

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2009

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SENATE BILL 1450

Short Title: State Retirement Age and Service Change. (Public)

Sponsors: Senators Garrou; Hoyle and Swindell.

Referred to: Pensions & Retirement & Aging.

May 27, 2010

A BILL TO BE ENTITLED

AN ACT TO ESTABLISH A NORMAL RETIREMENT AGE FOR MEMBERS OF THE TEACHERS' AND STATE EMPLOYEES' RETIREMENT SYSTEM WHO BEGIN SERVICE ON OR AFTER JANUARY 1, 2011, TO ELIMINATE LONGEVITY PAY FOR STATE EMPLOYEES AND OFFICERS WHO BEGIN SERVICE ON OR AFTER JANUARY 1, 2011, TO MAKE CHANGES IN THE STATE HEALTH PLAN FOR NEW EMPLOYEES, AND TO CHANGE THE DEFINITION OF "LAW ENFORCEMENT OFFICER" FOR PURPOSES OF BENEFITS FOR NEW EMPLOYEES.

The General Assembly of North Carolina enacts:

SECTION 1.(a) G.S. 135-1 is amended by adding a new subdivision to read:

"(14a) Normal retirement age means age 60."

SECTION 1.(b) G.S. 135-5(a) reads as rewritten:

"(a) Service Retirement Benefits. –

(1) Any member as of December 31, 2010, may retire upon electronic submission or written application to the Board of Trustees setting forth at what time, as of the first day of a calendar month, not less than one day nor more than 120 days subsequent to the execution of and filing thereof, he desires to be retired: Provided, that the said member at the time so specified for his retirement shall have attained the age of 60 years and have at least five years of membership service or shall have completed 30 years of creditable service.

(1a) Any member whose current membership begins on or after January 1, 2011, may retire upon electronic submission or written application to the Board of Trustees setting forth at what time, as of the first day of a calendar month, not less than one day nor more than 120 days subsequent to the execution of and filing thereof, the member desires to be retired. At the time specified for retirement the member shall have attained normal retirement age and have at least five years of membership service.

(2) Repealed by Session Laws 1983 (Regular Session, 1984), c. 1019, s. 1.

(3) Any member who was in service October 8, 1981, who had attained 60 years of age, may retire upon electronic submission or written application to the Board of Trustees setting forth at what time, as of the first day of a calendar month, not less than one day nor more than 120 days subsequent to the execution and filing thereof, he desires to be retired.

(4) Any member as of December 31, 2010, who is a law-enforcement officer, and who attains age 50 and completes 15 or more years of creditable service in this capacity or who attains age 55 and completes five or more years of



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1 creditable service in this capacity, may retire upon electronic submission or
2 written application to the Board of Trustees setting forth at what time, as of
3 the first day of a calendar month, not less than one day nor more than 120
4 days subsequent to the execution and filing thereof, he desires to be retired;
5 Provided, also, any member who has met the conditions herein required but
6 does not retire, and later becomes a teacher or an employee other than as a
7 law-enforcement officer shall continue to have the right to commence
8 retirement.

9 (4a) Any member whose current membership begins on or after January 1, 2011,
10 who is a law enforcement officer and who attains age 60 and completes five
11 or more years of creditable service in this capacity may retire upon
12 electronic submission or written application to the Board of Trustees setting
13 forth at what time, as of the first day of a calendar month, not less than one
14 day nor more than 120 days subsequent to the execution and filing thereof,
15 the member desires to be retired; provided, also, any member who has met
16 the conditions herein required but does not retire and later becomes a teacher
17 or an employee other than as a law enforcement officer shall continue to
18 have the right to commence retirement.

19 (5) Any member who is eligible for and is being paid a benefit under the
20 Disability Income Plan as provided in G.S. 135-105 or G.S. 135-106 shall be
21 deemed a member in service and may not retire under the provisions of this
22 section. Any member who has made electronic submission or written
23 application for long-term or extended short-term benefits under the
24 Disability Income Plan as provided in G.S. 135-105 or G.S. 135-106, and
25 who has been rejected by the Plan's Medical Board for a long-term or
26 extended short-term benefit shall have 90 days from the date of notification
27 of the rejection to convert his application to an early or service retirement
28 application, provided that the member meets the eligibility requirements,
29 effective the first day of the month following the month in which short-term
30 disability benefits ended or the first day of the month following the month in
31 which any salary continuation as may be provided in G.S. 135-104 ended,
32 whichever is later."

33 **SECTION 1.(c)** G.S. 135-5(a1) reads as rewritten:

34 "(a1) Early Service Retirement Benefits. – Any member as of December 31, 2010, may
35 retire and receive a reduced retirement allowance upon electronic submission or written
36 application to the Board of Trustees setting forth at what time, as of the first day of a calendar
37 month, not less than one day nor more than 120 days subsequent to the execution of and filing
38 thereof, he desires to be retired: Provided, that the said member at the time so specified for his
39 retirement shall have attained the age of 50 years and have at least 20 years of creditable
40 service."

41 **SECTION 1.(d)** G.S. 135-5 is amended by adding a new subsection to read:

42 "(a2) Early Service Retirement Benefits. – Any member whose current membership
43 begins on or after January 1, 2011, may retire and receive a reduced retirement allowance upon
44 electronic submission or written application to the Board of Trustees setting forth at what time,
45 as of the first day of a calendar month, not less than one day nor more than 120 days
46 subsequent to the execution of and filing thereof, the member desires to be retired: Provided,
47 that the said member at the time so specified for the member's retirement shall have attained the
48 age of 55 years and have at least 20 years of creditable service."

49 **SECTION 1.(e)** G.S. 135-5(b19) reads as rewritten:

50 "(b19) Service Retirement Allowance of Members as of December 31, 2010, Retiring on or
51 After July 1, 2002. – Upon retirement from service in accordance with subsection (a) or (a1)

1 above, on or after July 1, 2002, a member shall receive the following service retirement
2 allowance:

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

6 a. If the member's service retirement date occurs on or after his 55th
7 birthday, and completion of five years of creditable service as a law
8 enforcement officer, or after the completion of 30 years of creditable
9 service, the allowance shall be equal to one and eighty-two
10 hundredths percent (1.82%) of his average final compensation,
11 multiplied by the number of years of his creditable service.

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

17 1. The service retirement allowance payable under
18 G.S. 135-5(b19)(1)a. reduced by one-third of one percent (1/3
19 of 1%) thereof for each month by which his retirement date
20 precedes the first day of the month coincident with or next
21 following the month the member would have attained his
22 55th birthday; or

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

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

30 a. If the member's service retirement date occurs on or after his 65th
31 birthday upon the completion of five years of membership service or
32 after the completion of 30 years of creditable service or on or after
33 his 60th birthday upon the completion of 25 years of creditable
34 service, the allowance shall be equal to one and eighty-two
35 hundredths percent (1.82%) of his average final compensation,
36 multiplied by the number of years of creditable service.

