure that RSD’s staffing levels remain appropriate during the implementation of information technology (IT) infrastructure enhancements. OSBM will conduct this analysis throughout the implementation of the IT enhancements and will continue it for a reasonable time thereafter. RSD shall report monthly workload statistics and productivity data to OSBM on a quarterly basis (Section 27.2(b)).

With the complete implementation of the new IT system, ORBIT (On-line Benefits through Integrated Technology), which went “live” in October 2007, RSD now faces challenges and opportunities in numerous work functions. Since ORBIT implementation, RSD began performing internal studies to explore ORBIT’s impact on staffing. This report explores some preliminary impacts of the new system, although the measures included represent the earliest test data and must be viewed in that light. The October 2008 study should yield more reliable data about ORBIT system performance.

BACKGROUND

The N.C. Retirement System administers the retirement system for retired and active (current) educators, law enforcement officers, and state and local government employees. The system is also responsible for administration of nine other pension and retirement income funds.

Staff and Membership Overview

The RSD has a full-time staff of 163 and pension fund assets of approximately $77 billion.

- Membership – According to the Jan. 21, 2008, Pensions & Investments magazine, North Carolina’s Retirement System is the 16th-largest retirement system in the country, based on market value of assets. Among public systems, the N.C. RSD is ranked 11th-largest in assets.
- Staff to Member Ratio – The N.C. RSD 2007-08 staff to member ratio is 1:5,033. According to RSD staff benchmarking of peer states with similarly-sized retirement systems, the average staff to member ratio among the peer systems is 1:1,484. However, peer states, as identified by CEM Benchmarking, Inc., do not all count members in the same way. For example, the chart on page 3 includes inactive accounts, which do not collect benefits or contributions. At the beginning of 2007, there were approximately 85,000 inactive accounts. Although these accounts generate less maintenance work, RSD staff must manage them when members inquire about balances and status, decide to withdraw or transfer assets, or their beneficiaries contact the RSD with questions.

With the addition of staff in recent years to address retirement processing backlogs, the RSD continues to implement formal training, development of standardized process documentation, cross-training, process measurement, and quality assurance measurements while taking steps to improve customer service. RSD officials explained that many customer service improvements would have been more difficult without the employment of temporary and contract staffing.

The term, “backlog,” generally refers to a long average time to process a retirement/disability/death case. It also refers to cases that have been initiated but not closed. Backlogs are considered cleared either when members are receiving their payments in the month requested or when the time from initiating a calculation to completing it is considered low compared to historical averages.

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1 Peer retirement systems’ staff to member ratio as of May 2007 (CEM Benchmarking, Inc., study with customized peer group for North Carolina.)
Earlier versions of this report focused on the addition of temporary and Time-Limited positions (TLPs) at the RSD. In more recent reports, OSBM’s analysis shifted to the effect of the ORBIT system on staffing. ORBIT’s impact can be seen in the RSD’s internal and external training requirements and in the shifting roles of staff. Examples of ORBIT’s impact are explored on subsequent pages of this report.

FINDINGS

Operations Summary

The chart below illustrates changes in the RSD’s expenditures and actual employee full-time equivalents (FTEs) since the 2003-04 fiscal year. The chart takes into account the costs associated with ORBIT.

<table>
<thead>
<tr>
<th>Retirement System Operations Summary</th>
</tr>
</thead>
<tbody>
<tr>
<td>RSD Expenditures without ORBIT Costs</td>
</tr>
<tr>
<td>Employees (FTEs)</td>
</tr>
<tr>
<td>System Members</td>
</tr>
<tr>
<td>Members per Employee</td>
</tr>
<tr>
<td>System Retirements*</td>
</tr>
<tr>
<td>Cost per Member without ORBIT Costs</td>
</tr>
<tr>
<td>RSD Expenditures including ORBIT Costs</td>
</tr>
<tr>
<td>ORBIT Expenses Allocated</td>
</tr>
<tr>
<td>Cost per Member including ORBIT Costs</td>
</tr>
</tbody>
</table>

*Based on Calendar Year Information

Includes Teachers and State, Local, Judicial, Legislative, & Firemen and Rescue Squad Workers’ Systems

