

- 1 1/3 of 1%) thereof for each month by which his
2 retirement date precedes the first day of the month
3 coincident with or next following the month the member
4 would have attained his 55th birthday; or
- 5 2. The service retirement allowance as computed under
6 G.S. 135-5(b18)(1)a. reduced by five percent (5%) times
7 the difference between 30 years and his creditable
8 service at retirement.
- 9 (2) A member who is not a law enforcement officer or an eligible former
10 law enforcement officer shall receive a service retirement allowance
11 computed as follows:
- 12 a. If the member's service retirement date occurs on or after his
13 65th birthday upon the completion of five years of membership
14 service or after the completion of 30 years of creditable service
15 or on or after his 60th birthday upon the completion of 25 years
16 of creditable service, the allowance shall be equal to one and
17 eighty-one hundredths percent (1.81%) of his average final
18 compensation, multiplied by the number of years of creditable
19 service.
- 20 b. If the member's service retirement date occurs after his 60th
21 birthday and before his 65th birthday and prior to his
22 completion of 25 years or more of creditable service, his
23 retirement allowance shall be computed as in G.S.
24 135-5(b18)(2)a. but shall be reduced by one-quarter of one
25 percent (1/4 of 1%) thereof for each month by which his
26 retirement date precedes the first day of the month coincident
27 with or next following his 65th birthday.
- 28 c. If the member's early service retirement date occurs on or after
29 his 50th birthday and before his 60th birthday and after
30 completion of 20 years of creditable service but prior to the
31 completion of 30 years of creditable service, his early service
32 retirement allowance shall be equal to the greater of:
- 33 1. The service retirement allowance as computed under
34 G.S. 135-5(b18)(2)a. but reduced by the sum of
35 five-twelfths of one percent (5/12 of 1%) thereof for
36 each month by which his retirement date precedes the
37 first day of the month coincident with or next following
38 the month the member would have attained his 60th
39 birthday, plus one-quarter of one percent (1/4 of 1%)
40 thereof for each month by which his 60th birthday
41 precedes the first day of the month coincident with or
42 next following his 65th birthday; or
- 43 2. The service retirement allowance as computed under
44 G.S. 135-5(b18)(2)a. reduced by five percent (5%) times

- 1 the difference between 30 years and his creditable
2 service at retirement; or
- 3 3. If the member's creditable service commenced prior to
4 July 1, 1994, the service retirement allowance equal to
5 the actuarial equivalent of the allowance payable at the
6 age of 60 years as computed in G.S. 135-5(b18)b.
- 7 d. Notwithstanding the foregoing provisions, any member whose
8 creditable service commenced prior to July 1, 1963, shall not
9 receive less than the benefit provided by G.S. 135-5(b)."

10 **SECTION 2.** G.S. 135-5 is amended by adding a new subsection to read:

11 "(b19) Service Retirement Allowance of Members Retiring on or After July 1, 2002.
12 – Upon retirement from service in accordance with subsection (a) or (a1) above, on or
13 after July 1, 2002, a member shall receive the following service retirement allowance:

14 (1) A member who is a law enforcement officer or an eligible former law
15 enforcement officer shall receive a service retirement allowance
16 computed as follows:

17 a. If the member's service retirement date occurs on or after his
18 55th birthday, and completion of five years of creditable service
19 as a law enforcement officer, or after the completion of 30 years
20 of creditable service, the allowance shall be equal to one and
21 eighty-seven hundredths percent (1.87%) of his average final
22 compensation, multiplied by the number of years of his
23 creditable service.

24 b. If the member's service retirement date occurs on or after his
25 50th birthday and before his 55th birthday with 15 or more
26 years of creditable service as a law enforcement officer and
27 prior to the completion of 30 years of creditable service, his
28 retirement allowance shall be equal to the greater of:

29 1. The service retirement allowance payable under G.S.
30 135-5(b19)(1)a. reduced by one-third of one percent (1/3
31 of 1%) thereof for each month by which his retirement
32 date precedes the first day of the month coincident with
33 or next following the month the member would have
34 attained his 55th birthday; or

35 2. The service retirement allowance as computed under
36 G.S. 135-5(b19)(1)a. reduced by five percent (5%) times
37 the difference between 30 years and his creditable
38 service at retirement.

