



## REQUIRED SUPPLEMENTARY INFORMATION PENSION PLANS

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*Required supplementary information for pension plans provides information on the sources of changes in net pension liabilities, information about the components of net pension liabilities, employer contributions, and investment returns.*

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The Required Supplementary Information for Pension Plans includes the following schedules:

Schedule of Changes in the Net Pension Liability and Related Ratios: Cost-Sharing, Multiple-Employer, Defined Benefit Pension Plans

Schedule of Changes in the Net Pension Liability and Related Ratios: Single-Employer, Defined Benefit Pension Plans

Schedule of Employer and Nonemployer Contributions: Cost-Sharing, Multiple-Employer, Defined Benefit Pension Plans

Schedule of Employer and Nonemployer Contributions: Single-Employer, Defined Benefit Pension Plans

Schedule of Investment Returns: All Defined Benefit Pension Trust Funds

Notes to Required Supplementary Information: Schedule of Employer Contributions

**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS**  
**COST-SHARING, MULTIPLE-EMPLOYER, DEFINED BENEFIT PENSION PLANS**

Last Two Fiscal Years

*(Dollars in Thousands)*

	<u>2015</u>	<u>2014</u>
<b>Teachers' and State Employees'</b>		
<b>Total pension liability</b>		
Service Cost	\$ 1,562,846	\$ 1,556,027
Interest	4,803,766	4,648,995
Changes of benefit terms	-	355,224
Differences between expected and actual experience	(278,170)	(345,392)
Benefit payments, including refunds of member contributions	<u>(4,184,410)</u>	<u>(3,989,397)</u>
<b>Net change in total pension liability</b>	<u>1,904,032</u>	<u>2,225,457</u>
<b>Total pension liability - beginning</b>	<u>66,788,196</u>	<u>64,562,739</u>
<b>Total pension liability - ending (a)</b>	<u><u>\$ 68,692,228</u></u>	<u><u>\$ 66,788,196</u></u>
<b>Plan fiduciary net position</b>		
Contributions-employer	\$ 1,262,988	\$ 1,177,341
Contributions-member	854,306	825,548
Net investment income	1,468,624	9,121,005
Benefit payments, including refunds of member contributions	(4,184,410)	(3,989,397)
Administrative expense	(10,646)	(10,762)
Other	393	320
<b>Net change in plan fiduciary net position</b>	<u>(608,745)</u>	<u>7,124,055</u>
<b>Plan fiduciary net position - beginning</b>	<u>65,615,775</u>	<u>58,491,720</u>
<b>Plan fiduciary net position - ending (b)</b>	<u><u>\$ 65,007,030</u></u>	<u><u>\$ 65,615,775</u></u>
<b>TSERS's net pension liability - ending (a) - (b)</b>	<u><u>\$ 3,685,198</u></u>	<u><u>\$ 1,172,421</u></u>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	94.64%	98.24%
<b>Covered-employee payroll</b>	\$ 13,803,148	\$ 13,548,227
<b>Net pension liability as a percentage of covered-employee payroll</b>	26.70%	8.65%
<b>Local Governmental Employees'</b>		
<b>Total pension liability</b>		
Service Cost	\$ 670,936	\$ 654,735
Interest	1,628,373	1,555,958
Changes of benefit terms	65,914	(7,790)
Differences between expected and actual experience	(72,177)	(80,590)
Benefit payments, including refunds of member contributions	<u>(1,172,578)</u>	<u>(1,106,799)</u>
<b>Net change in total pension liability</b>	<u>1,120,468</u>	<u>1,015,514</u>
<b>Total pension liability - beginning</b>	<u>22,375,668</u>	<u>21,360,154</u>
<b>Total pension liability - ending (a)</b>	<u><u>\$ 23,496,136</u></u>	<u><u>\$ 22,375,668</u></u>
<b>Plan fiduciary net position</b>		
Contributions-employer	\$ 408,694	\$ 413,175
Contributions-member	363,863	346,961
Net investment income	520,578	3,161,964
Benefit payments, including refunds of member contributions	(1,172,578)	(1,106,799)
Administrative expense	(4,086)	(3,974)
Other	3,285	3,297
<b>Net change in plan fiduciary net position</b>	<u>119,756</u>	<u>2,814,624</u>
<b>Plan fiduciary net position - beginning</b>	<u>22,927,586</u>	<u>20,112,962</u>
<b>Plan fiduciary net position - ending (b)</b>	<u><u>\$ 23,047,342</u></u>	<u><u>\$ 22,927,586</u></u>
<b>LGERS's net pension liability (asset) - ending (a) - (b)</b>	<u><u>\$ 448,794</u></u>	<u><u>\$ (551,918)</u></u>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	98.09%	102.47%
<b>Covered-employee payroll</b>	\$ 5,650,694	\$ 5,553,383
<b>Net pension liability (asset) as a percentage of covered-employee payroll</b>	7.94%	(9.94%)

