

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2015

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HOUSE BILL 1070

Short Title: Retirement System 4% COLAs. (Public)

Sponsors: Representatives L. Bell, Lucas, Setzer, and Hurley (Primary Sponsors).
For a complete list of sponsors, refer to the North Carolina General Assembly web site.

Referred to: Pensions and Retirement, if favorable, Appropriations

May 11, 2016

A BILL TO BE ENTITLED

AN ACT TO PROVIDE FOUR PERCENT COST-OF-LIVING INCREASES FOR MEMBERS OF THE TEACHERS' AND STATE EMPLOYEES' RETIREMENT SYSTEM, THE LOCAL GOVERNMENTAL EMPLOYEES' RETIREMENT SYSTEM, THE LEGISLATIVE RETIREMENT SYSTEM, AND THE CONSOLIDATED JUDICIAL RETIREMENT SYSTEM.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 135-5 is amended by adding a new subsection to read:

"(uuu) From and after July 1, 2016, the retirement allowance to or on account of beneficiaries whose retirement commenced on or before July 1, 2015, shall be increased by four percent (4%) of the allowance payable on June 1, 2016, in accordance with G.S. 135-5(o). Furthermore, from and after July 1, 2016, the retirement allowance to or on account of beneficiaries whose retirement commenced after July 1, 2015, but before June 30, 2016, shall be increased by a prorated amount of four percent (4%) of the allowance payable as determined by the Board of Trustees based upon the number of months that a retirement allowance was paid between July 1, 2015, and June 30, 2016."

SECTION 2.(a) G.S. 128-27 is amended by adding five new subsections to read:

"(hhh) From and after July 1, 2006, the retirement allowance to or on account of beneficiaries whose retirement commenced on or before July 1, 2005, shall be increased by two and eight-tenths percent (2.8%) of the allowance payable on June 1, 2006, in accordance with subsection (k) of this section. Furthermore, from and after July 1, 2006, the retirement allowance to or on account of beneficiaries whose retirement commenced after July 1, 2005, but before June 30, 2006, shall be increased by a prorated amount of two and eight-tenths percent (2.8%) of the allowance payable as determined by the Board of Trustees based upon the number of months that a retirement allowance was paid between July 1, 2005, and June 30, 2006.

(iii) From and after July 1, 2007, the retirement allowance to or on account of beneficiaries whose retirement commenced on or before July 1, 2006, shall be increased by two and two-tenths percent (2.2%) of the allowance payable on June 1, 2007, in accordance with subsection (k) of this section. Furthermore, from and after July 1, 2007, the retirement allowance to or on account of beneficiaries whose retirement commenced after July 1, 2006, but before June 30, 2007, shall be increased by a prorated amount of two and two-tenths percent (2.2%) of the allowance payable as determined by the Board of Trustees based upon the number of months that a retirement allowance was paid between July 1, 2006, and June 30, 2007.

(jjj) From and after July 1, 2008, the retirement allowance to or on account of beneficiaries whose retirement commenced on or before July 1, 2007, shall be increased by two and



1 fifteen-hundredths percent (2.15%) of the allowance payable on June 1, 2008, in accordance with
2 subsection (k) of this section. Furthermore, from and after July 1, 2008, the retirement allowance
3 to or on account of beneficiaries whose retirement commenced after July 1, 2007, but before June
4 30, 2008, shall be increased by a prorated amount of two and fifteen-hundredths percent (2.15%)
5 of the allowance payable as determined by the Board of Trustees based upon the number of
6 months that a retirement allowance was paid between July 1, 2007, and June 30, 2008.

7 (kkk) From and after July 1, 2009, the retirement allowance to or on account of beneficiaries
8 whose retirement commenced on or before July 1, 2008, shall be increased by one-tenth of one
9 percent (0.1%) of the allowance payable on June 1, 2009, in accordance with subsection (k) of this
10 section. Furthermore, from and after July 1, 2009, the retirement allowance to or on account of
11 beneficiaries whose retirement commenced after July 1, 2008, but before June 30, 2009, shall be
12 increased by a prorated amount of one-tenth of one percent (0.1%) of the allowance payable as
13 determined by the Board of Trustees based upon the number of months that a retirement allowance
14 was paid between July 1, 2008, and June 30, 2009.

15 (lll) From and after July 1, 2016, the retirement allowance to or on account of beneficiaries
16 whose retirement commenced on or before July 1, 2015, shall be increased by four percent (4%) of
17 the allowance payable on June 1, 2016, in accordance with subsection (k) of this section.
18 Furthermore, from and after July 1, 2016, the retirement allowance to or on account of
19 beneficiaries whose retirement commenced after July 1, 2015, but before June 30, 2016, shall be
20 increased by a prorated amount of four percent (4%) of the allowance payable as determined by
21 the Board of Trustees based upon the number of months that a retirement allowance was paid
22 between July 1, 2015, and June 30, 2016."

23 **SECTION 2.(b)** The cost-of-living increases provided for in G.S. 128-27(hhh)
24 through (kkk), as enacted in subsection (a) of this section, represent increases already provided by
25 the Board of Trustees to members of the Local Governmental Employees' Retirement System.

26 **SECTION 3.** G.S. 120-4.22A is amended by adding a new subsection to read:

27 "(z) In accordance with subsection (a) of this section, from and after July 1, 2016, the
28 retirement allowance to or on account of beneficiaries whose retirement commenced on or before
29 January 1, 2016, shall be increased by four percent (4%) of the allowance payable on June 1,
30 2016. Furthermore, from and after July 1, 2016, the retirement allowance to or on account of
31 beneficiaries whose retirement commenced after January 1, 2016, but before June 30, 2016, shall
32 be increased by a prorated amount of four percent (4%) of the allowance payable as determined by
33 the Board of Trustees based upon the number of months that a retirement allowance was paid
34 between January 1, 2016, and June 30, 2016."

35 **SECTION 4.** G.S. 135-65 is amended by adding a new subsection to read:

36 "(ff) From and after July 1, 2016, the retirement allowance to or on account of beneficiaries
37 whose retirement commenced on or before July 1, 2015, shall be increased by four percent (4%) of
38 the allowance payable on June 1, 2016. Furthermore, from and after July 1, 2016, the retirement
39 allowance to or on account of beneficiaries whose retirement commenced after July 1, 2015, but
40 before June 30, 2016, shall be increased by a prorated amount of four percent (4%) of the
41 allowance payable as determined by the Board of Trustees based upon the number of months that
42 a retirement allowance was paid between July 1, 2015, and June 30, 2016."

43 **SECTION 5.** There is appropriated from the General Fund to the Reserve for Retiree
44 Cost-of-Living Adjustments the sum of one hundred sixty-eight million dollars (\$168,000,000) for
45 the 2016-2017 fiscal year to implement the cost-of-living adjustment authorized by this act.

46 **SECTION 6.** This act becomes effective July 1, 2016.