SIX-MONTH FOLLOW-UP REPORT #9
DEPARTMENT OF STATE TREASURER

Retirement Systems Division

As Directed by Session Law 2005-276, Section 27.2

October, 2007

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 ninth 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 became effective in October 2007 for active members, RSD now faces challenges and opportunities in numerous work functions. Over the next four to six months, RSD will perform internal studies that will explore ORBIT’s impact on staffing. The result of this study will be provided in this report scheduled for April 2008.

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 $75 billion.

- Membership – According to the Jan. 22, 2007, Pensions & Investments magazine, North Carolina’s Retirement Systems are the 17th-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 2006-07 staff to member ratio is 1:4,794. According to RSD staff benchmarking of peer states with similarly-sized retirement systems, the average staff to member ratio among the peer systems is 1:1,484.1

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.

1 Peer retirement systems’ staff to member ratio as of May 2007.
FINDINGS

Operations Summary

The chart below illustrates changes in the RSD’s expenditures and budgeted employee full-time equivalents (FTEs) since the 2002-2003 fiscal year. The chart takes into account the costs associated with the new record-keeping and benefits processing project, Online Retirement Benefits through Integrated Technology (ORBIT).

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>RSD Expenditures without ORBIT Costs</td>
<td>$11,888,132</td>
<td>$12,272,809</td>
<td>$13,120,823</td>
<td>$15,009,971</td>
<td>$16,042,274</td>
</tr>
<tr>
<td>Employees (FTEs)</td>
<td>152.00</td>
<td>155.00</td>
<td>163.00</td>
<td>163.00</td>
<td>163.00</td>
</tr>
<tr>
<td>System Members</td>
<td>710,805</td>
<td>727,940</td>
<td>762,762</td>
<td>781,350</td>
<td>820,309</td>
</tr>
<tr>
<td>Members per Employee</td>
<td>4,676</td>
<td>4,696</td>
<td>4,680</td>
<td>4,794</td>
<td>5,033</td>
</tr>
<tr>
<td>System Retirements*</td>
<td>12,669</td>
<td>12,566</td>
<td>12,954</td>
<td>11,802</td>
<td>11,802</td>
</tr>
<tr>
<td>Cost per Member without ORBIT Costs</td>
<td>$16.72</td>
<td>$16.86</td>
<td>$17.20</td>
<td>$19.21</td>
<td>$19.56</td>
</tr>
<tr>
<td>RSD Expenditures including ORBIT Costs</td>
<td>$14,629,828</td>
<td>$23,867,355</td>
<td>$19,993,238</td>
<td>$19,148,252</td>
<td>$16,701,005</td>
</tr>
<tr>
<td>ORBIT Expenses Allocated</td>
<td>$3,505,265</td>
<td>$11,594,546</td>
<td>$6,872,415</td>
<td>$4,138,281</td>
<td>$658,731</td>
</tr>
<tr>
<td>Cost per Member including ORBIT Costs</td>
<td>$20.58</td>
<td>$32.79</td>
<td>$26.21</td>
<td>$24.51</td>
<td>$20.36</td>
</tr>
</tbody>
</table>

*Based on Calendar Year Information

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

The 820,309 system membership listed above as of August 2007 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>TOTAL</td>
<td>610,341</td>
<td>209,968</td>
<td>820,309</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 nearly $4) and remained one of the lowest costs per member and annuitant of the RSD’s 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, Virginia, and Washington.

**Workload and Performance**

The following section highlights many of the RSD’s key processes and subsequent workload volumes. Previous reports had a Performance section follow this section. In this report both Workload and Performance have been combined.

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

- **Total Retiree Growth:** From 1990-2006, the number of retirees (including beneficiaries) in the system increased from 92,818 to 200,056, or 116% (*Appendix A, Figure 1*). This figure represents a cumulative total of retirees over the period. System members do not leave the system unless they withdraw or die, and in death cases there are beneficiaries. With most retirements, there will be a new enrollment of an active employee, and therefore a new membership. The number of retirees continues to trend upward and is projected to continue through the year 2025.

- **Projected Retiree Trend:** From 2006 to 2025, the RSD is projected to experience an approximate 84% increase in retirement benefit recipients, from 188,100 to 345,600 (*Figure 2*). 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. RSD actuaries estimate a yearly new-member increase between 1.5%-3% per year until 2016. After 2016, the retirement rate is projected to slow by about 1% per year. The number of retirements processed is still projected to increase, but at a slower rate. The 2006 actuarial evaluations will be released later in October 2007, which will help provide a more up to date projection on retiree growth.