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

44 c. If the member's early service retirement date occurs on or after his
45 50th birthday and before his 60th birthday and after completion of 20
46 years of creditable service but prior to the completion of 30 years of
47 creditable service, his early service retirement allowance shall be
48 equal to the greater of:

49 1. The service retirement allowance as computed under
50 G.S. 135-5(b19)(2)a. but reduced by the sum of five-twelfths
51 of one percent (5/12 of 1%) thereof for each month by which

- 1 his retirement date precedes the first day of the month
2 coincident with or next following the month the member
3 would have attained his 60th birthday, plus one-quarter of one
4 percent ($\frac{1}{4}$ of 1%) thereof for each month by which his 60th
5 birthday precedes the first day of the month coincident with
6 or next following his 65th birthday; or
7 2. The service retirement allowance as computed under
8 G.S. 135-5(b19)(2)a. reduced by five percent (5%) times the
9 difference between 30 years and his creditable service at
10 retirement; or
11 3. If the member's creditable service commenced prior to July 1,
12 1994, the service retirement allowance equal to the actuarial
13 equivalent of the allowance payable at the age of 60 years as
14 computed in G.S. 135-5(b19)(2)b.
15 d. Notwithstanding the foregoing provisions, any member whose
16 creditable service commenced prior to July 1, 1963, shall not receive
17 less than the benefit provided by G.S. 135-5(b)."

18 **SECTION 1.(f)** G.S. 135-5 is amended by adding a new subsection to read:

19 "(b20) Service Retirement Allowance of Members whose current membership begins on
20 or after January 1, 2011. – Upon retirement from service in accordance with subsection (a1) or
21 (a2) above, a member shall receive the following service retirement allowance:

- 22 (1) A member who is a law enforcement officer or an eligible former law
23 enforcement officer shall receive a service retirement allowance computed
24 as follows:
25 a. If the member's service retirement date occurs on or after the
26 member's 55th birthday and completion of 25 years of creditable
27 service as a law enforcement officer, or after age 60 with five years
28 of creditable service, the allowance shall be equal to one and
29 eighty-two hundredths percent (1.82%) of the member's average final
30 compensation, multiplied by the number of years of the member's
31 creditable service.
32 b. If the member's service retirement date occurs on or after the
33 member's 55th birthday and before his 60th birthday with 20 but less
34 than 25 years of creditable service as a law enforcement officer, the
35 retirement allowance payable shall be the actuarial equivalent of the
36 allowance payable at age 60.
37 (2) A member who is not a law enforcement officer or an eligible former law
38 enforcement officer shall receive a service retirement allowance computed
39 as follows:
40 a. If the member's service retirement date occurs on or after the
41 member's 65th birthday upon the completion of five years of
42 membership service or after the member's 60th birthday upon the
43 completion of 25 years of creditable service, the allowance shall be
44 equal to one and eighty-two hundredths percent (1.82%) of the
45 member's average final compensation, multiplied by the number of
46 years of creditable service.
47 b. If the member's service retirement date occurs after the member's
48 60th birthday and before the member's 65th birthday and prior to the
49 his completion of 25 years or more of creditable service, the
50 member's retirement allowance shall be computed as in
51 G.S. 135-5(b20)(2)a. but shall be reduced by five percent (5%) per

1 year or prorated by the month for each year by which the member's
2 retirement date precedes the first day of the month coincident with or
3 next following the member's 65th birthday.

- 4 c. If the member's early service retirement date occurs on or after the
5 member's 55th birthday and before the member's 60th birthday and
6 after completion of 20 years of creditable service, the member's early
7 service retirement allowance shall be computed as in
8 G.S. 135-5(b20)(2)a. but shall be the actuarial equivalent of the
9 allowance payable at age 65."

10 **SECTION 1.(g)** G.S. 135-5(m) reads as rewritten:

11 "(m) Survivor's Alternate Benefit. – Upon the death of a member in service, who was a
12 member as of December 31, 2010, the principal beneficiary designated to receive a return of
13 accumulated contributions shall have the right to elect to receive in lieu thereof the reduced
14 retirement allowance provided by Option 2 of subsection (g) above computed by assuming that
15 the member had retired on the first day of the month following the date of his death, provided
16 that the following conditions apply:

- 17 (1) a. The member had attained such age and/or creditable service to be
18 eligible to commence retirement with an early or service retirement
19 allowance,
20 b. The member had obtained 20 years of creditable service in which
21 case the retirement allowance shall be computed in accordance with
22 G.S. 135-5(b19)(1)b. or G.S. 135-5(b19)(2)c., notwithstanding the
23 requirement of obtaining age 50,
24 b1. The member was a law enforcement officer who had obtained 15
25 years of service as a law enforcement officer and was killed in the
26 line of duty, in which case the retirement allowance shall be
27 computed in accordance with G.S. 135-5(b19)(1)b., notwithstanding
28 the requirement of obtaining age 50, or
29 c. The member had not commenced to receive a retirement allowance
30 as provided under this Chapter.
31 (2) The member had designated as the principal beneficiary to receive a return
32 of his accumulated contributions one and only one person who was living at
33 the time of his death.
34 (3) The member had not instructed the Board of Trustees in writing that he did
35 not wish the provisions of this subsection to apply.

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

47 Notwithstanding the foregoing, a member who is in receipt of Workers'
48 Compensation during the period for which the member would have
49 otherwise been eligible to receive short-term benefits, as provided in
50 G.S. 135-105, and who dies on or after 181 days from the last day of the
51 member's actual service but on or before the date the benefits as provided in

1 G.S. 135-105 would have ended, shall be considered in service at the time of
2 the member's death for the purpose of this benefit.

3 For the purpose of calculating this benefit any terminal payouts made
4 after the date of death that meet the definition of compensation shall be
5 credited to the month prior to the month of death. These terminal payouts do
6 not include salary or wages paid for work performed during the month of
7 death."

8 **SECTION 1.(h)** G.S. 135-5 is amended by adding a new subsection to read:

9 "(m2) Survivor's Alternate Benefit. – Upon the death of a member in service whose current
10 membership began on or after January 1, 2011, the principal beneficiary designated to receive a
11 return of accumulated contributions shall have the right to elect to receive in lieu thereof the
12 reduced retirement allowance provided by Option 2 of subsection (g) of this section computed
13 by assuming that the member had retired on the first day of the month following the date of the
14 member's death, provided that the following conditions apply:

- 15 (1) a. The member had attained such age and/or creditable service to be
16 eligible to commence retirement with an early or service retirement
17 allowance.
18 b. The member had not commenced to receive a retirement allowance
19 as provided under this Chapter.
20 (2) At the time of the member's death, one and only one person is eligible to
21 receive a return of the member's contributions.
22 (3) The member had not instructed the Board of Trustees in writing that the
23 member did not wish the provisions of this subsection to apply.

24 For the purpose of this benefit, a member is considered to be in service at
25 the date of the member's death if the member's death occurs within 180 days
26 from the last day of his actual service. The last day of actual service shall be
27 determined as provided in subdivision (1) of this subsection. Upon the death
28 of a member in service, the surviving spouse may make all purchases for
29 creditable service as provided for under this Chapter for which the member
30 had made application in writing prior to the date of death, provided that the
31 date of death occurred prior to or within 60 days after notification of the cost
32 to make the purchase. The term "in service" as used in this subsection
33 includes a member in receipt of a benefit under the Disability Income Plan
34 as provided in Article 6 of this Chapter.

35 Notwithstanding the foregoing, a member who is in receipt of Workers'
36 Compensation during the period for which the member would have
37 otherwise been eligible to receive short-term benefits, as provided in
38 G.S. 135-105, and who dies on or after 181 days from the last day of the
39 member's actual service but on or before the date the benefits as provided in
40 G.S. 135-105 would have ended, shall be considered in service at the time of
41 the member's death for the purpose of this benefit.