**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS**  
**COST-SHARING, MULTIPLE-EMPLOYER, DEFINED BENEFIT PENSION PLANS**

Last Two Fiscal Years

*(Dollars in Thousands)*

	<u>2015</u>	<u>2014</u>
<b>Firefighters' and Rescue Squad Workers'</b>		
<b>Total pension liability</b>		
Service Cost	\$ 5,884	\$ 5,710
Interest	29,671	29,394
Changes of benefit terms	-	8,770
Differences between expected and actual experience	(2,799)	2,714
Changes of assumptions	-	(16,688)
Benefit payments, including refunds of member contributions	<u>(26,912)</u>	<u>(25,614)</u>
<b>Net change in total pension liability</b>	5,844	4,286
<b>Total pension liability - beginning</b>	416,823	412,537
<b>Total pension liability - ending (a)</b>	<u>\$ 422,667</u>	<u>\$ 416,823</u>
<b>Plan fiduciary net position</b>		
Contributions-member	\$ 2,822	\$ 2,781
Contributions-nonemployer	13,900	14,627
Net investment income	8,711	53,842
Benefit payments, including refunds of member contributions	(26,912)	(25,614)
Administrative expense	(1,622)	(1,045)
Other	4	2
<b>Net change in plan fiduciary net position</b>	<u>(3,097)</u>	<u>44,593</u>
<b>Plan fiduciary net position - beginning</b>	389,405	344,812
<b>Plan fiduciary net position - ending (b)</b>	<u>\$ 386,308</u>	<u>\$ 389,405</u>
<b>FRSWPF's's net pension liability - ending (a) - (b)</b>	<u>\$ 36,359</u>	<u>\$ 27,418</u>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	91.40%	93.42%
<b>Covered-employee payroll</b>	N/A	N/A
<b>Net pension liability as a percentage of covered-employee payroll</b>	N/A	N/A
<b>Registers of Deeds'</b>		
<b>Total pension liability</b>		
Service Cost	\$ 578	\$ 563
Interest	1,372	1,342
Differences between expected and actual experience	(558)	302
Benefit payments, including refunds of member contributions	<u>(1,715)</u>	<u>(1,666)</u>
<b>Net change in total pension liability</b>	(323)	541
<b>Total pension liability - beginning</b>	24,143	23,602
<b>Total pension liability - ending (a)</b>	<u>\$ 23,820</u>	<u>\$ 24,143</u>
<b>Plan fiduciary net position</b>		
Contributions-employer	\$ 802	\$ 817
Net investment income	1,114	2,714
Benefit payments, including refunds of member contributions	(1,715)	(1,666)
Administrative expense	<u>(16)</u>	<u>(18)</u>
<b>Net change in plan fiduciary net position</b>	185	1,847
<b>Plan fiduciary net position - beginning</b>	46,809	44,962
<b>Plan fiduciary net position - ending (b)</b>	<u>\$ 46,994</u>	<u>\$ 46,809</u>
<b>RODSPF's net pension asset - ending (a) - (b)</b>	<u>\$ (23,174)</u>	<u>\$ (22,666)</u>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	197.29%	193.88%
<b>Covered-employee payroll</b>	N/A	N/A
<b>Net pension asset as a percentage of covered-employee payroll</b>	N/A	N/A