- **Retirements:** The number of retirements processed per year has more than doubled since 1990. The total number of retirements processed in 2006 also represents an increase of 56 percent since 1996.

**Retirement Requests Received:** From 2002-2005, there was an increasing number of retirement requests from year to year in most months. However, as noted in earlier reports, this trend somewhat decreased in 2006 (*Figure 3*). Legislative rule changes regarding post-retirement return-to-work encouraged eligible members to retire in 2005 rather than waiting. In July 2006,
teachers retired in larger numbers because of a change in compensation schedules. Beginning in January 2007, retirement requests increased from the prior year for every month except March and June. The first half of 2007 resulted in 5,046 retirements being requested, compared to 4,796 in the same timeframe for 2006.

Although not within the timeline of this report, July 2007, was another historical record for number of retirement applications received (3,071) in a single month (Figure 3).

Enrollments: Retirement enrollments have increased dramatically during the past year, with 2006 enrollments 32 percent higher than in 2005. Since 1996, enrollments processed have increased over 74 percent. Nevertheless, due to cross-training of staff and some permanent resource shifts, RSD has recently made improvements in the timely processing of enrollment and initial beneficiary elections. ORBIT is expected to simplify the enrollment of new members. However, the RSD projects that workload in this area will increase overall because:

1. Employers will provide more information than before when enrolling new members. The integrity and accuracy of this information will need to be verified.
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.

Member Service Requests: Member requests received and completed also increased through 2006 and into 2007. In 2006, the number of requests received rose 64% and requests completed rose 62% over 2005 volumes. In 2007, individual counseling has increased, and total number of e-mails has also shown an increase.

For the first half of 2007, the average number of office visitors per day peaked in March, but showed little variation from one month to the next. The average individual counseling sessions per day peaked in June but held steady over the past twelve months (Figure 4).

The number of off-site meetings is typically seasonal, with more meetings in the spring and fall (Figure 5). This trend continued in the first half of 2007, as the number of educational meetings spiked in March and held steady in the late spring.

The average response time to correspondence changed little over the early part of 2007, starting and ending at approximately three days (Figure 6).

The number of letters, faxes, and emails answered showed an upward trend compared to 2006, hovering around 2,200.

RSD Call Center performance prior to ORBIT implementation showed improvements. RSD staff conclude that this has been the result of process improvements in other areas of the organization. For the first half of 2007, this improvement has continued. Hold times have remained low, with average hold times staying below 2 minutes, with some months as low as 1 ½ minutes (Figure 7). In addition, the total number of calls being answered continues in an upward trend, meeting the demand of overall increases in call volume being realized. Total calls inbound have always
fluctuated seasonally, but normal volumes of 16,000-18,000 per months are generally being replaced with call volumes that exceed 19,000-20,000 per month (Figure 8).

Customer Satisfaction: The telephone abandonment rate showed improvements in the first half of 2007, from a high of 9.4% in January to 4.5% by June (Figure 8). Abandonment rate is an internal metric for the percentage of callers who hang up before talking to a representative. The corresponding percentage of calls answered in 20 seconds or less fluctuated in the sixth months, from a low of 34.6% in January to a high of 60.5% in May. This RSD accomplished this by shifting staff to the call center to handle call volume. The member self-service function within ORBIT will allow members access to more information regarding their accounts and could lead to an increase in member and employer calls.

RSD expects difficulty in maintaining this performance after ORBIT implementation, since the volume of calls is expected to rise as customers adjust to the new system.

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 spiked in August 2006 (Figure 9). The major factor for this was the change in school compensation schedules, which shifted retirements to July. Seasonal workload spikes continue to place strain on RSD resources during peak times. During the first six months of 2007, workload volume either exceeded 2006 volumes, as in March, April and May, or remained relatively similar, as in January, February and June. RSD expects that overall, 2007 workload will exceed all previous years.

- Customer Satisfaction: The percent of members who received their first retirement payments on time in the month they requested continues its historically high trend. During the last six months, the RSD paid-on-time rates averaged close to 95 percent for on-time applications (those received in time to allow at least 60 days processing) and overall paid on time rate (all retirement applications) of between 70 and 75 percent (Figure 10). RSD credits the recent high quality with better training availability.