The 2008-09 projected budget is $16,932,097 with ORBIT and $15,116,972 without ORBIT. In pre-implementation years, ORBIT expenses have included system configuration, data migration, and training. Now that ORBIT is in place, most of the ongoing costs will include: maintenance of hardware; licenses for software programmers to update changes in benefits (such as legislative changes and cost-of-living adjustments); programmers to support operational improvements (such as self-service features); and staff to answer user questions and perform system maintenance. The October 2008 report will provide more details on specific, ongoing ORBIT costs.
The 820,309 system membership listed above includes the following system members (active and retired):

<table>
<thead>
<tr>
<th>System</th>
<th>Active</th>
<th>Retired</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Teachers and State</td>
<td>414,038</td>
<td>147,613</td>
<td>561,651</td>
</tr>
<tr>
<td>Disability Income Plan</td>
<td>0</td>
<td>6,043</td>
<td>6,043</td>
</tr>
<tr>
<td>Local Government</td>
<td>156,094</td>
<td>42,163</td>
<td>198,257</td>
</tr>
<tr>
<td>Registers of Deeds</td>
<td>100</td>
<td>76</td>
<td>176</td>
</tr>
<tr>
<td>Judicial</td>
<td>630</td>
<td>479</td>
<td>1,109</td>
</tr>
<tr>
<td>General Assembly</td>
<td>280</td>
<td>269</td>
<td>549</td>
</tr>
<tr>
<td>Legislative Fund</td>
<td>0</td>
<td>19</td>
<td>19</td>
</tr>
<tr>
<td>Retired/Rehired Teachers</td>
<td>4,003</td>
<td>0</td>
<td>4,003</td>
</tr>
<tr>
<td>Fire and Rescue</td>
<td>35,196</td>
<td>10,251</td>
<td>45,447</td>
</tr>
<tr>
<td>National Guard</td>
<td>0</td>
<td>3,055</td>
<td>3,055</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>**610,341</td>
<td><strong>209,968</strong></td>
<td><strong>820,309</strong></td>
</tr>
</tbody>
</table>

Membership numbers increased with the number of retirees and as new active members took their place. The only membership decrease occurred when a member died or withdrew contributions.

Budgeted expenditures per member decreased in 2007-08 (by more than $4). The RSD’s remained one of the lowest costs per member and annuitant of the peer public retirement systems, including ORBIT costs. The 2006 median cost per member/annuitant among peer systems was $75, as determined by CEM Benchmarking, Inc., which compares North Carolina to other peer systems such as Pennsylvania, Ohio, South Carolina, and Washington.

**Workload and Performance**

The following section highlights many of the RSD’s key processes and subsequent workload and performance measures.

The transition to ORBIT has presented some inconsistencies in data. There are differences in the method for tracking measures in the old system versus ORBIT, making it difficult to compare pre-October 2007 to post-October 2007 data. This issue appears in such categories as “average response time to correspondence” or in how the RSD calculates the definition of an error. In some cases, the RSD might not be able to get an accurate number for one or two months during the transition, because cases were worked across multiple systems. Data for December 2007, however, should represent accurate ORBIT measures.

**Key Trends:** The RSD has noted the following key long-range trends:

- **Total Retiree Growth:** From 1990-2007, the number of retirees (including beneficiaries) in the system increased from 92,818 to 208,619, or 124% (Appendix A, Figure 1). This figure represents a cumulative total of retirees, reflecting the years when they moved from active to retired status. The measure is relevant because when a member retires, it generates work for the RSD to calculate and maintain member benefits for the rest of their membership lives.

- **Projected Retiree Trend:** From 2007 to 2025, the RSD is projected to experience an approximate 75% increase in retirement benefit recipients, from 197,100 to 345,600. (Figure 2 includes data dating back to 2005.) This figure represents the total number of retirees and beneficiaries in the Teachers and State Employees’ Retirement System (TSERS) and the Local Government Employees’ Retirement System (LGERS), which are the two largest RSD systems, and thus differs from the all-system counts above.

- **Retirements:** The number of retirements processed per year has more than doubled since 1990. The total number of retirements processed in 2007 also represents an increase of 60 percent since 1996.

