



RECEIVED

JUL 25 2025

HUMAN RESOURCES

7/18/2025

99001 - UNION COUNTY  
ATTN: CHIEF FINANCIAL OFFICER OR BUDGET ADMINISTRATOR  
500 N. MAIN ST  
SUITE 130  
MONROE, NC 28112

Re: GREGORY L THOMAS  
Member ID 1173800

Dear 99001 - UNION COUNTY:

#### **NOTICE OF CONTRIBUTION-BASED BENEFIT CAP LIABILITY**

The General Assembly enacted the Contribution-Based Benefit Cap (CBBC) legislation in 2014. It requires the employer contributions from participating employers in the North Carolina Retirement Systems to be augmented to reflect the cost of substantial unforeseen liabilities associated with significant increases of a member's compensation over the course of his or her career. The Retirement Systems Division (RSD) receives all employer contributions, including the contributions from employers affected by the CBBC.

Pursuant to the North Carolina General Statutes the last employer of a member who retires on or after January 1, 2015, with an average final compensation (AFC) of \$100,000 or higher (adjusted annually for inflation), is required to make an additional employer contribution to fund the increased cost to RSD to pay for the member's retirement benefit if it is determined that the benefit is in excess of the CBBC.

RSD has determined that the above-referenced member, is due a monthly retirement benefit that exceeds the CBBC. The CBBC calculation is set forth below:

$$\begin{aligned}\text{Benefit Formula} &= \$147,710.57 \times 0.018500 \times 30.7500 \\ &= \$84,028.85\end{aligned}$$

$$\begin{aligned}\text{CBBC Formula} &= \$183,896.36 / 13.598000 \times 4.700000 \\ &= \$63,561.77\end{aligned}$$

If Benefit is greater than CBBC, the difference is multiplied by the Annuity Factor

$$(\$84,028.85 - \$63,561.77) \times 13.598000 \\ = \$278,311.35$$

The benefit formula used to calculate the invoice liability reflects an average final compensation based on the four-year period covering 7/2021 through 7/2025.

This letter is specific notice that a liability for **\$278,311.35** will be due to RSD no later than **September 5, 2025**. Payment of the invoice should be processed through the Contribution Summary Instruction (CSI) via ORBIT. This liability amount is contingent upon timely receipt of the employer's final salary contribution summary report for this member and may be adjusted based on additional information that is received by the RSD.

**We will accept payment via check.** You may mail your check (payable to the **Local Governmental Employees' Retirement System** with a copy of the invoice to N.C. Department of State Treasurer, Attn: Retirement Systems Divisions, 3200 Atlantic Avenue, Raleigh, NC 27604. A fee of \$20.00 will be charged for any returned checks due to insufficient funds.

For invoices issued on or after July 1, 2022, if the invoice has remained unpaid for at least 90 days as of the beginning of a State fiscal year (July 1 of 2023 or a later year) and you have not entered into a payment plan agreement, your regular rate of employer contributions to the Retirement System will be adjusted to include an additional rate as a percentage of your employees' compensation that is estimated to extinguish the contribution-based benefit cap liability on an amortized schedule of 12 years, including interest at a rate of 6.5% per year. Instead of the estimated 12-year payment of the contribution-based benefit cap liability, you may also contact the Retirement Systems Division and enter into a payment plan agreement.

If your employing entity is a Public School Unit, please visit [www.myncretirement.com](http://www.myncretirement.com) under the Contribution-Based Benefit Cap page for more information on the potential adjustment of your liability pursuant to Session Law 2023-48.

If we may be of further assistance, please email [nc.retirement@nctreasurer.com](mailto:nc.retirement@nctreasurer.com) or contact us at the address listed below.

Sincerely,

Retirement Systems Division  
N.C. Department of State Treasurer

Enclosure: CBBC Employer Contribution Invoice for GREGORY THOMAS (Id # 1173800)

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