**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS**  
**SINGLE-EMPLOYER, DEFINED BENEFIT PENSION PLANS**

Last Two Fiscal Years

*(Dollars in Thousands)*

	<u>2015</u>	<u>2014</u>
<b>Consolidated</b>		
<b>Judicial</b>		
<b>Total pension liability</b>		
Service Cost	\$ 16,812	\$ 16,637
Interest	40,846	39,405
Changes of benefit terms	-	3,031
Differences between expected and actual experience	(2,289)	(2,484)
Benefit payments, including refunds of member contributions	(38,364)	(35,428)
<b>Net change in total pension liability</b>	<u>17,005</u>	<u>21,161</u>
<b>Total pension liability - beginning</b>	565,761	544,600
<b>Total pension liability - ending (a)</b>	<u>\$ 582,766</u>	<u>\$ 565,761</u>
<b>Plan fiduciary net position</b>		
Contributions-employer	\$ 18,949	\$ 21,390
Contributions-member	6,238	5,598
Net investment income	12,176	74,294
Benefit payments, including refunds of member contributions	(38,364)	(35,428)
Administrative expense	(30)	(48)
Other	1	3
<b>Net change in plan fiduciary net position</b>	<u>(1,030)</u>	<u>65,809</u>
<b>Plan fiduciary net position - beginning</b>	539,564	473,755
<b>Plan fiduciary net position - ending (b)</b>	<u>\$ 538,534</u>	<u>\$ 539,564</u>
<b>CJRS's net pension liability - ending (a) - (b)</b>	<u>\$ 44,232</u>	<u>\$ 26,197</u>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	92.41%	95.37%
<b>Covered-employee payroll</b>	\$ 69,638	\$ 76,367
<b>Net pension liability as a percentage of covered-employee payroll</b>	63.52%	34.30%
<b>Legislative</b>		
<b>Total pension liability</b>		
Service Cost	\$ 844	\$ 747
Interest	1,742	1,678
Changes of benefit terms	-	146
Differences between expected and actual experience	(579)	762
Benefit payments, including refunds of member contributions	(2,473)	(2,614)
<b>Net change in total pension liability</b>	<u>(466)</u>	<u>719</u>
<b>Total pension liability - beginning</b>	24,418	23,699
<b>Total pension liability - ending (a)</b>	<u>\$ 23,952</u>	<u>\$ 24,418</u>
<b>Plan fiduciary net position</b>		
Contributions-member	\$ 253	\$ 253
Net investment income	642	4,293
Benefit payments, including refunds of member contributions	(2,473)	(2,614)
Administrative expense	(17)	(37)
<b>Net change in plan fiduciary net position</b>	<u>(1,595)</u>	<u>1,895</u>
<b>Plan fiduciary net position - beginning</b>	30,051	28,156
<b>Plan fiduciary net position - ending (b)</b>	<u>\$ 28,456</u>	<u>\$ 30,051</u>
<b>LRS's net pension asset - ending (a) - (b)</b>	<u>\$ (4,504)</u>	<u>\$ (5,633)</u>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	118.80%	123.07%
<b>Covered-employee payroll</b>	\$ 3,611	\$ 3,608
<b>Net pension asset as a percentage of covered-employee payroll</b>	(124.73%)	(156.13%)

**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS**  
**SINGLE-EMPLOYER, DEFINED BENEFIT PENSION PLANS**

Last Two Fiscal Years

*(Dollars in Thousands)*

	<u>2015</u>	<u>2014</u>
<b>North Carolina</b>		
<b>National Guard</b>		
<b>Total pension liability</b>		
Service Cost	\$ 550	\$ 512
Interest	9,916	9,330
Changes of benefit terms	8,734	5,752
Differences between expected and actual experience	(198)	192
Benefit payments, including refunds of member contributions	(7,958)	(7,502)
<b>Net change in total pension liability</b>	<u>11,044</u>	<u>8,284</u>
<b>Total pension liability - beginning</b>	140,206	131,922
<b>Total pension liability - ending (a)</b>	<u>\$ 151,250</u>	<u>\$ 140,206</u>
<b>Plan fiduciary net position</b>		
Contributions-nonemployer	\$ 6,039	\$ 7,007
Net investment income	2,493	14,942
Benefit payments, including refunds of member contributions	(7,958)	(7,502)
Administrative expense	(75)	(73)
Other	-	1
<b>Net change in plan fiduciary net position</b>	<u>499</u>	<u>14,375</u>
<b>Plan fiduciary net position - beginning</b>	110,030	95,655
<b>Plan fiduciary net position - ending (b)</b>	<u>\$ 110,529</u>	<u>\$ 110,030</u>
<b>NGPF's net pension liability - ending (a) - (b)</b>	<u>\$ 40,721</u>	<u>\$ 30,176</u>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	73.08%	78.48%
<b>Covered-employee payroll</b>	N/A	N/A
<b>Net pension liability as a percentage of covered-employee payroll</b>	N/A	N/A

