North Carolina Retirement Systems

MEMORANDUM

TO:	Boards of Trustees of the Teachers' and State Employees' Retirement System (TSERS) and the Local Governmental Employees' Retirement System (LGERS)
FROM:	Sam Watts, Executive Director
DATE:	July 30, 2026
SUBJECT:	Authorization to Add Member Counseling Positions

The Counseling Center is the primary point of contact for members and retirees. Counselors respond to questions involving eligibility, benefit estimates and calculations, retirement applications, refunds, disability benefits, service purchases, taxes, health coverage, and other matters that can affect significant and sometimes irrevocable financial decisions.

The breadth and complexity of this work require substantial initial and ongoing training. RSD has previously documented five to seven weeks of dedicated initial training, followed by two to five months of call experience before a new employee can reliably handle most member inquiries independently. At the same time, sustained workloads, complex and emotionally demanding member interactions, and persistent staffing pressures expose these employees to elevated risks of burnout and turnover.

RSD has experienced sustained growth in member demand, with recent acceleration. Average monthly call volume increased from 22,519 in 2024 to 26,282 in 2025, an increase of 17%. Average monthly written and email inquiries increased from 7,690 to 8,358 over the same period, an increase of 9%.

In January 2026, an independent operational review by Alphanumeric identified a recurring daily staffing shortfall of five to eight FTE in the Counseling Center, including three vacancies, out of 33 total call center positions. Service pressures have continued to increase. In March 2026 alone, the Counseling Center received 33,149 calls and 10,607 written and email inquiries. Average speed of answer reached 25 minutes and 19 seconds, and approximately 30% of callers abandoned their calls before receiving assistance.

The 2025 CEM results indicate that insufficient capacity, not low staff productivity, is the principal constraint on member service. RSD administers the Retirement Systems at a cost of $33 per active member and annuitant, compared with a peer average of $130. RSD has only 1.9 front-office FTE per 10,000 members, 43% below the peer average of 3.3. At the same time, each RSD contact-center FTE handles 10,886 calls and emails, approximately 35% more than the peer average of 8,051. High staff productivity contributes to a cost per call or email that is less than half the peer median.

RSD is lean and highly productive, but that efficiency has reached the point at which limited capacity affects member access and responsiveness. RSD trails its peers on several of CEM's key member-service measures. Its overall service score was 75, compared with a peer median of 82, and contact-center performance was an important contributor to that gap. RSD scored below peer medians on accessibility (33 compared with 41), capability (ranging from 73 to 78 compared with 88), and call quality (80 compared with 88). Taken together with the unusually high workload per employee, these results indicate that RSD's lean staffing model limits member access and responsiveness even as employees maintain high productivity.

Six additional permanent counseling positions would provide durable front-line capacity, shorten wait times, reduce abandoned calls, and improve member service. By distributing workloads more sustainably, the positions would also reduce burnout and turnover risk and help retain experienced counselors. This is an important consideration given the substantial training investment and lengthy period required before new staff can handle most member inquiries independently. The positions represent a targeted addition to an operation that would remain substantially leaner than its peers.

G.S. 135-6(g) and G.S. 128-28(h), as amended by Section 1.7 of S.L. 2026-50, authorize the staffing action described in this item. The positions will be supported by recurring retirement-system administrative receipts, with costs allocated among TSERS, LGERS, and any other benefiting programs. The Board authorizes the State Treasurer to obtain and implement the corresponding adjustments to budgeted requirements and receipts.

Staff recommends that the Boards take the following actions:

1. Determine that up to six additional member counseling positions are advisable to carry out the terms and conditions of the Retirement Systems.
2. Authorize the State Treasurer to take all actions necessary to establish and fill the positions, including obtaining any necessary adjustments to budgeted requirements and corresponding receipts.

Parallel action is requested from the TSERS and LGERS Boards under their respective statutory authority.