In the near future, RSD expects to implement a reallocation of resources in conjunction with ORBIT. RSD expects this to improve quality, provide additional data, and allow more staff to perform audits of this data.

**Efforts to Improve Timeliness and Work Quality**

RSD management recognized 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 worked to enact numerous process improvements. During the months preceding October, RSD management requested that staff work overtime, including weekends, at a cost of about $49,000 in 2006-07. The RSD justified this cost because the staff had decreased workload
levels in almost all of its major processes by the end of September 2007. Work in three operational sections of the division account for more than 85% of overtime paid to employees: the Retirement Processing Section (20.7% of overtime paid); the Accounting and Data Control Section (35.7% of overtime paid); and the Records Administration Section (29.3% of overtime paid). Retirement processing attained the fastest consistent turn-around times ever recorded. Death and disability workloads decreased dramatically, 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. July applications arrived over an extended period, which helped mitigate the crunch. 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. In July 2006 and 2007, 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 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 will automate many of the organizations’ processes, it will also require a new level of employee competency.** RSD staff members will be transitioning from an old mainframe application to a new and advanced web application. Automation may help eliminate work in some areas; however it will increase the skill level required to perform work in other areas. Over the next few months, RSD will identify the processes in which this effect will be felt the most and ascertain the training impacts.

**Results-Based Budgeting Measures**

The Governor’s Recommended 2007-09 budget included results-based budgeting (RBB) elements designed to improve understanding of why an agency exists, what an agency does, how much money services cost, and how effective the services are.

The RBB measures for the RSD correspond well with its workload data and performance measures, and can be further clarified here. Some services and funds indicated are for the 2005-06 budget year, used as benchmarks for future years.
<table>
<thead>
<tr>
<th>RSD Services</th>
<th>2006-07 $ Requirements</th>
<th>2006-07 FTEs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Provide accurate and efficient financial data and benefit payroll services in a customer driven environment.</td>
<td>$2,208,837</td>
<td>24.00</td>
</tr>
<tr>
<td>Deliver prompt contribution refunds, disability and death benefits to employees, retirees, and their beneficiaries in an effective and efficient manner.</td>
<td>$1,932,733</td>
<td>21.00</td>
</tr>
<tr>
<td>Deliver customer-focused service to public employees and employers by providing accurate, efficient, and timely information and education through call center operations, email, correspondence, visitor appointments, and public meetings.</td>
<td>$4,794,098</td>
<td>52.09</td>
</tr>
<tr>
<td>Ensure timely and accurate processing, internal distribution, storage, and protection of personal member information for the purpose of paying retirement and retirement-related benefits.</td>
<td>$2,300,872</td>
<td>25.00</td>
</tr>
<tr>
<td>Deliver prompt retirement benefits to employees and retirees in an efficient manner through the accurate and timely processing of retirement benefit estimates and final retirement benefit calculations, and deliver support to employees and retirees by processing requests to purchase service and other related calculations.</td>
<td>$3,773,431</td>
<td>41.00</td>
</tr>
<tr>
<td>Online Retirement Benefits Through Integrated Technology (ORBIT) is the General Assembly-approved IT system that will replace six mainframe applications with an integrated information technology system. ORBIT will be a web-based pension administration system that enables members to access and maintain account information and provides staff with a new operations platform.</td>
<td>$4,138,281</td>
<td>0</td>
</tr>
<tr>
<td>Totals</td>
<td>$19,148,252</td>
<td>163.09</td>
</tr>
</tbody>
</table>

**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.

However, the following updates are provided:

**RSD Vacancies**

<table>
<thead>
<tr>
<th>Vacancy Report</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Number of Vacant Positions Oct. 1, 2007:</td>
</tr>
<tr>
<td>Number of Positions Vacant Less Than 60 Days (1-60 days):</td>
</tr>
<tr>
<td>Number of Positions Vacant Less Than 90 Days (61-89 days):</td>
</tr>
<tr>
<td>Number of Vacancies Due to Leave Without Pay:</td>
</tr>
<tr>
<td>Number of Vacancies Greater Than 90 Days as of Oct. 1, 2007</td>
</tr>
</tbody>
</table>