**Retirement Requests Received:** From 2002-2005, there was an increasing number of retirement requests from year to year in most months. This trend reversed somewhat in the first six months of 2006 (Figure 3). In 2006 and 2007, retirements have spiked in July due to teachers retiring at the end of the school year. Prior to 2006, some school
system years ended early, allowing teachers to retire in June. In addition, re-employment rules allowed some teachers to retire in January in 2005 and prior years, but then return to work. Now, almost all teachers retire in July, which led to a record of 3,253 retirements in July 2007.

**Enrollments:** Due to cross-training of staff, some permanent resource shifts, and the implementation of ORBIT, RSD has recently made improvements in the timely processing of enrollment and initial beneficiary elections. These improvements are:

1. Employers will provide more information than ever before when enrolling new members. The integrity and accuracy of this information will need to be verified. For example, a staff person must verify that the total contributions match the electronic payment into the pension fund. This has initially required additional staff time because employers are unfamiliar with providing the new information, and with more information there are more opportunities for errors. Staff members have been running consistency checks on the data and working directly with employers to correct errors. However, this need should decline as employers get used to the new format.

2. All beneficiary information will be received on paper, due to notary requirements, and will be keyed into ORBIT by RSD staff. In the past, very little information on beneficiaries was maintained electronically. Instead, forms were pulled when someone died and the RSD needed to identify the beneficiary. Seven members of the staff work on keying this beneficiary information. Since the new process began in October, RSD staff have been keying in about 2,000 beneficiary forms per month. RSD staff estimate that the volume could reach several times higher than that in early fall of 2008 with the usual spike of new hires, particularly in school systems.

**Member Service Requests:** Member requests include office visits, off-site meetings, and telephone and written correspondence.

The average number of office visitors per day showed little variation through the period. (Figure 4). The number of individual counseling sessions dropped from earlier in the year, due to reduced staff availability during ORBIT transition. However, the number of individual sessions has always been low because most counseling is handled by phone or in groups.

The number of off-site meetings is typically seasonal, with more meetings in the spring and fall (Figure 5). There was a significant decrease in the number of meetings during the last six months of 2007 because of shifting staff to ORBIT implementation and answering ORBIT-related questions. The reduced availability of meetings led more people to attend each of the meetings that were provided.

The average response time to correspondence shows an unusual increase in November and December, reflecting the anticipated increase in ORBIT-related calls and correspondence (Figure 6). No data was available for average response to emails for the last three months of the period because of a difference in the way that ORBIT measures this response. Email correspondence represents about 5% of the RSD’s total correspondence.

The number of telephone calls received averaged 26,700, with an October peak of 34,835. This spike is also reflected in the increased average hold time for phone calls, which exceeded four minutes in October – the first time that’s happened since August 2006 (Figure 7). The RSD attributes this increase to the volume of questions from members and employers about ORBIT.

These late 2007 spikes also affected the telephone abandonment rate – the rate at which a caller will abandon a call after waiting more than 20 seconds. The October abandonment rate of 21.6% marks the highest this has been since August 2006. Although this decreased significantly by November and December, it did not improve to the early 2007 rates (Figure 8). Most telephone call volume for December occurs during the first two weeks of that month, given the holiday schedule. The RSD expects the member self-service function within ORBIT to provide members with access to more information regarding their accounts and could lead to an increase in member and employer calls in the first half of 2008.

The RSD expected difficulty in maintaining the performance of the first part of 2007 after ORBIT implementation, since the volume of calls was expected to rise as customers adjusted to the new system. As of early 2008, this period seems to have passed, and performance is improving in many categories compared to the fall of 2007.
Benefits Processed: Benefits processing includes benefit calculations, the actual number of retirements processed, and the more complex process of reviewing disability applications and completing death claims. RSD notes the following recent patterns:

- **Volume:** The benefits section work output peaked in July (*Figure 9*). The major factor for this was the change in school compensation schedules, which shifted retirements to July. July 2007 was another record for RSD. These seasonal workload spikes continue to place strain on RSD resources during peak times. Workload in the second half of 2007 was lower than in comparable months of 2006 due to the anticipated initial drop in production with the implementation of ORBIT.