**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF EMPLOYER AND NONEMPLOYER CONTRIBUTIONS**  
**COST-SHARING, MULTIPLE-EMPLOYER, DEFINED BENEFIT PENSION PLANS**

Last Ten Fiscal Years

*(Dollars in Thousands)*

<b>Teachers' and State Employees'</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>
Actuarially determined contribution	\$ 1,262,988	\$ 1,177,341	\$ 1,078,783	\$ 1,015,762	\$ 926,429
Contractually required contribution	1,262,988	1,177,341	1,120,482	1,015,762	680,670
Contributions in relation to the actuarially determined contribution	1,262,988	1,177,341	1,120,482	1,015,762	680,670
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (41,699)</u>	<u>\$ -</u>	<u>\$ 245,759</u>
Covered-employee payroll	\$ 13,803,148	\$ 13,548,227	\$ 13,451,164	\$ 13,652,715	\$ 13,806,691
Contributions as a percentage of covered-employee payroll	9.15%	8.69%	8.33%	7.44%	4.93%

**Local Governmental  
Employees'**

Actuarially determined contribution	\$ 402,429	\$ 397,462	\$ 370,152	\$ 376,340	\$ 342,910
Contractually required contribution	408,694	413,175	383,889	389,399	361,998
Contributions in relation to the actuarially determined contribution	408,694	413,175	383,889	389,399	361,998
Contribution excess	<u>\$ (6,265)</u>	<u>\$ (15,713)</u>	<u>\$ (13,737)</u>	<u>\$ (13,059)</u>	<u>\$ (19,088)</u>
Covered-employee payroll	\$ 5,650,694	\$ 5,553,383	\$ 5,421,364	\$ 5,402,147	\$ 5,329,651
Contributions as a percentage of covered-employee payroll	7.23%	7.44%	7.08%	7.21%	6.79%

**Firefighters' and Rescue  
Squad Workers' \***

Actuarially determined contribution	\$ 13,900	\$ 14,620	\$ 14,074	\$ 14,389	\$ 12,243
Contractually required contribution	13,900	14,627	15,447	14,398	10,110
Contributions in relation to the actuarially determined contribution	13,900	14,627	15,447	14,398	10,110
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ (7)</u>	<u>\$ (1,373)</u>	<u>\$ (9)</u>	<u>\$ 2,133</u>
Covered-employee payroll	N/A	N/A	N/A	N/A	N/A
Contributions as a percentage of covered-employee payroll	N/A	N/A	N/A	N/A	N/A

**Registers of Deeds'**

Actuarially determined contribution	\$ -	\$ -	\$ -	\$ -	\$ -
Contractually required contribution	802	817	937	843	772
Contributions in relation to the actuarially determined contribution	802	817	937	843	772
Contribution excess	<u>\$ (802)</u>	<u>\$ (817)</u>	<u>\$ (937)</u>	<u>\$ (843)</u>	<u>\$ (772)</u>
Covered-employee payroll	N/A	N/A	N/A	N/A	N/A
Contributions as a percentage of covered-employee payroll	N/A	N/A	N/A	N/A	N/A

\* Nonemployer contributing entity

Note: Changes in benefit terms, methods and assumptions are presented in Notes to the Required Supplementary Information (RSI) schedules following the pension RSI tables.

<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
\$ 492,779	\$ 492,689	\$ 429,064	\$ 341,476	\$ 315,225
492,779	492,689	468,669	371,476	315,225
492,779	492,689	468,669	371,476	315,225
<u>\$ -</u>	<u>\$ -</u>	<u>\$ (39,605)</u>	<u>\$ (30,000)</u>	<u>\$ -</u>
\$ 13,803,324	\$ 14,663,363	\$ 13,976,026	\$ 14,592,991	\$ 13,471,154
3.57%	3.36%	3.35%	2.55%	2.34%

\$ 230,121	\$ 257,982	\$ 241,533	\$ 225,950	\$ 209,453
273,337	271,363	256,612	241,094	229,399
273,337	271,363	256,612	241,094	229,399
<u>\$ (43,216)</u>	<u>\$ (13,381)</u>	<u>\$ (15,079)</u>	<u>\$ (15,144)</u>	<u>\$ (19,946)</u>
\$ 5,320,927	\$ 5,284,862	\$ 4,948,042	\$ 4,693,423	\$ 4,484,358
5.14%	5.13%	5.19%	5.14%	5.12%