42 For the purpose of calculating this benefit, any terminal payouts made
43 after the date of death that meet the definition of compensation shall be
44 credited to the month prior to the month of death. These terminal payouts do
45 not include salary or wages paid for work performed during the month of
46 death."

47 **SECTION 1.(i)** G.S. 135-3(8)b1. reads as rewritten:

48 "b1. In lieu of the benefits provided in paragraphs a and b of this
49 subdivision, any member as of December 31, 2010, who is a
50 law-enforcement officer at the time of separation from service prior
51 to the attainment of the age of 50 years, for any reason other than

1 death or disability as provided in this Article, after completing 15 or
2 more years of creditable service in this capacity immediately prior to
3 separation from service, and who leaves his total accumulated
4 contributions in this System may elect to retire on a deferred early
5 retirement allowance upon attaining the age of 50 years or at any
6 time thereafter; provided, that the member may commence retirement
7 only upon electronic submission or written application to the Board
8 of Trustees setting forth at what time, as of the first day of a calendar
9 month, not less than one day nor more than ~~90~~ 120 days subsequent
10 to the execution and filing thereof, he desires to commence
11 retirement. The deferred early retirement allowance shall be
12 computed in accordance with the service retirement provisions of this
13 Article pertaining to law-enforcement officers."

14 **SECTION 1.(j)** G.S. 135-3(8)b2. reads as rewritten:

15 "b2. In lieu of the benefits provided in paragraphs a and b of this
16 subdivision, any member as of December 31, 2010, who is a
17 law-enforcement officer at the time of separation from service prior
18 to the attainment of the age of 55 years, for any reason other than
19 death or disability as provided in this Article, after completing five or
20 more years of creditable service in this capacity immediately prior to
21 separation from service, and who leaves his total accumulated
22 contributions in this System may elect to retire on a deferred early
23 retirement allowance upon attaining the age of 55 years or at any
24 time thereafter; provided, that the member may commence retirement
25 only upon electronic submission or written application to the Board
26 of Trustees setting forth at what time, as of the first day of a calendar
27 month not less than one day nor more than ~~90~~ 120 days subsequent
28 to the execution and filing thereof, he desires to commence retirement.
29 The deferred early retirement allowance shall be computed in
30 accordance with the service retirement provisions of this Article
31 pertaining to law-enforcement officers."

32 **SECTION 1.(k)** G.S. 135-3(8)b3. reads as rewritten:

33 "b3. Vested deferred retirement allowance of members retiring on or after
34 July 1, 1994. – In lieu of the benefits provided in paragraphs a. and b.
35 of this subdivision, any member as of December 31, 2010, who
36 separates from service prior to attainment of age 60 years, after
37 completing 20 or more years of creditable service, and who leaves
38 his total accumulated contributions in said System, may elect to retire
39 on a deferred retirement allowance upon attaining the age of 50 years
40 or any time thereafter; provided that such member may so retire only
41 upon electronic submission or written application to the Board of
42 Trustees setting forth at what time, not less than one day nor more
43 than ~~90~~ 120 days subsequent to the execution and filing thereof, he
44 desires to be retired. Such deferred retirement allowance shall be
45 computed in accordance with the service retirement provisions of this
46 Article pertaining to a member who is not a law enforcement officer
47 or an eligible former law enforcement officer."

48 **SECTION 2.(a)** Article 2 of Chapter 126 of the General Statutes is amended by
49 adding a new section to read:

50 **"§ 126-8.6. Prospective elimination of longevity pay.**

1 (a) Any State employee who is subject to the provisions of this Chapter and who is
2 employed on December 31, 2010, and continuously thereafter, shall be eligible:

3 (1) To receive, or as they become eligible shall begin to receive, longevity pay
4 according to longevity pay schedules in effect on that date.

5 (2) For any future increases in longevity pay according to the longevity pay
6 schedules in effect on that date.

7 Any State employee who is (i) subject to the provisions of this Chapter, (ii) not employed on
8 December 31, 2010, and (iii) hired on or after January 1, 2011, shall not be eligible to
9 participate in the State's longevity pay program.

10 (b) Any State officer, official, or employee who is exempt from the provisions of this
11 Chapter and who is employed on December 31, 2010 and continuously thereafter, shall be
12 eligible:

13 (1) To receive, or as they become eligible shall begin to receive, longevity pay
14 according to longevity pay schedules in effect on that date.

15 (2) For any future increases in longevity pay according to the longevity pay
16 schedules in effect on that date.

17 Any State officer, official, or employee who is (i) exempt from the provisions of this Chapter,
18 (ii) not employed on December 31, 2010, and (iii) hired, appointed, or elected on or after
19 January 1, 2011, shall not be eligible to participate in the State's longevity pay program."

20 **SECTION 2.(b)** G.S. 126-5 is amended by adding a new subsection to read:

21 "(c12) Notwithstanding any other provision of this section, the provisions of G.S. 126-8.6
22 shall apply to all exempt and nonexempt employees in the executive, legislative, and judicial
23 branches of State government; to public school employees; to community college employees;
24 and to employees of The University of North Carolina."

25 **SECTION 2.(c)** G.S. 7A-10(c) reads as rewritten:

26 "(c) In lieu of merit and other increment raises paid to regular State employees, the Chief
27 Justice and each of the Associate Justices shall receive as longevity pay in accordance with
28 G.S. 126-8.6 an annual amount equal to four and eight-tenths percent (4.8%) of the annual
29 salary set forth in the Current Operations Appropriations Act payable monthly after five years
30 of service, nine and six-tenths percent (9.6%) after 10 years of service, fourteen and four-tenths
31 percent (14.4%) after 15 years of service, nineteen and two-tenths percent (19.2%) after 20
32 years of service, and twenty-four percent (24%) after 25 years of service."Service" means
33 service as a justice or judge of the General Court of Justice or as a member of the Utilities
34 Commission. Service shall also mean service as a district attorney or as a clerk of superior
35 court."

36 **SECTION 2.(d)** G.S. 7A-18(b) reads as rewritten:

37 "(b) In lieu of merit and other increment raises paid to regular State employees, a judge
38 of the Court of Appeals shall receive as longevity pay in accordance with G.S. 126-8.6 an
39 annual amount equal to four and eight-tenths percent (4.8%) of the annual salary set forth in the
40 Current Operations Appropriations Act payable monthly after five years of service, nine and
41 six-tenths percent (9.6%) after 10 years of service, fourteen and four-tenths percent (14.4%)
42 after 15 years of service, nineteen and two-tenths percent (19.2%) after 20 years of service, and
43 twenty-four percent (24%) after 25 years of service. "Service" means service as a justice or
44 judge of the General Court of Justice or as a member of the Utilities Commission. Service shall
45 also mean service as a district attorney or as a clerk of superior court."