- **Timeliness:** The average number of days to process retirement applications escalated during the last three months of 2007, reflecting the transition to ORBIT and the increased amount of electronic information entered into the new system (*Figure 10*). However, the October 2008 study should provide a more accurate picture of ORBIT’s true impact, as more months of data are made available. Approximately 82% of prospective retirees were paid in the month for which they requested service. This compares to 66% paid in the month requested for December 2006 and 42% in the month requested for December 2005.

The RSD has implemented a reallocation of some resources in conjunction with ORBIT and will continue to reassess the allocation of resources during 2008 with the changes that ORBIT brings to the nature of the work. RSD expects this to improve quality, provide additional data, and allow more staff to perform audits of this data.

**Continuing Efforts in RSD to Improve Timeliness and Quality of work.**

RSD management realized that a work slowdown would most likely occur beginning in October as result of the new ORBIT system implementation. To prepare for this, RSD management has worked during the year leading up to October 2007 to enact process improvements. During the months preceding October, RSD management requested that staff work overtime, including weekends, at a cost of about $50,000. By the end of September, RSD had decreased workload levels in almost all of its major processes. For example, death and disability benefit backlogs decreased, and internal processes, such as Imaging, attained and exceeded management goals.

Other long-term efforts included:

- **Gradual submission of applications** – The RSD has educated future retirees and employers to submit applications at least 60 days in advance. This was particularly helpful with handling the large numbers of retirements in July, since this work could be spread over several months. Recent legislation now allows RSD to accept Retirement Applications 120 days prior to retirement. RSD expects this to further improve the timely processing of retirement applications.

- **Reallocation of staff** – Staff shifting has helped stabilize peak times. This was key in handling the peaks in July 2006 and 2007, when the RSD shifted extra personnel within sections to address the higher number of retirement applications. RSD staff also worked on weekends and overtime to effectively handle this surge.

- **Cross-training** – The RSD continues to cross train its staff to ensure that when personnel shifts occur from one process to another, staff possess the necessary skills to maintain quality and a desirable turnaround time. The RSD shifted its experienced staff, hired staff development specialists and contract personnel, and developed a training department within the past two years. To date, cross training has occurred in Death Processing, Retirement Processing, Records Section, and Member Services.

- **Though ORBIT has automated many of the organization’s processes, it will also require a new level of employee competency.** RSD staff members have transitioned from an old mainframe application to a new and advanced web application. The RSD explained that automation may help eliminate work in some areas; however it will increase the skill level required to perform work in other areas. The RSD will continue to identify related training impacts.
**Staffing Changes**

For this report, no new key areas of staffing analysis are being reported. Our next written report will outline more details about completed, planned or considered staffing changes as result of ORBIT.

The following updates are provided:

<table>
<thead>
<tr>
<th>RSD Vacancies</th>
<th>Vacancy Report</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Number of Vacant Positions March 2008:</td>
<td>20</td>
</tr>
<tr>
<td>Number of Positions Vacant Less Than 60 Days (1-60 days):</td>
<td>5 (2 posted)</td>
</tr>
<tr>
<td>Number of Positions Vacant Less Than 90 Days (61-89 days):</td>
<td>1 (posted)</td>
</tr>
<tr>
<td>Number of Vacancies Due to Leave Without Pay:</td>
<td>3</td>
</tr>
<tr>
<td>Number of Vacancies Greater Than 90 Days as of March 19, 2008</td>
<td>11</td>
</tr>
</tbody>
</table>

**Vacancies Greater Than 90 Days**

- Accountant II (1) – interviewing in progress
- Administrative Support Associate (4) – one posting, one interviewing
- Administrative Support Specialist (4) – one hire pending
- Retirement Benefits Counselor (2) – two hires pending

As mentioned previously, during peak periods the RSD reallocated resources and staff so that vacancies did not seriously affect direct member services, such as the call center. Counselors have been moved to the phone team from other counseling resource areas; off-site counselor trips were reduced; and purchase and cost analysts have been trained to assist with retirement processing.

**ORB IT**

All funding for ORBIT comes from pension fund receipts. ORBIT went on-line for retirees in January 2006 and for active employees on October 1, 2007. With few exceptions, all of the RSD functions and responsibilities are now being processed through ORBIT.