39 (2) A member who is not a law enforcement officer or an eligible former
40 law enforcement officer shall receive a service retirement allowance
41 computed as follows:

42 a. If the member's service retirement date occurs on or after his
43 65th birthday upon the completion of five years of membership
44 service or after the completion of 30 years of creditable service

1 or on or after his 60th birthday upon the completion of 25 years
2 of creditable service, the allowance shall be equal to one and
3 eighty-seven hundredths percent (1.87%) of his average final
4 compensation, multiplied by the number of years of creditable
5 service.

6 b. If the member's service retirement date occurs after his 60th
7 birthday and before his 65th birthday and prior to his
8 completion of 25 years or more of creditable service, his
9 retirement allowance shall be computed as in G.S. 135-
10 5(b19)(2)a. but shall be reduced by one-quarter of one percent
11 (1/4 of 1%) thereof for each month by which his retirement date
12 precedes the first day of the month coincident with or next
13 following his 65th birthday.

14 c. If the member's early service retirement date occurs on or after
15 his 50th birthday and before his 60th birthday and after
16 completion of 20 years of creditable service but prior to the
17 completion of 30 years of creditable service, his early service
18 retirement allowance shall be equal to the greater of:

19 1. The service retirement allowance as computed under
20 G.S. 135-5(b19)(2)a. but reduced by the sum of five-
21 twelfths of one percent (5/12 of 1%) thereof for each
22 month by which his retirement date precedes the first day
23 of the month coincident with or next following the
24 month the member would have attained his 60th
25 birthday, plus one-quarter of one percent (1/4 of 1%)
26 thereof for each month by which his 60th birthday
27 precedes the first day of the month coincident with or
28 next following his 65th birthday; or

29 2. The service retirement allowance as computed under
30 G.S. 135-5(b19)(2)a. reduced by five percent (5%) times
31 the difference between 30 years and his creditable
32 service at retirement; or

33 3. If the member's creditable service commenced prior to
34 July 1, 1994, the service retirement allowance equal to
35 the actuarial equivalent of the allowance payable at the
36 age of 60 years as computed in G.S. 135-5(b19)b.

37 d. Notwithstanding the foregoing provisions, any member whose
38 creditable service commenced prior to July 1, 1963, shall not
39 receive less than the benefit provided by G.S. 135-5(b)."

40 **SECTION 3.** G.S. 135-5 is amended by adding two new subsections to read:

41 "(jjj) Increase in Allowance as to Persons on Retirement Rolls as of June 1, 2002. –
42 From and after July 1, 2002, the retirement allowance to or on account of beneficiaries
43 on the retirement rolls as of June 1, 2002, shall be increased by three and three-tenths
44 percent (3.3%) of the allowance payable on June 1, 2002. This allowance shall be

1 calculated on the allowance payable and in effect on June 30, 2002, so as not to be
2 compounded on any other increase granted by act of the 2002 Regular Session of the
3 2001 General assembly.

4 (kkk) From and after July 1, 2002, the retirement allowance to or on account of
5 beneficiaries whose retirement commenced on or before July 1, 2001, shall be increased
6 by one and twenty-five hundredths percent (1.25%) of the allowance payable on June 1,
7 2002, in accordance with G.S. 135-5(o). Furthermore, from and after July 1, 2002, the
8 retirement allowance to or on account of beneficiaries whose retirement commenced
9 after July 1, 2001, but before June 30, 2002, shall be increased by a prorated amount of
10 one and twenty-five hundredths percent (1.25%) of the allowance payable as determined
11 by the Board of Trustees based upon the number of months that a retirement allowance
12 was paid between July 1, 2001, and June 30, 2002."

13 **SECTION 4.** G.S. 135-5(m) reads as rewritten:

14 "(m) Survivor's Alternate Benefit. – Upon the death of a member in service, the
15 principal beneficiary designated to receive a return of accumulated contributions shall
16 have the right to elect to receive in lieu thereof the reduced retirement allowance
17 provided by Option 2 of subsection (g) above computed by assuming that the member
18 had retired on the first day of the month following the date of his death, provided that
19 the following conditions apply:

- 20 (1) a. The member had attained such age and/or creditable service to
21 be eligible to commence retirement with an early or service
22 retirement allowance, or
23 b. The member had obtained 20 years of creditable service in
24 which case the retirement allowance shall be computed in
25 accordance with ~~G.S. 135-5(b18)(1)b. or G.S. 135-5(b18)(2)c.,~~
26 G.S. 135-5(b19)(1)b. or G.S. 135-5(b19)(2)c., notwithstanding
27 the requirement of obtaining age 50.
28 (2) The member had designated as the principal beneficiary to receive a
29 return of his accumulated contributions one and only one person who
30 was living at the time of his death.
31 (3) The member had not instructed the Board of Trustees in writing that he
32 did not wish the provisions of this subsection to apply.