\$ 10,074	\$ 9,757	\$ 8,734	\$ 8,440	\$ 7,926
10,080	9,762	8,734	8,440	7,926
10,080	9,762	8,734	8,440	7,926
<u>\$ (6)</u>	<u>\$ (5)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A

\$ -	\$ -	\$ -	\$ -	\$ -
736	754	926	3,150	3,219
736	754	926	3,150	3,219
<u>\$ (736)</u>	<u>\$ (754)</u>	<u>\$ (926)</u>	<u>\$ (3,150)</u>	<u>\$ (3,219)</u>
N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A

**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF EMPLOYER AND NONEMPLOYER CONTRIBUTIONS**  
**SINGLE-EMPLOYER, DEFINED BENEFIT PENSION PLANS**

Last Ten Fiscal Years

*(Dollars in Thousands)*

<b>Consolidated</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>
<b>Judicial</b>					
Actuarially determined contribution	\$ 18,949	\$ 21,390	\$ 18,992	\$ 18,956	\$ 13,322
Contractually required contribution	18,949	21,390	18,992	18,956	10,457
Contributions in relation to the actuarially determined contribution	18,949	21,390	18,992	18,956	10,457
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,865</u>
Covered-employee payroll	\$ 69,638	\$ 76,367	\$ 71,533	\$ 75,673	\$ 69,206
Contributions as a percentage of covered-employee payroll	27.21%	28.01%	26.55%	25.05%	15.11%
<b>Legislative</b>					
Actuarially determined contribution	\$ -	\$ -	\$ -	\$ -	\$ -
Contractually required contribution	-	-	-	-	-
Contributions in relation to the actuarially determined contribution	-	-	-	-	-
Contribution excess	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	\$ 3,611	\$ 3,608	\$ 3,600	\$ 3,314	\$ 4,029
Contributions as a percentage of covered-employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%
<b>North Carolina</b>					
<b>National Guard *</b>					
Actuarially determined contribution	\$ 6,039	\$ 5,349	\$ 5,667	\$ 6,075	\$ 5,719
Contractually required contribution	6,039	7,007	7,007	7,007	7,007
Contributions in relation to the actuarially determined contribution	6,039	7,007	7,007	7,007	7,007
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ (1,658)</u>	<u>\$ (1,340)</u>	<u>\$ (932)</u>	<u>\$ (1,288)</u>
Covered-employee payroll	N/A	N/A	N/A	N/A	N/A
Contributions as a percentage of covered-employee payroll	N/A	N/A	N/A	N/A	N/A

\* Nonemployer contributing entity

Note: Changes in benefit terms, methods and assumptions are presented in Notes to the Required Supplementary Information (RSI) schedules following the pension RSI tables.

<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
\$ 10,740	\$ 10,017	\$ 8,214	\$ 7,300	\$ 6,695
10,740	10,603	40,844	8,090	6,989
10,740	10,603	10,844	8,090	6,989
<u>\$ -</u>	<u>\$ (586)</u>	<u>\$ (2,630)</u>	<u>\$ (790)</u>	<u>\$ (294)</u>
\$ 71,079	\$ 80,265	\$ 64,678	\$ 64,257	\$ 55,512
15.11%	13.21%	16.77%	12.59%	12.59%

\$ -	\$ -	\$ -	\$ -	\$ -
-	-	209	-	-
-	-	209	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ (209)</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 3,657	\$ 3,686	\$ 3,614	\$ 3,714	\$ 3,657
0.00%	0.00%	5.78%	0.00%	0.00%

\$ 5,682	\$ 6,248	\$ 6,232	\$ 7,324	\$ 5,944
7,008	5,892	7,007	7,007	6,042
7,008	5,892	7,007	7,007	6,042
<u>\$ (1,326)</u>	<u>\$ 356</u>	<u>\$ (775)</u>	<u>\$ 317</u>	<u>\$ (98)</u>
N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A

**REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF INVESTMENT RETURNS  
 ALL DEFINED BENEFIT PENSION TRUST FUNDS**

Last Two Fiscal Years

<b>Annual money-weighted rate of return, net of investment expense</b>	<b>2015</b>	<b>2014</b>
<b><i>Cost-Sharing, Multiple Employer</i></b>		
Teachers' and State Employees'	2.27%	15.88%
Local Governmental Employees'	2.27%	15.86%
Firefighters' and Rescue Squad Workers'	2.26%	15.62%
Registers of Deeds'	2.26%	6.04%
<b><i>Single-Employer</i></b>		
Consolidated Judicial	2.27%	15.87%
Legislative	2.25%	15.91%
North Carolina National Guard	2.25%	15.63%