The ORBIT project integrated the Retirement System’s separate “islands” of systems into one cohesive unit, which required a redirection of resources and personnel. The RSD reassigned some permanent employees to the ORBIT project, while backfilling those positions with temporary employees in order to keep pace with the increasing workload.

**Post ORBIT Staffing Changes**

RSD will now begin to shift its focus toward the evaluation of staffing needs as a result of ORBIT final implementation. RSD believes that the new technologies offered by ORBIT will provide both opportunity and challenge for its current staffing levels and the technical competencies of its current staff. RSD expects that ORBIT will facilitate a number of functions; nevertheless, many other functions will require shifting and/or retraining of staff and a more highly skilled workforce than pre-ORBIT. The RSD may request additional staffing in the area of quality control. ORBIT requires a quality control step at the end of every RSD process. The RSD explains that these quality control functions must be staffed to prevent workload bottlenecks.

Some other possible staffing changes, due to both workload reductions and workload increases, may be due to the following:

- ORBIT will provide the technical capability to disburse funds outside of regular one-time monthly payroll (i.e.: supplemental payments). To do this would require additional staff in the accounting section.

- RSD fully expects a workload reduction to occur in refund processing.
• With ORBIT, additional member information is being obtained from employers in the new electronic enrollment and contribution system. More data on the RSD’s members will assist the RSD throughout its processes and ultimately benefit its membership. However, this has required increased data integrity validation checks and one-on-one communication with employers to verify and correct incoming data.

• RSD expects that the new on-line self-service (both employer and member based) will initiate additional contacts from its membership base seeking information or education regarding the data they will now be able to view. While this may result in an initial surge of contacts over the long term, this trend should reverse.

• ORBIT will require more beneficiary information be captured electronically. Current legacy systems are limited in this area, and RSD has had to rely on imaged documents in the past, which weren’t actually integrated into the system. Beneficiary elections and changes are expected to triple in processing time after ORBIT implementation. Ultimately this will benefit the RSD’s customers and decrease death claim processing, but the RSD estimates that true time savings might not be realized for years.

• Technical assistance and website maintenance are anticipated to increase as more help desk calls are generated and the website is regularly updated and enhanced.

• The RSD maintains an extensive bank of process forms and letters. During the past three years, the RSD has revised every form and letter in its inventory. Bar-coded forms will now initiate electronic workflows, and hundreds of letters will be automatically generated to members during batch overnight processes. RSD staff state that maintenance and administration of this new system will require a full-time staff person, as opposed to temporary and contact staff that have been used previously. A full-time staff person would design template forms and letters. Under this scenario, the division expects to spend less time developing and sending letters because staff can use templates instead of each counselor or analyst writing their own letters. A full-time staff person would also maintain an on-line help system.

CONCLUSION

The nature of the RSD’s work presents unique management challenges, as the organization must handle seasonal fluctuations in workload volumes. Legislative changes will always have the potential to affect RSD staffing after every session to one degree or another.

With the new requirements brought on by higher technology for a more highly-skilled work force training staff, training capabilities will become even more important to RSD. RSD staff have claimed positive results from the new training program (as documented in the October 2007 report) and will continue to improve its formalized training program. Training is imperative to an effective cross-training program, which is an essential capability RSD requires as a result of its low employee-to-member ratio. Cross-training of staff is essential within every area, thus enabling management to have the flexibility to shift staff to address workload volume spikes.

The performance measures conducted by the RSD reflect an attention to improved management and process control. Over the course of the next several years, the organization will need to continue to practice and enhance these efforts to effectively handle these looming increases. OSBM expects the October 2008 report to provide the best productivity measures of the ORBIT system to date.

RECOMMENDATIONS

This report groups our recommendations under the categories of Staffing, ORBIT, and New or Additional Measures:

Staffing
The RSD should:

• continue to work to fill staff vacancies, especially those that have been in place for more than 90 days.
• continue its educational efforts, encouraging membership to apply for retirement at least in accordance to the new 120 days in advance of retirement rule;
- improve the information provided to its members by finding increased ways to identify and communicate at its customers’ most critical “career-life” points;
- continue to cross-train staff in order to shift capacity during especially high-volume times, without negatively affecting other functions;
- be prepared to explain the impact of staff hired within the prior two years and how they have affected key process areas;
- be prepared to justify the need for additional resources that RSD feels will be imperative to sustain and increase current internal training efforts and customer service.