33 For the purpose of this benefit, a member is considered to be in service at the date of
34 his death if his death occurs within 180 days from the last day of his actual service. The
35 last day of actual service shall be determined as provided in subsection (l) of this
36 section. Upon the death of a member in service, the surviving spouse may make all
37 purchases for creditable service as provided for under this Chapter for which the
38 member had made application in writing prior to the date of death, provided that the
39 date of death occurred prior to or within 60 days after notification of the cost to make
40 the purchase. The term "in service" as used in this subsection includes a member in
41 receipt of a benefit under the Disability Income Plan as provided in Article 6 of this
42 Chapter."

43 **SECTION 5.** G.S. 135-65 is amended by adding a new subsection to read:

1 "(w) From and after July 1, 2002, the retirement allowance to or on account of
2 beneficiaries whose retirement commenced on or before July 1, 2001, shall be increased
3 by one and twenty-five hundredths percent (1.25%) of the allowance payable on June 1,
4 2002. Furthermore, from and after July 1, 2002, the retirement allowance to or on
5 account of beneficiaries whose retirement commenced after July 1, 2001, but before
6 June 30, 2002, shall be increased by a prorated amount of one and twenty-five
7 hundredths percent (1.25%) of the allowance payable as determined by the Board of
8 Trustees based upon the number of months that a retirement allowance was paid
9 between July 1, 2001, and June 30, 2002."

10 **SECTION 6.** G.S. 120-4.22A is amended by adding a new subsection to
11 read:

12 "(q) In accordance with subsection (a) of this section, from and after July 1, 2002,
13 the retirement allowance to or on account of beneficiaries whose retirement commenced
14 on or before January 1, 2002, shall be increased by one and twenty-five hundredths
15 percent (1.25%) of the allowance payable on June 1, 2002. Furthermore, from and after
16 July 1, 2002, the retirement allowance to or on account of beneficiaries whose
17 retirement commenced after January 1, 2002, but before June 30, 2002, shall be
18 increased by a prorated amount of one and twenty-five hundredths percent (1.25%) of
19 the allowance payable as determined by the Board of Trustees based upon the number
20 of months that a retirement allowance was paid between January 1, 2002, and June 30,
21 2002."

22 **SECTION 7.** G.S. 128-27(b19) reads as rewritten:

23 "(b19) Service Retirement Allowance of Member Retiring on or After July 1, 2001,
24 2001, But Before July 1, 2002. – Upon retirement from service in accordance with
25 subsection (a) or (a1) above, on or after July 1, 2001, but before July 1, 2002, a member
26 shall receive the following service retirement allowance:

27 (1) A member who is a law enforcement officer or an eligible former law
28 enforcement officer shall receive a service retirement allowance
29 computed as follows:

30 a. If the member's service retirement date occurs on or after his
31 55th birthday and completion of five years of creditable service
32 as a law enforcement officer, or after the completion of 30 years
33 of creditable service, the allowance shall be equal to one and
34 eighty-one hundredths percent (1.81%) of his average final
35 compensation, multiplied by the number of years of his
36 creditable service.

37 b. If the member's service retirement date occurs on or after his
38 50th birthday and before his 55th birthday with 15 or more
39 years of creditable service as a law enforcement officer and
40 prior to the completion of 30 years of creditable service, his
41 retirement allowance shall be equal to the greater of:

42 1. The service retirement allowance payable under G.S.
43 128-27(b19)(1)a. reduced by one-third of one percent
44 (1/3 of 1%) thereof for each month by which his

