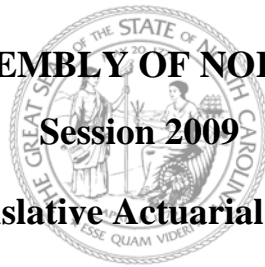


GENERAL ASSEMBLY OF NORTH CAROLINA



Session 2009

Legislative Actuarial Note

RETIREMENT

BILL NUMBER: Senate Bill 133 (First Edition)

SHORT TITLE: Registers of Deeds' Pension.

SPONSOR(S): Senator Rand

FUNDS AFFECTED: Fees collected by each register of deeds and submitted to the Department of Treasurer.

SYSTEM OR PROGRAM AFFECTED: Register of Deeds Supplemental Pension Fund.

EFFECTIVE DATE: July 1, 2009

BILL SUMMARY: Amends the Register of Deeds Supplemental Pension Fund by adding in the amount received from a retirement allowance from the Local Governmental Employees' Retirement System or an equivalent locally sponsored plan to determine the limit on a monthly pension amount awarded under this subsection. The change in the bill will not apply to those members who retired between July 1, 2007 and July 1, 2009.

ESTIMATED IMPACT ON COUNTIES: The Fund's actuary, Buck Consultants, estimates a decrease in the actuarial accrued liability of \$2,100,000 and the decrease in the normal cost of about 0.39% of payroll.

The General Assembly's actuary, Hartman & Associate, estimates a decrease in the present value of future benefits by about \$4.8 million.

ASSUMPTIONS AND METHODOLOGY: Register of Deeds Supplemental Pension Fund. The cost estimates of the System's Actuary are based on the employee data, actuarial assumptions and actuarial methods used to prepare the December 31, 2007 actuarial valuation of the fund. The data included 100 active register of deeds and 78 retired members in receipt of annual pensions totaling \$1,357,220. Significant actuarial assumptions used include (a) an investment return rate of 7.25%, (b) the 1994 Group Annuity Mortality Tables for deaths after retirement set forward three years for males and set forward two years for females. The actuarial cost method used was the entry age normal cost method. The Funds has assets of \$35.4 million as of December 31, 2007 and had a funded ratio of 199%. Detailed information concerning these assumptions and methods are shown in the actuary's report, which is available upon request from Stanley Moore.

SOURCES OF DATA: Buck Consultants
Hartman & Associates, LLC

TECHNICAL CONSIDERATIONS: None

FISCAL RESEARCH DIVISION: (919) 733-4910. The above information is provided in accordance with North Carolina General Statute 120-114 and applicable rules of the North Carolina Senate and House of Representatives.

PREPARED BY: Stanley Moore

APPROVED BY: Marilyn Chism, Director
Fiscal Research Division

DATE: March 23, 2009



Signed Copy Located in the NCGA Principal Clerk's Offices