46 **SECTION 2.(e)** G.S.7A-39.2 reads as rewritten:

47 **"§ 7A-39.2. Age and service requirements for retirement of justices of the Supreme Court**
48 **and judges of the Court of Appeals.**

49 (a) Any justice of the Supreme Court or judge of the Court of Appeals who has attained
50 the age of 65 years, and who has served for a total of 15 years, whether consecutive or not, on
51 the Supreme Court, the Court of Appeals, or the superior court, or as Administrative Officer of

1 the Courts, or in any combination of these offices, may retire from his present office and
2 receive for life compensation equal to two thirds of the total annual compensation, including
3 ~~longevity, longevity pay in accordance with G.S. 126-8.6,~~ but excluding any payments in the
4 nature of reimbursement for expenses, from time to time received by the occupant or occupants
5 of the office from which he retired.

6 (b) Any justice of the Supreme Court or judge of the Court of Appeals who has attained
7 the age of 65 years, and who has served as justice or judge, or both, in the Appellate Division
8 for 12 consecutive years may retire and receive for life compensation equal to two thirds of the
9 total annual compensation, including ~~longevity, longevity pay in accordance with G.S. 126-8.6,~~
10 but excluding any payments in the nature of reimbursement for expenses, from time to time
11 received by the occupant or occupants of the office from which he retired.

12 (c) Any justice or judge of the Appellate Division, who has served for a total of 24
13 years, whether continuously or not, as justice of the Supreme Court, judge of the Court of
14 Appeals, judge of the superior court, or Administrative Officer of the Courts, or in any
15 combination of these offices, may retire, regardless of age, and receive for life compensation
16 equal to two thirds of the total annual compensation, including ~~longevity, longevity pay in~~
17 ~~accordance with G.S. 126-8.6,~~ but excluding any payments in the nature of reimbursement for
18 expenses, from time to time received by the occupant or occupants of the office from which he
19 retired. In determining eligibility for retirement under this subsection, time served as a district
20 solicitor of the superior court prior to January 1, 1971, may be included, provided the person
21 has served at least eight years as a justice, judge, or Administrative Officer of the Courts, or in
22 any combination of these offices.

23 (d) For purposes of this section, the "occupant or occupants of the office from which"
24 the retired judge retired will be deemed to be a judge or justice of the Appellate Division
25 holding the same office and with the same service as the retired judge had immediately prior to
26 retirement."

27 **SECTION 2.(f)** G.S. 7A-44(b) reads as rewritten:

28 "(b) In lieu of merit and other increment raises paid to regular State employees, a judge
29 of the superior court, regular or special, shall receive as longevity pay in accordance with
30 G.S. 126-8.6 an annual amount equal to four and eight-tenths percent (4.8%) of the annual
31 salary set forth in the Current Operations Appropriations Act payable monthly after five years
32 of service, nine and six-tenths percent (9.6%) after 10 years of service, fourteen and four-tenths
33 percent (14.4%) after 15 years of service, nineteen and two-tenths percent (19.2%) after 20
34 years of service, and twenty-four percent (24%) after 25 years of service. "Service" means
35 service as a justice or judge of the General Court of Justice or as a member of the Utilities
36 Commission or as director or assistant director of the Administrative Office of the Courts.
37 Service shall also mean service as a district attorney or as a clerk of superior court."

38 **SECTION 2.(g)** G.S.7A-51 reads as rewritten:

39 **"§ 7A-51. Age and service requirements for retirement of judges of the superior court**
40 **and of the Administrative Officer of the Courts.**

41 (a) Any judge of the superior court, or Administrative Officer of the Courts, who has
42 attained the age of sixty-five years, and who has served for a total of fifteen years, whether
43 consecutive or not, as a judge of the superior court, or as Administrative Officer of the Courts,
44 or as judge of the superior court and as Administrative Officer of the Courts combined, may
45 retire and receive for life compensation equal to two thirds of the total annual compensation,
46 including longevity pay in accordance with G.S. 126-8.6 and additional payment for service as
47 senior resident superior court judge, but excluding any payments in the nature of
48 reimbursement for expenses or subsistence allowances, from time to time received by the
49 occupant of the office from which he retired.

50 (b) Any judge of the superior court, or Administrative Officer of the Courts, who has
51 served for twelve years, whether consecutive or not, as a judge of the superior court, or as

1 Administrative Officer of the Courts, or as judge of the superior court and as Administrative
2 Officer of the Courts combined may, at age sixty-eight, retire and receive for life compensation
3 equal to two thirds of the total annual compensation, including longevity pay in accordance
4 with G.S. 126-8.6 and additional payment for service as senior resident superior court judge,
5 but excluding any payments in the nature of reimbursement for expenses or subsistence
6 allowances, from time to time received by the occupant of the office from which he retired.

7 (c) Any person who has served for a total of twenty-four years, whether continuously or
8 not, as a judge of the superior court, or as Administrative Officer of the Courts, or as judge of
9 the superior court and as Administrative Officer of the Courts combined, may retire, regardless
10 of age, and receive for life compensation equal to two thirds of the total annual compensation,
11 including longevity pay in accordance with G.S. 126-8.6 and additional payment for service as
12 senior resident superior court judge, but excluding any payments in the nature of
13 reimbursement for expenses or subsistence allowances, from time to time received by the
14 occupant of the office from which he retired. In determining whether a person meets the
15 requirements of this subsection, time served as district attorney of the superior court prior to
16 January 1, 1971, may be included, so long as the person has served at least eight years as a
17 judge of the superior court, or as Administrative Officer of the Courts, or as judge of the
18 superior court and Administrative Officer of the Courts combined.

19 (d) Repealed by Session Laws 1971, c. 508, s. 3.

20 (e) For purposes of this section, the "occupant or occupants of the office from which"
21 the retired judge retired will be deemed to be a superior court judge holding the same office and
22 with the same service as the retired judge had immediately prior to retirement."

23 **SECTION 2.(h)** G.S. 7A-65 reads as rewritten:

24 **"§ 7A-65. Compensation and allowances of district attorneys and assistant district**
25 **attorneys.**

26 (a) The annual salary of:

- 27 (1) District attorneys shall be as provided in the Current Operations
28 Appropriations Act.
29 (2) Full-time assistant district attorneys shall be as provided in the Current
30 Operations Appropriations Act.

31 When traveling on official business, each district attorney and assistant district attorney is
32 entitled to reimbursement for his or her subsistence expenses to the same extent as State
33 employees generally. When traveling on official business outside his or her county of
34 residence, each district attorney and assistant district attorney is entitled to reimbursement for
35 travel expenses to the same extent as State employees generally. For purposes of this
36 subsection, the term "official business" does not include regular, daily commuting between a
37 person's home and the district attorney's office. Travel distances, for purposes of
38 reimbursement for mileage, shall be determined according to the travel policy of the
39 Administrative Office of the Courts.

40 (b) Repealed by Session Laws 1985, c. 689, s. 2.

41 (c) In lieu of merit and other increment raises paid to regular State employees, a district
42 attorney shall receive as longevity pay in accordance with G.S. 126-8.6 an amount equal to four
43 and eight-tenths percent (4.8%) of the annual salary set forth in the Current Operations
44 Appropriations Act payable monthly after five years of service, and nine and six-tenths percent
45 (9.6%) after 10 years of service, fourteen and four-tenths percent (14.4%) after 15 years of
46 service, nineteen and two-tenths percent (19.2%) after 20 years of service, and twenty-four
47 percent (24%) after 25 years of service. Service shall mean service in the elective position of a
48 district attorney and shall not include service as a deputy or acting district attorney. Service
49 shall also mean service as a justice or judge of the General Court of Justice, clerk of superior
50 court, assistant district attorney, public defender, appellate defender, or assistant public or
51 appellate defender.