- 1 retirement date precedes the first day of the month
2 coincident with or next following the month the member
3 would have attained his 55th birthday;
- 4 2. The service retirement allowance as computed under
5 G.S. 128-27(b19)(1)a. reduced by five percent (5%)
6 times the difference between 30 years and his creditable
7 service at retirement.
- 8 (2) A member who is not a law enforcement officer or an eligible former
9 law enforcement officer shall receive a service retirement allowance
10 computed as follows:
- 11 a. If the member's service retirement date occurs on or after his
12 65th birthday upon the completion of five years of creditable
13 service or after the completion of 30 years of creditable service
14 or on or after his 60th birthday upon the completion of 25 years
15 of creditable service, the allowance shall be equal to one and
16 eighty-one hundredths percent (1.81%) of average final
17 compensation, multiplied by the number of years of creditable
18 service.
- 19 b. If the member's service retirement date occurs after his 60th
20 birthday and before his 65th birthday and prior to his
21 completion of 25 years or more of creditable service, his
22 retirement allowance shall be computed as in G.S.
23 128-27(b19)(2)a. but shall be reduced by one-quarter of one
24 percent (1/4 of 1%) thereof for each month by which his
25 retirement date precedes the first day of the month coincident
26 with or next following his 65th birthday.
- 27 c. If the member's early service retirement date occurs on or after
28 his 50th birthday and before his 60th birthday and after
29 completion of 20 years of creditable service but prior to the
30 completion of 30 years of creditable service, his early service
31 retirement allowance shall be equal to the greater of:
- 32 1. The service retirement allowance as computed under
33 G.S. 128-27(b19)(2)a. but reduced by the sum of
34 five-twelfths of one percent (5/12 of 1%) thereof for
35 each month by which his retirement date precedes the
36 first day of the month coincident with or next following
37 the month the member would have attained his 60th
38 birthday, plus one-quarter of one percent (1/4 of 1%)
39 thereof for each month by which his 60th birthday
40 precedes the first day of the month coincident with or
41 next following his 65th birthday; or
- 42 2. The service retirement allowance as computed under
43 G.S. 128-27(b19)(2)a. reduced by five percent (5%)

- 1 times the difference between 30 years and his creditable
2 service at retirement; or
- 3 3. If the member's creditable service commenced prior to
4 July 1, 1995, the service retirement allowance equal to
5 the actuarial equivalent of the allowance payable at the
6 age of 60 years as computed in G.S. 128-27(b19)(2)b.
- 7 d. Notwithstanding the foregoing provisions, any member whose
8 creditable service commenced prior to July 1, 1965, shall not
9 receive less than the benefit provided by G.S. 128-27(b)."

10 **SECTION 8.** G.S. 128-27 is amended by adding a new subsection to read:

11 "(b20) Service Retirement Allowance of Member Retiring on or After July 1, 2002.
12 – Upon retirement from service in accordance with subsection (a) or (a1) above, on or
13 after July 1, 2002, a member shall receive the following service retirement allowance:

14 (1) A member who is a law enforcement officer or an eligible former law
15 enforcement officer shall receive a service retirement allowance
16 computed as follows:

17 a. If the member's service retirement date occurs on or after his
18 55th birthday and completion of five years of creditable service
19 as a law enforcement officer, or after the completion of 30 years
20 of creditable service, the allowance shall be equal to one and
21 eighty-seven hundredths percent (1.87%) of his average final
22 compensation, multiplied by the number of years of his
23 creditable service.

24 b. If the member's service retirement date occurs on or after his
25 50th birthday and before his 55th birthday with 15 or more
26 years of creditable service as a law enforcement officer and
27 prior to the completion of 30 years of creditable service, his
28 retirement allowance shall be equal to the greater of:

29 1. The service retirement allowance payable under G.S.
30 128-27(b20)(1)a. reduced by one-third of one percent
31 (1/3 of 1%) thereof for each month by which his
32 retirement date precedes the first day of the month
33 coincident with or next following the month the member
34 would have attained his 55th birthday;

35 2. The service retirement allowance as computed under
36 G.S. 128-27(b20)(1)a. reduced by five percent (5%)
37 times the difference between 30 years and his creditable
38 service at retirement.

39 (2) A member who is not a law enforcement officer or an eligible former
40 law enforcement officer shall receive a service retirement allowance
41 computed as follows:

42 a. If the member's service retirement date occurs on or after his
43 65th birthday upon the completion of five years of creditable
44 service or after the completion of 30 years of creditable service

1 or on or after his 60th birthday upon the completion of 25 years
2 of creditable service, the allowance shall be equal to one and
3 eighty-seven hundredths percent (1.87%) of average final
4 compensation, multiplied by the number of years of creditable
5 service.

6 b. If the member's service retirement date occurs after his 60th
7 birthday and before his 65th birthday and prior to his
8 completion of 25 years or more of creditable service, his
9 retirement allowance shall be computed as in G.S. 128-
10 27(b20)(2)a. but shall be reduced by one-quarter of one percent
11 (1/4 of 1%) thereof for each month by which his retirement date
12 precedes the first day of the month coincident with or next
13 following his 65th birthday.