**Vacancies Greater Than 90 Days**

<table>
<thead>
<tr>
<th>Administrative Support Specialist (1) (posted to close soon)</th>
<th>Information &amp; Comm Spec II (offer has been made)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accountant I (1) (upgrade process)</td>
<td></td>
</tr>
</tbody>
</table>

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.
**ORBIT**

Online Retirement Benefits through Integrated Technology (ORBIT) is the General Assembly-approved technology integration and modernization initiative for the Retirement Systems Division. All funding for ORBIT comes from pension fund receipts. ORBIT went on-line for retirees in January 2006 and for active employees in October 2007. With few exceptions, all of the RSD functions and responsibilities are now being processed through ORBIT. Member self-service will be accessible in the coming months, as RSD staff becomes more familiar with the system and corrects problems with implementation.

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. The RSD expects that ORBIT will facilitate a number of functions; nevertheless, many other functions will demand greater staffing 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:

- In the Retirement and Benefits sections, the RSD has added a quality control step for disbursements. The additional review step, designed into ORBIT, includes both a preparer and approver. Under the previous “legacy” system, there was no second person involved in benefit review.

- RSD anticipates a workload reduction to occur in refund processing.

- With ORBIT, additional member information will be 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 will require 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 to be captured electronically. Current legacy systems are limited in this area, and RSD has had to rely on imaged documents. 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 will 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.

• RSD maintains an extensive bank of process forms and letters. During the past three years, RSD has revised every form and every 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. Temporary and contract employees have revised the documents and designed the system. The RSD anticipates that full-time staff could be needed to maintain this system and update forms to reflect statutory changes. OSBM will work with the RSD to determine how staff could be used or shifted in this area.

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 new technology requirements necessitating a more highly-skilled work force, training will become even more important to RSD. RSD staff have claimed positive results from the new training program (as documented in the previous quarter 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 used 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 anticipated changes.
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.
- continue to record historical data to assist management decisions.

**ORB1T**
The RSD should:
- monitor the effects of ORBIT and begin conducting a cost-benefit study that can be included with the next OSBM analysis. 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.

**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.

**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
NC Retirement System Division
Total Retiree Growth including Beneficiaries
Calendar Years 1990-2006

Actual Retirees and Beneficiaries

Calendar Year (Jan. 1-Dec. 31)

Linear Trend Line

Figure 1
### Retirement Requests Received by Planned Retirement Month

**For January 2002 - June 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>Sep</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>3,071</td>
<td>0</td>
<td>500</td>
<td>1000</td>
<td>1500</td>
<td>2000</td>
</tr>
</tbody>
</table>

**Jan 05 was a record # of Retirements Requested**

**July 06 set another single month record. This spike was due to Legislative change affecting educators compensation.**

**Note:** workload spikes affect timely processing of applicants for the month in which the spike occurs and for the months following the spike.

**Total per Year:**
- 2002: 9,922
- 2003: 9,782
- 2004: 10,475
- 2005: 12,954
- 2006: 11,019
- 2007: 5,046*  *(Jan-June)
NC Retirement System Division
Meetings, Visitors - Member Contact Process
For Fiscal Year July 1, 2006 - June 30, 2007

Figure 4

Avg. Number of Office Visitors per Day

<table>
<thead>
<tr>
<th>Month-Year</th>
<th>Avg. Number of Office Visitors per Day</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jul-06</td>
<td>18</td>
</tr>
<tr>
<td>Aug-06</td>
<td>17</td>
</tr>
<tr>
<td>Sep-06</td>
<td>15</td>
</tr>
<tr>
<td>Oct-06</td>
<td>14</td>
</tr>
<tr>
<td>Nov-06</td>
<td>14</td>
</tr>
<tr>
<td>Dec-06</td>
<td>13</td>
</tr>
<tr>
<td>Jan-07</td>
<td>10</td>
</tr>
<tr>
<td>Feb-07</td>
<td>18</td>
</tr>
<tr>
<td>Mar-07</td>
<td>19</td>
</tr>
<tr>
<td>Apr-07</td>
<td>17</td>
</tr>
<tr>
<td>May-07</td>
<td>10</td>
</tr>
<tr>
<td>Jun-07</td>
<td>14</td>
</tr>
</tbody>
</table>

Avg Individual Counseling Sessions per Day
NC Retirement System Division
Count of Emails, Faxes, Letters vs. the Number of Days to Process
For Fiscal Year July 1, 2006 - June 30, 2007

Answering correspondence averaged 3 days over the past 12 months. The standard is 5 days.