1 (d) In lieu of merit and other increment raises paid to regular State employees, an
2 assistant district attorney shall receive as longevity pay in accordance with G.S. 126-8.6 an
3 amount equal to four and eight-tenths percent (4.8%) of the annual salary set forth in the
4 Current Operations Appropriations Act payable monthly after five years of service, nine and
5 six-tenths percent (9.6%) after 10 years of service, fourteen and four-tenths percent (14.4%)
6 after 15 years of service, nineteen and two-tenths percent (19.2%) after 20 years of service, and
7 twenty-four percent (24%) after 25 years of service. "Service" means service as an assistant
8 district attorney, district attorney, resource prosecutor, public defender, appellate defender,
9 assistant public or appellate defender, justice or judge of the General Court of Justice, or clerk
10 of superior court. For purposes of this subsection, "resource prosecutor" means a former
11 assistant district attorney who has left the employment of the district attorney's office to serve
12 in a specific, time-limited position with the Conference of District Attorneys."

13 **SECTION 2.(i)** G.S. 7A-101(c) reads as rewritten:

14 "(c) In lieu of merit and other increment raises paid to regular State employees, a clerk
15 of superior court shall receive as longevity pay in accordance with G.S. 126-8.6 an amount
16 equal to four and eight-tenths percent (4.8%) of the clerk's annual salary payable monthly after
17 five years of service, nine and six-tenths percent (9.6%) after 10 years of service, fourteen and
18 four-tenths percent (14.4%) after 15 years of service, nineteen and two-tenths percent (19.2%)
19 after 20 years of service, and twenty-four percent (24%) after 25 years of service. Service shall
20 mean service in the elective position of clerk of superior court, as an assistant clerk of court and
21 as a supervisor of clerks of superior court with the Administrative Office of the Courts and
22 shall not include service as a deputy or acting clerk. Service shall also mean service as a justice,
23 judge, or magistrate of the General Court of Justice or as a district attorney. "

24 **SECTION 2.(j)** G.S.7A-144(b) reads as rewritten:

25 "(b) Notwithstanding merit, longevity and other increment raises paid to regular State
26 employees, a judge of the district court shall receive as longevity pay in accordance with
27 G.S. 126-8.6 an annual amount equal to four and eight-tenths percent (4.8%) of the annual
28 salary set forth in the Current Operations Appropriations Act payable monthly after five years
29 of service, nine and six-tenths percent (9.6%) after 10 years of service, fourteen and four-tenths
30 percent (14.4%) after 15 years of service, nineteen and two-tenths percent (19.2%) after 20
31 years of service, and twenty-four percent (24%) after 25 years of service. "Service" means
32 service as a justice or judge of the General Court of Justice or as a member of the Utilities
33 Commission or as director or assistant director of the Administrative Office of the Courts.
34 Service shall also mean service as a district attorney or as a clerk of superior court."

35 **SECTION 2.(k)** G.S. 7A-171.1(a2) reads as rewritten:

36 "(a2) The Administrative Officer of the Courts shall provide magistrates with longevity
37 pay in accordance with G.S. 126-8.6 at the same rates as are provided by the State to its
38 employees subject to the State Personnel Act."

39 **SECTION 2.(l)** G.S. 7A-341 reads as rewritten:

40 **"§ 7A-341. Appointment and compensation of Director.**

41 The Director shall be appointed by the Chief Justice of the Supreme Court, to serve at his
42 pleasure. He shall receive the annual salary provided in the Current Operations Appropriations
43 Act, payable monthly, and reimbursement for travel and subsistence expenses at the same rate
44 as State employees generally and longevity pay in accordance with G.S. 126-8.6 at the rates
45 and for the service designated in G.S. 7A-44(b) for a judge of the superior court. Service as
46 Director shall be equivalent to service as a superior court judge for the purposes of entitlement
47 to retirement pay or to retirement for disability."

48 **SECTION 2.(m)** G.S. 7A-342 reads as rewritten:

49 **"§ 7A-342. Appointment and compensation of assistant director and other employees.**

50 The assistant director shall also be appointed by the Chief Justice, to serve at his pleasure.
51 The assistant director shall receive the annual salary provided in the Current Operations

1 Appropriations Act, payable monthly, and reimbursement for travel and subsistence expenses
2 at the same rate as State employees generally and longevity pay in accordance with
3 G.S. 126-8.6 at the rates and for the service designated in G.S. 7A-144(b) for a judge of the
4 district court.

5 The Director may appoint such other assistant and employees as are necessary to enable
6 him to perform the duties of his office."

7 **SECTION 2.(n)** G.S. 7A-498.6(c) reads as rewritten:

8 "(c) In lieu of merit and other increment raises paid to regular State employees, the
9 Director of Indigent Defense Services shall receive as longevity pay in accordance with
10 G.S. 126-8.6 an amount equal to four and eight-tenths percent (4.8%) of the annual salary set
11 forth in the Current Operations Appropriations Act payable monthly after five years of service,
12 nine and six-tenths percent (9.6%) after 10 years of service, fourteen and four-tenths percent
13 (14.4%) after 15 years of service, nineteen and two-tenths percent (19.2%) after 20 years of
14 service, and twenty-four percent (24%) after 25 years of service. "Service" means service as
15 Director of Indigent Defense Services, a public defender, appellate defender, assistant public or
16 appellate defender, district attorney, assistant district attorney, justice or judge of the General
17 Court of Justice, or clerk of superior court."

18 **SECTION 2.(o)** G.S. 7A-498.7(c) reads as rewritten:

19 "(c) A public defender shall be an attorney licensed to practice law in North Carolina
20 and shall devote full time to the duties of the office. In lieu of merit and other increment raises
21 paid to regular State employees, a public defender shall receive as longevity pay in accordance
22 with G.S. 126-8.6 an amount equal to four and eight-tenths percent (4.8%) of the annual salary
23 set forth in the Current Operations Appropriations Act payable monthly after five years of
24 service, nine and six-tenths percent (9.6%) after 10 years of service, fourteen and four-tenths
25 percent (14.4%) after 15 years of service, nineteen and two-tenths percent (19.2%) after 20
26 years of service, and twenty-four percent (24%) after 25 years of service. "Service" means
27 service as a public defender, appellate defender, assistant public or appellate defender, district
28 attorney, assistant district attorney, justice or judge of the General Court of Justice, or clerk of
29 superior court."

30 **SECTION 2.(p)** G.S. 7A-751 reads as rewritten:

31 **"§ 7A-751. Agency head; powers and duties; salaries of Chief Administrative Law Judge**
32 **and other administrative law judges.**

33 (a) The head of the Office of Administrative Hearings is the Chief Administrative Law
34 Judge, who shall serve as Director of the Office. The Chief Administrative Law Judge has the
35 powers and duties conferred on that position by this Chapter and the Constitution and laws of
36 this State and may adopt rules to implement the conferred powers and duties.

37 The salary of the Chief Administrative Law Judge shall be the same as that fixed from time
38 to time for district court judges. The salary of a Senior Administrative Law Judge shall be
39 ninety-five percent (95%) of the salary of the Chief Administrative Law Judge.