**ORBIT**
The RSD should:
- monitor the effects of ORBIT and begin conducting a cost-benefit study that can be included with the October 2008 analysis. Due to unavailability of all data, these measures are not complete for this report. Key subject areas would include impact on volume, customer satisfaction, accuracy, timeliness, and employee satisfaction;
- be prepared to address the differences between ORBIT’s continuing costs and one-time, start-up costs;
- evaluate the capabilities of ORBIT to gather and track data and produce reports in conjunction with new measurement areas;
- evaluate the use of self-service in ORBIT and determine if greater use could be made of self-service to reduce RSD workload.

**New or Additional Measures**
The RSD should:
- further develop and refine its process measurements efforts.
- maintain a connection between identified measures and those included in the State’s results-based budgeting effort, which can be better determined after any necessary revisions to the 2008-09 budget.

**Acknowledgments**
OSBM wishes to acknowledge the staff and management of the North Carolina Department of State Treasurer, Retirement Systems Division, for their continued cooperation and assistance throughout the duration of this study.
APPENDIX A

RETIREMENT SYSTEMS DIVISION

System Growth, Benefits Processing, and Workload Data
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NC Retirement System Division
Projected Retiree/Beneficiaries Trend
Calendar Years 2005 - 2025
TSERS and LGERS

<table>
<thead>
<tr>
<th>Year</th>
<th>Projected Number of Retirees and Beneficiaries</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td>179,300</td>
</tr>
<tr>
<td>2006</td>
<td>188,100</td>
</tr>
<tr>
<td>2007</td>
<td>197,100</td>
</tr>
<tr>
<td>2008</td>
<td>206,800</td>
</tr>
<tr>
<td>2009</td>
<td>214,300</td>
</tr>
<tr>
<td>2010</td>
<td>223,100</td>
</tr>
<tr>
<td>2011</td>
<td>231,600</td>
</tr>
<tr>
<td>2012</td>
<td>240,100</td>
</tr>
<tr>
<td>2013</td>
<td>248,400</td>
</tr>
<tr>
<td>2014</td>
<td>256,200</td>
</tr>
<tr>
<td>2015</td>
<td>263,900</td>
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<tr>
<td>2016</td>
<td>271,500</td>
</tr>
<tr>
<td>2017</td>
<td>278,800</td>
</tr>
<tr>
<td>2018</td>
<td>286,000</td>
</tr>
<tr>
<td>2019</td>
<td>293,300</td>
</tr>
<tr>
<td>2020</td>
<td>300,900</td>
</tr>
<tr>
<td>2021</td>
<td>308,700</td>
</tr>
<tr>
<td>2022</td>
<td>316,400</td>
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<td>324,700</td>
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<td>2025</td>
<td>345,600</td>
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<table>
<thead>
<tr>
<th>Year</th>
<th>Actual Number of Retirees and Beneficiaries</th>
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</thead>
<tbody>
<tr>
<td>2005</td>
<td>187,335</td>
</tr>
<tr>
<td>2006</td>
<td>200,056</td>
</tr>
<tr>
<td>2007</td>
<td>208,619</td>
</tr>
</tbody>
</table>

Figure 2

Projected Retirees and Beneficiaries trend from 2005 to 2025 for TSERS and LGERS.
# NC Retirement System Division