Answering email averaged 1 day (even with peaks in Sep06, Dec06, May07) over the past 12 months. The standard is 1.5 days.

For Fiscal Year July 1, 2006 - June 30, 2007

---

Number of Letters, Faxes, and Emails Answered
- Jul-06: 2515
- Aug-06: 2205
- Sep-06: 1385
- Oct-06: 1521
- Nov-06: 1532
- Dec-06: 1456
- Jan-07: 2129
- Feb-07: 2363
- Mar-07: 2407
- Apr-07: 2190
- May-07: 2206
- Jun-07: 2116

Average response to Correspondence - Days
- Jul-06: 2.8
- Aug-06: 2.0
- Sep-06: 2.9
- Oct-06: 2.5
- Nov-06: 3.8
- Dec-06: 2.6
- Jan-07: 3.1
- Feb-07: 2.8
- Mar-07: 3.5
- Apr-07: 2.1
- May-07: 1.9
- Jun-07: 3.1

Average response time to Emails - Days
- Jul-06: 0.5
- Aug-06: 0.7
- Sep-06: 2.5
- Oct-06: 0.4
- Nov-06: 1.2
- Dec-06: 2.8
- Jan-07: 0.2
- Feb-07: 0.9
- Mar-07: 0.9
- Apr-07: 0.6
- May-07: 3.2
- Jun-07: 1.7

---
NC Retirement System Division
Customer Satisfaction - The Number of Phone Calls
per Day/Month and the Caller Hold Time in Mins/Secs
For Fiscal Year July 1, 2006 - June 30, 2007

Figure 7

Between July-August 06, avg. hold times for phone calls started a downward trend.

Staffing improvements and completion of training combined with resources shifts to Call Center had positive impact on Hold Times. Total Call volume also decreased.
## NC Retirement System Division

### Phone Calls: Volume, Abandon Rate, Service Level

**For Fiscal Year July 1, 2006 - June 30, 2007**

<table>
<thead>
<tr>
<th>Month</th>
<th># Calls Answered</th>
<th>% Calls Answered in 20 sec or less</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jul-06</td>
<td>17371</td>
<td>9.8%</td>
</tr>
<tr>
<td>Aug-06</td>
<td>21481</td>
<td>23.1%</td>
</tr>
<tr>
<td>Sep-06</td>
<td>18634</td>
<td>9.8%</td>
</tr>
<tr>
<td>Oct-06</td>
<td>19154</td>
<td>6.6%</td>
</tr>
<tr>
<td>Nov-06</td>
<td>16713</td>
<td>7.2%</td>
</tr>
<tr>
<td>Dec-06</td>
<td>14851</td>
<td>4.2%</td>
</tr>
<tr>
<td>Jan-07</td>
<td>21192</td>
<td>9.4%</td>
</tr>
<tr>
<td>Feb-07</td>
<td>19599</td>
<td>6.4%</td>
</tr>
<tr>
<td>Mar-07</td>
<td>21702</td>
<td>8.4%</td>
</tr>
<tr>
<td>Apr-07</td>
<td>19099</td>
<td>7.1%</td>
</tr>
<tr>
<td>May-07</td>
<td>18281</td>
<td>5.7%</td>
</tr>
<tr>
<td>Jun-07</td>
<td>19793</td>
<td>4.5%</td>
</tr>
</tbody>
</table>

The % of calls answered in less than 20 seconds or less for June 07 is 56.2%.
Figure 9

NC Retirement System Division
Benefits Section & Member Service
Workload by Process
For Fiscal Year July 1, 2006 - June 30, 2007

The Blue line is Previous Year Totals July-05 thr June-06
NC Retirement System Division
Timeliness - Number of Days to Calculate the Benefits of Form 6 to 6E’s
For Fiscal Year July 1, 2006 - June 30, 2007

Number of Days 6Es Mailed & Received

 Avg # days to process form 6-6E for 05-06 (previous fiscal year)
 Avg # days to process form 6-6E for FY 06-07 (this past fiscal year)

NOTE: the avg # of days for 06-07 paralleled the previous fiscal year of 05-06. In June it dropped from 52 avg days to 46 avg days.