40 In lieu of merit and other increment raises, the Chief Administrative Law Judge and any
41 Senior Administrative Law Judge shall receive longevity pay in accordance with G.S. 126-8.6
42 on the same basis as is provided to employees of the State who are subject to the State
43 Personnel Act.

44 (b) The salary of other administrative law judges shall be ninety percent (90%) of the
45 salary of the Chief Administrative Law Judge."

46 In lieu of merit and other increment raises, an administrative law judge shall receive
47 longevity pay in accordance with G.S. 126-8.6 on the same basis as is provided to employees
48 who are subject to the State Personnel Act."

49 **SECTION 2.(q)** G.S. 58-2-10 reads as rewritten:

50 **"§ 58-2-10. Salary of Commissioner.**

1 The salary of the Commissioner shall be set by the General Assembly in the Current
2 Operations Appropriations Act. In addition to the salary set by the General Assembly in the
3 Current Operations Appropriations Act, longevity pay in accordance with G.S. 126-8.6 shall be
4 paid on the same basis as is provided to employees of the State who are subject to the State
5 Personnel Act."

6 **SECTION 2.(r)** G.S. 62-10(h) reads as rewritten:

7 "(h) The salary of each commissioner and that of the commissioner designated as
8 chairman shall be set by the General Assembly in the Current Operations Appropriations Act.
9 In lieu of merit and other increment raises paid to regular State employees, each commissioner,
10 including the commissioner designated as chairman, shall receive as longevity pay in
11 accordance with G.S. 126-8.6 an amount equal to four and eight-tenths percent (4.8%) of the
12 annual salary set forth in the Current Operations Appropriations Act payable monthly after five
13 years of service, and nine and six-tenths percent (9.6%) after 10 years of service. "Service"
14 means service as a member of the Utilities Commission."

15 **SECTION 2.(s)** G.S. 62-15(a) reads as rewritten:

16 "(a) There is established in the Commission the office of executive director, whose
17 salary and longevity pay in accordance with G.S. 126-8.6 shall be the same as that fixed for
18 members of the Commission. "Service" for purposes of longevity pay means service as
19 executive director of the public staff. The executive director shall be appointed by the Governor
20 subject to confirmation by the General Assembly by joint resolution. The name of the executive
21 director appointed by the Governor shall be submitted to the General Assembly on or before
22 May 1 of the year in which the term of his office begins. The term of office for the executive
23 director shall be six years, and the initial term shall begin July 1, 1977. The executive director
24 may be removed from office by the Governor in the event of his incapacity to serve; and the
25 executive director shall be removed from office by the Governor upon the affirmative
26 recommendation of a majority of the Commission, after consultation with the Joint Legislative
27 Utility Review Committee of the General Assembly. In case of a vacancy in the office of
28 executive director for any reason prior to the expiration of his term of office, the name of his
29 successor shall be submitted by the Governor to the General Assembly, not later than four
30 weeks after the vacancy arises. If a vacancy arises in the office when the General Assembly is
31 not in session, the executive director shall be appointed by the Governor to serve on an interim
32 basis pending confirmation by the General Assembly."

33 **SECTION 2.(t)** G.S. 95-2 reads as rewritten:

34 **"§ 95-2. Election of Commissioner; term; salary; vacancy.**

35 The Commissioner of Labor shall be elected by the people in the same manner as is
36 provided for the election of the Secretary of State. The term of office of the Commissioner of
37 Labor shall be four years, and the salary of the Commissioner of Labor shall be set by the
38 General Assembly in the Current Operations Appropriations Act. Any vacancy in the office
39 shall be filled by the Governor, until the next general election. The office of the Department of
40 Labor shall be kept in the City of Raleigh and shall be provided for as are other public offices
41 of the State. In addition to the salary set by the General Assembly in the Current Operations
42 Appropriations Act, longevity pay in accordance with G.S. 126-8.6 shall be paid on the same
43 basis as is provided to employees of the State who are subject to the State Personnel Act."

44 **SECTION 2.(u)** G.S. 97-78(b4) reads as rewritten:

45 "(b4) In lieu of merit and other incremental raises, the administrator, executive secretary,
46 chief deputy commissioner, and deputy commissioners shall receive longevity pay in
47 accordance with G.S. 126-8.6 on the same basis as is provided to other employees subject to
48 the State Personnel Act."

49 **SECTION 2.(v)** G.S. 106-11 reads as rewritten:

50 **"§ 106-11. Salary of Commissioner of Agriculture.**

1 The salary of the Commissioner of Agriculture shall be set by the General Assembly in the
2 Current Operations Appropriations Act. In addition to the salary set by the General Assembly
3 in the Current Operations Appropriations Act, longevity pay in accordance with G.S. 126-8.6
4 shall be paid on the same basis as is provided to employees of the State who are subject to the
5 State Personnel Act."

6 **SECTION 2.(w)** G.S. 114-7 reads as rewritten:

7 "**§ 114-7. Salary of the Attorney General.**

8 The salary of the Attorney General shall be set by the General Assembly in the Current
9 Operations Appropriations Act. In addition to the salary set by the General Assembly in the
10 Current Operations Appropriations Act, longevity pay in accordance with G.S. 126-8.6 shall be
11 paid on the same basis as is provided to employees of the State who are subject to the State
12 Personnel Act."

13 **SECTION 2.(x)** G.S. 115C-20 reads as rewritten:

14 "**§ 115C-20. Office and salary.**

15 The Superintendent of Public Instruction shall keep his office in the Education Building in
16 Raleigh, and his salary shall be set by the General Assembly in the Current Operations
17 Appropriations Act. In addition to the salary set by the General Assembly in the Current
18 Operations Appropriations Act, longevity pay in accordance with G.S. 126-8.6 shall be paid on
19 the same basis as is provided to employees of the State who are subject to the State Personnel
20 Act."

21 **SECTION 2.(y)** G.S. 115C-302.1(e) reads as rewritten:

22 "(e) Teachers in Year-Round Schools. – Compensation for teachers employed in
23 year-round schools shall be the same as teachers paid for a 10-month term, but those days may
24 be scheduled over 12 calendar months. Annual leave, sick leave, workdays, holidays, salary,
25 and longevity pay in accordance with G.S. 126-8.6 for teachers who are employed at
26 year-round schools shall be equivalent to those of other teachers employed for the same number
27 of months, respectively. Teachers paid for a term of 10 months in year-round schools shall
28 receive their salary in 12 equal installments."

29 **SECTION 2.(z)** G.S. 115C-302.1(i) reads as rewritten:

30 "(i) Longevity Pay. – Longevity pay in accordance with G.S. 126-8.6 shall be based on
31 the annual salary on the employee's anniversary date."

32 **SECTION 2.(aa)** G.S. 115C-316(c) reads as rewritten:

33 "(c) Longevity pay in accordance with G.S. 126-8.6 for 10-month employees is based on
34 their annual salary and the longevity percentage may not be reduced by prorating the longevity
35 pay for 10-month employees over a 12-month period."