## Retirement Requests Received By Planned Retirement Month

For January 2002 - December 2007

<table>
<thead>
<tr>
<th>Year</th>
<th>Jan</th>
<th>Feb</th>
<th>Mar</th>
<th>Apr</th>
<th>May</th>
<th>Jun</th>
<th>Jul</th>
<th>Aug</th>
<th>Sept</th>
<th>Oct</th>
<th>Nov</th>
<th>Dec</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002</td>
<td>1064</td>
<td>635</td>
<td>496</td>
<td>510</td>
<td>420</td>
<td>1207</td>
<td>1888</td>
<td>1056</td>
<td>895</td>
<td>778</td>
<td>540</td>
<td>433</td>
</tr>
<tr>
<td>2003</td>
<td>1428</td>
<td>764</td>
<td>560</td>
<td>574</td>
<td>504</td>
<td>1246</td>
<td>1676</td>
<td>822</td>
<td>682</td>
<td>535</td>
<td>486</td>
<td>505</td>
</tr>
<tr>
<td>2004</td>
<td>1714</td>
<td>943</td>
<td>695</td>
<td>608</td>
<td>533</td>
<td>1345</td>
<td>1587</td>
<td>891</td>
<td>660</td>
<td>553</td>
<td>466</td>
<td>483</td>
</tr>
<tr>
<td>2005</td>
<td>2453</td>
<td>807</td>
<td>715</td>
<td>636</td>
<td>675</td>
<td>1751</td>
<td>1734</td>
<td>829</td>
<td>746</td>
<td>1623</td>
<td>457</td>
<td>528</td>
</tr>
<tr>
<td>2006</td>
<td>1362</td>
<td>760</td>
<td>653</td>
<td>601</td>
<td>554</td>
<td>866</td>
<td>3071</td>
<td>812</td>
<td>691</td>
<td>551</td>
<td>499</td>
<td>599</td>
</tr>
<tr>
<td>2007</td>
<td>1,507</td>
<td>837</td>
<td>629</td>
<td>670</td>
<td>604</td>
<td>799</td>
<td>3,253</td>
<td>899</td>
<td>690</td>
<td>600</td>
<td>393</td>
<td>448</td>
</tr>
</tbody>
</table>

### Note:
- Jan 05 was a record # of Retirements Requested
- July 06 spike was due to Legislative change affecting educator compensation.
- Total per Year:
  - 2002: 9,922
  - 2003: 9,782
  - 2004: 10,478
  - 2005: 12,954
  - 2006: 11,019
  - 2007: 11,329

### Cause:
- Legislative change to Return-to-Work Rules

Note: Workload spikes affect timely processing of applicants for the month in which the spike occurs and for the months following the spike.
NC Retirement System Division
Meetings, Visitors - Member Contact Process
For January 1 - December 31, 2007

Figure 4

Avg. Number of Office Visitors per Day

January-07 February-07 March-07 April-07 May-07 June-07 July-07 August-07 September-07 October-07 November-07 December-07

Month-Year

10 12 13 13 18 19 19 18 18 15 12 13 13 11 14 16 17 19 17 7 6 17 10 10 5 7 7 5 2 3 2

Legend:
- Average Number of Office Visitors per Day
- Avg Individual Counseling Sessions per Day
Figure 5

NC Retirement System Division
Outside Meetings, Attendees—Member Contact Process
For January 1 - December 31, 2007

Number of Meetings and Number of Meeting Attendees

Month-Year


16 23 46 19 19 19 15 25 6 1 14 2 3 30

68 54 55 87 60 56 95 54 80 127

- 20 40 60 80 100 120 140

Number of Meetings & Education Meetings
Average Number of Attendees - M&E
Count of Emails, Faxes, Letters vs. the Number of Days to Process
For January 1-December 31, 2007

An answering correspondence averaged 3 days from Jan-Aug, 07. The standard is 5 days.

An answering email averaged .9 day from Jan-Aug 07. The standard is 1.5 days.

Oct, Nov, Dec 07 numbers are generated from new ORBIT workflow and likely do NOT represent the entire cycle time of the population.
NC Retirement System Division
Customer Satisfaction - The Number of Phone Calls per Day/Month and the Caller Hold Time in Mins/Secs
For January 1-December 31, 2007

![Chart showing the number of phone calls per day and the caller hold time for each month in 2007. The standard for average hold time for a phone call is 2:00 mins. The 12 months average is 2:31 mins.]

Figure 7

- The standard for avg. hold time for a phone call is 2:00 mins.
- The 12 months avg. is 2:31 mins.
The % of calls answered in less than 20 seconds or less for May 07 is 60.5%.
Timeliness - Number of Days to Calculate the Benefits of Form 6 to 6E's
For January 1-December 31, 2007

 Avg # days to process form 6-6E for Jan-Dec 07

NOTE: the avg # of days for 2007 paralleled BELOW the previous fiscal year of 2006. In Sept 07 it dropped from 45 avg days to 7 avg days. In Dec the average increased to 48 days.

Figure 10