## NOTES TO REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF EMPLOYER CONTRIBUTIONS

For the Fiscal Year Ended June 30, 2015

### *Changes of benefit terms.*

	<u>Cost of Living Increase</u>									
	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
<b><u>Cost-Sharing, Multiple-Employer</u></b>										
Teachers' and State Employees'	N/A	1.00%	N/A	N/A	N/A	2.20%	2.20%	3.00%	2.00%	1.70%
Local Governmental Employees'	N/A	N/A	N/A	N/A	0.10%	2.15%	2.20%	2.80%	2.50%	N/A
Firefighters' and Rescue Squad Workers' (1)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Registers of Deeds'	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b><u>Single-Employer</u></b>										
Consolidated Judicial	N/A	1.00%	N/A	N/A	N/A	2.20%	2.20%	3.00%	2.00%	1.70%
Legislative	N/A	1.00%	N/A	N/A	N/A	2.20%	2.20%	3.00%	2.00%	1.70%
North Carolina National Guard (2)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

(1) In 2006, the Firefighters' and Rescue Squad Workers' Pension Fund increased retirement benefits from \$161 to \$163. In 2007, retirement benefits were increased from \$163 to \$165. In 2008, retirement benefits increased from \$165 to \$167. In 2009, retirement benefits were increased from \$167 to \$170.

(2) In 2007, the National Guard Pension Fund increased basic benefits from \$75 to \$80 and total potential benefits from \$150 to \$160. In 2008, basic benefits were increased from \$80 to \$95 and total potential benefits were increased from \$160 to \$190. In 2015, basic benefits were increased from \$95 to \$99 and total potential benefits were increased from \$190 to \$198.

N/A - not applicable

*Changes of assumptions.* In 2008, and again in 2012, the rates of withdrawal, mortality, service retirement and salary increase for active members and the rates of mortality for beneficiaries were adjusted to more closely reflect actual experience. Assumptions for leave conversions and loads were also revised in 2012. These assumptions pertain to the Teachers' and State Employees' Retirement System, the Local Governmental Employees' Retirement System, the Firefighters' and Rescue Squad Workers' Pension Fund, the Registers of Deeds' Pension Fund, the Consolidated Judicial Retirement System and the National Guard Pension Fund.

### *Method and assumptions used in calculations of actuarially determined contributions.*

An actuarial valuation is performed for each plan each year. The actuarially determined contribution rates in the Schedule of Employer Contributions are calculated by the actuary as a projection of the required employer contribution for the fiscal year beginning 18 months following the date of the valuation results. See Note 12 for more information on the specific assumptions for each plan. The actuarially determined contributions for those items with covered payroll were determined using the actuarially determined contribution rate from the actuary and covered payroll as adjusted for timing differences and other factors such as differences in employee class. Other actuarially determined contributions are disclosed in the schedule as expressed by the actuary in reports to the plans.

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## REQUIRED SUPPLEMENTARY INFORMATION PENSIONS — EMPLOYERS (PRIMARY GOVERNMENT AND COMPONENT UNITS)

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*Required supplementary information for employers provides information on the allocations of net pension liabilities and employer contributions.*

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The Required Supplementary Information for Employers includes the following schedules:

Schedule of the Primary Government's and Component Units' Proportionate Share of the Net Pension Liability

Schedule of the Primary Government's (Nonemployer) Proportionate Share of the Net Pension Liability

Schedule of the Primary Government and Component Units Contributions: Cost-Sharing, Multiple-Employer, Defined Benefit Pension Plans

*Note: For information about the net pension liability of Consolidated Judicial and Legislative (single employer plans) and the primary government's contributions to Consolidated Judicial, Legislative, Firefighters' and Rescue Squad Workers', and North Carolina National Guard, refer to the preceding section on required supplementary information for pension plans. Firefighters' and Rescue Squad Workers' and the North Carolina National Guard are special funding situations in which the State is not the employer but is the only contributing entity. The net pension liabilities of pension plans were measured as of June 30, 2015. The net pension liabilities of employers were measured as of June 30, 2014.*

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**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF THE PRIMARY GOVERNMENT'S AND COMPONENT UNITS'**  
**PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**