36 **SECTION 2.(bb)** G.S. 126-7(b1) reads as rewritten:

37 "(b1) The Comprehensive Compensation System shall consist of the following
38 components: (i) the career growth recognition award, (ii) the cost-of-living adjustment, and (iii)
39 the performance bonus. The career growth recognition award shall be the primary method by
40 which an employee progresses through his or her salary range and shall be awarded annually to
41 employees who qualify for the award. An employee may receive, within a 12-month period, the
42 career growth recognition award, the cost-of-living adjustment, and the performance bonus, if
43 the employee's job performance equals or exceeds the level of performance set forth in
44 subdivisions (4), (4a), and (4b) of subsection (c) of this section. No employee shall be eligible
45 to receive during a 12-month period a performance bonus greater than the maximum amount or
46 less than the minimum amount established by the Commission. Nothing in this section shall
47 affect ~~the system of longevity payments established by the Commission, pursuant to~~
48 G.S. 126-8.6."

49 **SECTION 2.(cc)** G.S. 138-4 reads as rewritten:

50 "**§ 138-4. Governor to set salaries of administrative officers; exceptions; longevity pay.**

1 The salaries of all State administrative officers not subject to the State Personnel Act shall
2 be set by the Governor, unless a law provides otherwise.

3 Whenever by law it is provided that a salary shall be fixed or set by the General Assembly
4 in the Current Operations Appropriations Act, and that office or position is filled by
5 appointment of the Governor, or the appointment is subject to the approval of the Governor, or
6 is made by a commission a majority of whose members are appointed by the Governor, then
7 the Governor may, increase or decrease the salary of a new appointee by a maximum of ten
8 percent (10%) over or under the salary of that position as provided in the Current Operations
9 Appropriations Act, such increased or decreased salary to remain in effect until changed by the
10 General Assembly or until the end of the fiscal year, whichever occurs first. The Governor
11 under this paragraph may not increase the salary of any nonelected official above the level set
12 in the Current Operations Appropriations Act for any member of the Council of State. This
13 section does not apply to any office filled by election by the people, and does not apply to any
14 office in the legislative or judicial branches.

15 Officials whose salaries are covered by the provisions of this section shall be eligible for
16 longevity pay in accordance with G.S. 126-8.6 on the same basis as is provided to employees of
17 the State who are subject to the State Personnel Act."

18 **SECTION 2.(dd)** G.S. 143C-6-6(b) reads as rewritten:

19 "(b) Payments on behalf of employees for hospital-medical insurance, longevity
20 payments in accordance with G.S. 126-8.6, salary increments, and legislative salary increases,
21 required employer salary-related contributions for retirement benefits, death benefits, the
22 Disability Income Plan and social security for employees shall be paid from the General Fund
23 or the Highway Fund, only to the extent of the proportionate part paid from the General Fund
24 or Highway Fund, in support of the salary of the employee, and the remainder of the employer's
25 contribution requirements shall be paid from the same source that supplies the remainder of the
26 employee's salary."

27 **SECTION 2.(ee)** G.S. 147-33 reads as rewritten:

28 "**§ 147-33. Compensation and expenses of Lieutenant Governor.**

29 The salary of the Lieutenant Governor shall be set by the General Assembly in the Current
30 Operations Appropriations Act. In addition to this salary, the Lieutenant Governor shall be paid
31 an annual expense allowance in the sum of eleven thousand five hundred dollars (\$11,500). In
32 addition to the salary set by the General Assembly in the Current Operations Appropriations
33 Act, longevity pay in accordance with G.S. 126-8.6 shall be paid on the same basis as is
34 provided to employees of the State who are subject to the State Personnel Act."

35 **SECTION 2.(ff)** G.S. 147-33.76(c) reads as rewritten:

36 "(c) The salary of the State Chief Information Officer shall be set by the General
37 Assembly in the Current Operations Appropriations Act. The State Chief Information Officer
38 shall receive longevity pay in accordance with G.S. 126-8.6 on the same basis as is provided to
39 employees of the State who are subject to the State Personnel Act."

40 **SECTION 2.(gg)** G.S. 147-35 reads as rewritten:

41 "**§ 147-35. Salary of Secretary of State.**

42 The salary of the Secretary of State shall be set by the General Assembly in the Current
43 Operations Appropriations Act. In addition to the salary set by the General Assembly in the
44 Current Operations Appropriations Act, longevity pay in accordance with G.S. 126-8.6 shall be
45 paid on the same basis as is provided to employees of the State who are subject to the State
46 Personnel Act."

47 **SECTION 2.(hh)** G.S. 147-64.1(b) reads as rewritten:

48 "(b) In addition to the salary set by the General Assembly in the Current Operations
49 Appropriations Act, longevity pay in accordance with G.S. 126-8.6 shall be paid on the same
50 basis as is provided to employees of the State who are subject to the State Personnel Act."

51 **SECTION 2.(ii)** G.S. 147-65 reads as rewritten:

1 **"§ 147-65. Salary of State Treasurer.**

2 The salary of the State Treasurer shall be as established in the Current Operations
3 Appropriations Act. In addition to the salary set by the General Assembly in the Current
4 Operations Appropriations Act, longevity pay in accordance with G.S. 126-8.6 shall be paid on
5 the same basis as is provided to employees of the State who are subject to the State Personnel
6 Act."

7 **SECTION 3.(a)** G.S. 135-45.2(a) and (b) read as rewritten:

8 **"§ 135-45.2. Eligibility.**

9 (a) Noncontributory Coverage. – The following persons are eligible for coverage under
10 the Plan, on a noncontributory basis, subject to the provisions of ~~G.S. 135-45.4~~: G.S. 135-45.4
11 and provided that they are not eligible for coverage under subdivision (b)(3) of this section:

12 (1) All permanent full-time employees of an employing unit who meet the
13 following conditions:

- 14 a. Paid from general or special State funds, or
15 b. Paid from non-State funds and in a group for which his or her
16 employing unit has agreed to provide coverage.

17 Employees of State agencies, departments, institutions, boards, and
18 commissions not otherwise covered by the Plan who are employed in
19 permanent job positions on a recurring basis and who work 30 or more hours
20 per week for nine or more months per calendar year are covered by the
21 provisions of this subdivision.

22 (2) Permanent hourly employees ~~as defined in G.S. 126-5(c4)~~ who work at least
23 one-half of the workdays of each pay period.

24 (3) Retired teachers, State employees, members of the General Assembly, and
25 retired State law enforcement officers who retired under the Law
26 Enforcement Officers' Retirement System prior to January 1, 1985. Except
27 as otherwise provided in this subdivision, on and after January 1, 1988, a
28 retiring employee or retiree must have completed at least five years of
29 contributory retirement service with an employing unit prior to retirement
30 from any State-supported retirement system in order to be eligible for group
31 benefits under this Part as a retired employee or retiree. For employees first
32 hired on and after October 1, 2006, and members of the General Assembly
33 first taking office on and after February 1, 2007, future coverage as retired
34 employees and retired members of the General Assembly is subject to a
35 requirement that the future retiree have 20 or more years of retirement
36 service credit in order to be covered by the provisions of this subdivision.

37 (4) Surviving spouses of:

- 38 a. Deceased retired employees, provided the death of the former plan
39 member occurred prior to October 1, 1986; and
40 b. Deceased teachers, State employees, and members of the General
41 Assembly who are receiving a survivor's alternate benefit under any
42 of the State-supported retirement programs, provided the death of the
43 former plan member occurred prior to October 1, 1986.

44 (5) Employees of the General Assembly, not otherwise covered by this section,
45 as determined by the Legislative Services Commission, except for legislative
46 interns and pages.