14 c. If the member's early service retirement date occurs on or after
15 his 50th birthday and before his 60th birthday and after
16 completion of 20 years of creditable service but prior to the
17 completion of 30 years of creditable service, his early service
18 retirement allowance shall be equal to the greater of:

19 1. The service retirement allowance as computed under
20 G.S. 128-27(b20)(2)a. but reduced by the sum of five-
21 twelfths of one percent (5/12 of 1%) thereof for each
22 month by which his retirement date precedes the first day
23 of the month coincident with or next following the
24 month the member would have attained his 60th
25 birthday, plus one-quarter of one percent (1/4 of 1%)
26 thereof for each month by which his 60th birthday
27 precedes the first day of the month coincident with or
28 next following his 65th birthday; or

29 2. The service retirement allowance as computed under
30 G.S. 128-27(b20)(2)a. reduced by five percent (5%)
31 times the difference between 30 years and his creditable
32 service at retirement; or

33 3. If the member's creditable service commenced prior to
34 July 1, 1995, the service retirement allowance equal to
35 the actuarial equivalent of the allowance payable at the
36 age of 60 years as computed in G.S. 128-27(b20)(2)b.

37 d. Notwithstanding the foregoing provisions, any member whose
38 creditable service commenced prior to July 1, 1965, shall not
39 receive less than the benefit provided by G.S. 128-27(b)."

40 **SECTION 9.** G.S. 128-27 is amended by adding two new subsections to

41 read:

42 "(bbb) Increase in Allowance as to Persons on Retirement Rolls as of June 1, 2002. –
43 From and after July 1, 2002, the retirement allowance to or on account of beneficiaries
44 on the retirement rolls as of June 1, 2002, shall be increased by three and three-tenths

1 percent (3.3%) of the allowance payable on June 1, 2002. This allowance shall be
2 calculated on the allowance payable and in effect on June 30, 2002, so as not to be
3 compounded on any other increase payable under subsection (k) of this section or
4 otherwise granted by act of the 2002 Regular Session of the 2001 General Assembly."

5 "(ccc) From and after July 1, 2002, the retirement allowance to or on account of
6 beneficiaries whose retirement commenced on or before July 1, 2001, shall be increased
7 by one and twenty-five hundredths percent (1.25%) of the allowance payable on June 1,
8 2002, in accordance with subsection (k) of this section. Furthermore, from and after July
9 1, 2002, the retirement allowance to or on account of beneficiaries whose retirement
10 commenced after July 1, 2001, but before June 30, 2002, shall be increased by a
11 prorated amount of one and twenty-five hundredths percent (1.25%) of the allowance
12 payable as determined by the Board of Trustees based upon the number of months that a
13 retirement allowance was paid between July 1, 2001, and June 30, 2002."

14 **SECTION 10.** G.S. 128-27(m) reads as rewritten:

15 "(m) Survivor's Alternate Benefit. – Upon the death of a member in service, the
16 principal beneficiary designated to receive a return of accumulated contributions shall
17 have the right to elect to receive in lieu thereof the reduced retirement allowance
18 provided by Option two of subsection (g) above computed by assuming that the member
19 had retired on the first day of the month following the date of his death, provided that all
20 three of the following conditions apply:

- 21 (1) a. The member had attained such age and/or creditable service to
22 be eligible to commence retirement with an early or service
23 retirement allowance, or
24 b. The member had obtained 20 years of creditable service in
25 which case the retirement allowance shall be computed in
26 accordance with ~~G.S. 128-27(b19)(1)b. or G.S. 128-~~
27 ~~27(b19)(2)c.,~~ G.S. 128-27(b20)(1)b. or G.S. 128-27(b20)(2)c.,
28 notwithstanding the requirement of obtaining age 50.
29 (2) The member had designated as the principal beneficiary to receive a
30 return of his accumulated contributions one and only one person who
31 is living at the time of his death.
32 (3) The member had not instructed the Board of Trustees in writing that he
33 did not wish the provisions of this subsection apply.

34 For the purpose of this benefit, a member is considered to be in service at the date of
35 his death if his death occurs within 180 days from the last day of his actual service. The
36 last day of actual service shall be determined as provided in subsection (l) of this
37 section. Upon the death of a member in service, the surviving spouse may make all
38 purchases for creditable service as provided for under this Chapter for which the
39 member had made application in writing prior to the date of death, provided that the
40 date of death occurred prior to or within 60 days after notification of the cost to make
41 the purchase."

42 **SECTION 11.** This act becomes effective July 1, 2002.