Last Two Fiscal Years\*

*(Dollars in Thousands)***Cost-Sharing, Multiple-Employer, Defined Benefit Pension Plans**

<b>Teachers' and State Employees'</b>	<u><b>2015</b></u>	<u><b>2014</b></u>
<b>Primary Government</b>		
Proportion of the net pension liability	22.78%	22.95%
Proportionate share of the net pension liability	\$ 267,119	\$ 1,393,385
Covered-employee payroll	\$ 3,255,443	\$ 3,203,001
Proportionate share of the net pension liability as a percentage of covered-employee payroll	8.21%	43.50%
<b>Component Units</b>		
<b>University of North Carolina System</b>		
Proportion of the net pension liability	14.79%	14.48%
Proportionate share of the net pension liability	\$ 173,441	\$ 878,936
Covered-employee payroll	\$ 2,089,885	\$ 1,987,497
Proportionate share of the net pension liability as a percentage of covered-employee payroll	8.30%	44.22%
<b>Community Colleges</b>		
Proportion of the net pension liability	5.87%	5.80%
Proportionate share of the net pension liability	\$ 68,803	\$ 352,004
Covered-employee payroll	\$ 853,383	\$ 1,165,333
Proportionate share of the net pension liability as a percentage of covered-employee payroll	8.06%	30.21%
<b>Other Component Units</b>		
Proportion of the net pension liability	0.17%	0.17%
Proportionate share of the net pension liability	\$ 2,049	\$ 10,605
Covered-employee payroll	\$ 25,673	\$ 39,228
Proportionate share of the net pension liability as a percentage of covered-employee payroll	7.98%	27.03%
Plan fiduciary net position as a percentage of the total pension liability	98.24%	90.60%

\* The amounts presented for each fiscal year were determined as of the prior fiscal year ending June 30.

**REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF THE PRIMARY GOVERNMENT'S (NONEMPLOYER)  
PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**

Last Two Fiscal Years\*

(Dollars in Thousands)

***Cost-Sharing, Multiple-Employer, Defined Benefit Pension Plans***

<b>Firefighters' and Rescue Squad Workers'</b>	<u><b>2015</b></u>	<u><b>2014</b></u>
<b>Primary Government</b>		
Proportion of the net pension liability	100.00%	100.00%
Proportionate share of the net pension liability	\$ 27,418	\$ 67,725
Plan fiduciary net position as a percentage of the total pension liability	93.42%	83.58%

***Single-Employer, Defined Benefit Pension Plans***

**North Carolina  
National Guard**

<b>Primary Government</b>		
Proportion of the net pension liability	100.00%	100.00%
Proportionate share of the net pension liability	\$ 30,176	\$ 36,267
Plan fiduciary net position as a percentage of the total pension liability	78.48%	72.51%

\* The amounts presented for each fiscal year were determined as of the prior fiscal year ending June 30.

**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF THE PRIMARY GOVERNMENT AND COMPONENT UNITS CONTRIBUTIONS**  
**COST-SHARING, MULTIPLE-EMPLOYER, DEFINED BENEFIT PENSION PLANS**

Last Two Fiscal Years

(Dollars in Thousands)

<b>Teachers' and State Employees'</b>	<u>2015</u>	<u>2014</u>
<b>Primary Government</b>		
Contractually required contribution	\$ 320,093	\$ 282,898
Contributions in relation to the contractually required contribution	320,093	282,898
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	\$ 3,498,284	\$ 3,255,443
Contributions as a percentage of covered-employee payroll	9.15%	8.69%

**Component Units**

**University of North Carolina System**

Contractually required contribution	\$ 187,863	\$ 181,611
Contributions in relation to the contractually required contribution	187,863	181,611
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	\$ 2,053,148	\$ 2,089,885
Contributions as a percentage of covered-employee payroll	9.15%	8.69%

**Community Colleges**

Contractually required contribution	\$ 78,840	\$ 74,159
Contributions in relation to the contractually required contribution	78,840	74,159
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 861,639	\$ 853,383
Contributions as a percentage of covered-employee payroll	9.15%	8.69%

**Other Component Units**

Contractually required contribution	\$ 2,340	\$ 2,231
Contributions in relation to the contractually required contribution	2,340	2,231
Contribution excess	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 25,574	\$ 25,673
Contributions as a percentage of covered-employee payroll	9.15%	8.69%