47 (6) Members of the General Assembly.

48 (7) Notwithstanding the provisions of subsection (e) of this section, employees
49 on official leave of absence while completing a full-time program in school
50 administration in an approved program as a Principal Fellow in accordance
51 with Article 5C of Chapter 116 of the General Statutes.

- 1 (8) Notwithstanding the provisions of ~~G.S. 135-45.12~~ G.S. 135-45.12,
2 employees formerly covered by the provisions of this section, other than
3 retired employees, who have been employed for 12 or more months by an
4 employing unit and whose jobs are eliminated because of a reduction, in
5 total or in part, in the funds used to support the job or its responsibilities,
6 provided the employees were covered by the Plan at the time of separation
7 from service resulting from a job elimination. Employees covered by this
8 subsection shall be covered for a period of up to 12 months following a
9 separation from service because of a job elimination.
- 10 (9) Any member enrolled pursuant to subdivision (1) or (2) of this subsection
11 who is on approved leave of absence with pay or receiving workers'
12 compensation.
- 13 (10) Employees on approved Family and Medical Leave.
- 14 (b) Partially Contributory. – The following persons are eligible for coverage under the
15 Plan on a partially contributory basis subject to the provisions of G.S. 135-45.4:
- 16 (1) A school employee in a job-sharing position as ~~defined in G.S. 135-45.4~~
17 described under G.S. 115C-326.5. If these employees elect to participate in
18 the Plan, the employing unit shall pay fifty percent (50%) of the Plan's total
19 noncontributory premiums. Individual employees shall pay the balance of
20 the total noncontributory premiums not paid by the employing unit.
- 21 (2) ~~Subject to the provisions of G.S. 135-45.4, employees~~ Employees and
22 members of the General Assembly with 10 but less than 20 years of
23 retirement service credit provided the employees were first hired on or after
24 October 1, 2006, and the members first took office on or after February 1,
25 2007. For such future retirees, the State shall pay fifty percent (50%) of the
26 Plan's total noncontributory premiums. Individual retirees shall pay the
27 balance of the total noncontributory premiums not paid by the State.
- 28 (3) The following persons hired or taking office on or after January 1, 2011, are
29 eligible for coverage under the Plan, on a partially contributory basis:
- 30 a. All permanent full-time employees of an employing unit who meet
31 the following conditions:
- 32 1. Paid from general or special State funds, or
33 2. Paid from non-State funds and in a group for which his or her
34 employing unit has agreed to provide coverage.
- 35 Employees of State agencies, departments, institutions, boards, and
36 commissions not otherwise covered by the Plan who are employed in
37 permanent job positions on a recurring basis and who work 30 or
38 more hours per week for nine or more months per calendar year are
39 covered by the provisions of this subdivision.
- 40 b. Permanent hourly employees who work at least one-half of the
41 workdays of each pay period.
- 42 c. Employees of the General Assembly, not otherwise covered by this
43 section, as determined by the Legislative Services Commission,
44 except for legislative interns and pages.
- 45 d. Members of the General Assembly.
- 46 e. Notwithstanding the provisions of subsection (e) of this section,
47 employees on official leave of absence while completing a full-time
48 program in school administration in an approved program as a
49 Principal Fellow in accordance with Article 5C of Chapter 116 of the
50 General Statutes.

1 f. Notwithstanding the provisions of G.S. 135-45.12, employees
2 formerly covered by the provisions of this section, other than retired
3 employees, who have been employed for 12 or more months by an
4 employing unit and whose jobs are eliminated because of a
5 reduction, in total or in part, in the funds used to support the job or its
6 responsibilities, provided the employees were covered by the Plan at
7 the time of separation from service resulting from a job elimination.
8 Employees covered by this subsection shall be covered for a period
9 of up to 12 months following a separation from service because of a
10 job elimination.

11 g. Any member enrolled pursuant to sub-subdivision a. or b. of this
12 subdivision who is on approved leave of absence with pay or
13 receiving workers' compensation.

14 h. Employees on approved Family and Medical Leave.

15 The amount of the contribution required by this subdivision shall be set
16 periodically by the General Assembly."

17 **SECTION 3.(b)** Persons covered under G.S. 135-45.2(b)(3), as enacted by this
18 section, shall contribute to their health benefit coverage under the State Health Plan for
19 Teachers and State Employees by paying a premium of ten dollars (\$10.00) per month until
20 otherwise prescribed by an act of the General Assembly.

21 **SECTION 4.(a)** G.S. 135-1(11b) reads as rewritten:

22 "(1b) "~~Law-Enforcement Officer~~" Officer," as the term applies to persons whose
23 current membership began on or before December 31, 2010, means a
24 full-time paid employee of an employer who is actively serving in a position
25 with assigned primary duties and responsibilities for prevention and
26 detection of crime or the general enforcement of the criminal laws of the
27 State of North Carolina or serving civil processes, and who possesses the
28 power of arrest by virtue of an oath administered under the authority of the
29 State. As it applies to persons whose current membership began on or after
30 January 1, 2011, the term "law enforcement officer" means a full-time paid
31 employee of the State Bureau of Investigation, the State Highway Patrol, or
32 the Alcohol Law Enforcement Division who is actively serving in a position
33 with assigned primary duties and responsibilities for prevention and
34 detection of crime or the general enforcement of the criminal laws of the
35 State of North Carolina or serving civil processes, and who possesses the
36 power of arrest by virtue of an oath administered under the authority of the
37 State."

38 **SECTION 4.(b)** G.S. 143-166.30(a)(4) reads as rewritten:

39 "(4) "~~Law-enforcement officer~~" officer," as the term applies to persons whose
40 current membership began on or before December 31, 2010, means a
41 full-time paid employee of an employer who is actively serving in a position
42 with assigned primary duties and responsibilities for prevention and
43 detection of crime or the general enforcement of the criminal laws of the
44 State or serving civil processes, and who possesses the power of arrest by
45 virtue of an oath administered under the authority of the State. As it applies
46 to persons whose current membership began on or after January 1, 2011, the
47 term "law enforcement officer" means a full-time paid employee of the State
48 Bureau of Investigation, the State Highway Patrol, or the Alcohol Law
49 Enforcement Division who is actively serving in a position with assigned
50 primary duties and responsibilities for prevention and detection of crime or
51 the general enforcement of the criminal laws of the State or serving civil

1 processes, and who possesses the power of arrest by virtue of an oath
2 administered under the authority of the State."

3 **SECTION 4.(c)** G.S. 143-166.30(e) reads as rewritten:

4 "(e) State Contributions to the Supplemental Retirement Income Plan. – Under all other
5 restrictions as are herein provided, the State shall contribute monthly to the individual accounts
6 of participants who are employed by the ~~State~~ State Bureau of Investigation, the State Highway
7 Patrol, or the Alcohol Law Enforcement Division an amount equal to five percent (5%) of the
8 compensation of each participant. The contributions so paid shall be in addition to the
9 contributions on account of court cost assessments as hereinafter provided.

10 Contributions shall be made to the individual accounts of all participants in the Plan on a
11 per capita basis in equal shares, equal to the sum of the one-half dollar (\$0.50) for each cost of
12 court assessed and collected under G.S. 7A-304."

13 **SECTION 5.** This act becomes effective January 1, 2011, and applies to persons
14 hired on or after that date.