

May 26, 2010

**H 2066. SPECIAL RETIREMENT ALLOWANCES.** Filed 5/26/10. *TO AUTHORIZE THE CREATION OF SPECIAL RETIREMENT ALLOWANCES FOR RETIREES OF THE TEACHERS' AND STATE EMPLOYEES' RETIREMENT SYSTEM AND THE LOCAL GOVERNMENTAL EMPLOYEES' RETIREMENT SYSTEM.*

Amends GS 135-5(m1) to specify that a retired law enforcement officer must be vested as of June 30, 2010, to transfer any portion of his eligible contributions to the Teachers' and State Employees' Retirement System (TSERS) and receive a special retirement allowance. Creates new GS 135-5(m2) allowing all TSERS members to transfer eligible contributions from the Supplemental Retirement Income Plan or the Public Employee Deferred Compensation Plan to TSERS and receive a special retirement allowance similar to that provided for retired law enforcement officers. Creates procedures for TSERS Board of Trustees to calculate the special retirement allowance. Provides for modification of the optional survivor allowances in GS 135-5(g) applicable only to special retirement allowances. Makes corresponding changes GS 128-27 for the creation of special retirement allowances in the Local Governmental Employees' Retirement System. Effective July 1, 2010.

**Intro. by Bryant.**

GS 128,135

June 22, 2010

**H 2066. SPECIAL RETIREMENT ALLOWANCES.** Filed 5/26/10. House committee substitute makes the following changes to 1st edition. Amends GS 135-5(m) (special retirement allowance for retirees of the teachers' and state employees' retirement system) and GS 128-27(m2) (special retirement allowances for retirees of the local government employees' retirement system) to provide that a member may make a onetime election to transfer any portion of the member's eligible accumulated contributions from the Supplemental Retirement Income Plan of NC or the NC Public Employee Deferred Compensation Plan to the applicable Retirement System and receive an additional special retirement allowance based on the member's transferred balance (was, based on the member's eligible accumulated account balance). Prohibits a member from transferring amounts that will cause the member's retirement allowance under the system to exceed the amount allowable under the specified statute. Deletes the provision that postretirement allowance will be provided on the special retirement allowance based on the election of the member at the time of the transfer. Requires the Board of Trustees (Board) to determine a period certain in which the special retirement allowance is payable. Includes specifications for payment when the retired member and the person nominated to receive a monthly retirement allowance upon the member's death die within the time specified by the Board. Requires the Board to report annually to the Joint Legislative Commission on Governmental Operations on the number of persons making an election in the previous calendar year, with recommendations based on identified problems. Provides that the General Assembly reserves the right to repeal or amend the new subsection but that any repeal or amendment will not affect anyone who has already made the onetime election.

Makes technical and clarifying changes.

Changes the effective date from July 1, 2010 to January 1, 2011.

June 30, 2010

**H 2066. SPECIAL RETIREMENT ALLOWANCES.** Filed 5/26/10. House committee substitute makes the following changes to 2nd edition.

Makes identical changes to proposed GS 135-5(m2) (Teachers' and State Employees' Retirement System ) and proposed GS 128-27(m2) (Local Government Employees Retirement System) as follows:

(1) Requires the Board of Trustees (Board) to provide educational materials to members who apply for the one-time contributions transfer under the section that describe the special retirement allowance, explain the relationship between the transferred balance and the monthly benefit, and explain how the member's heirs may be impacted by the member's election, including any costs or fees.

(2) Allows the Supplemental Retirement Board of Trustees to assess a one-time flat administrative fee not to exceed the actual cost required to administer the transfers.

(3) Provides that the special retirement allowance will continue for the life of the member (previously, the Board determined the payment period for the allowance). Directs the Board to establish two options (previously explained single procedure) to guarantee payments for a period that may exceed the member's life and the member's designated beneficiary's life. The first option allows the member to elect to receive the special retirement allowance for a guaranteed number of months, as specified by the Board, pays the special retirement allowance to the beneficiary for life if the member dies before the expiration of guaranteed months, and pays the member's estate if the beneficiary dies before the expiration of guaranteed months. The second option allows the member to elect to receive the special retirement allowance until the sum of monthly payments equals the total of the transferred balance, pays the beneficiary for life if the member dies before receiving the total transferred balance, and pays the remainder to the member's estate if the beneficiary dies before receiving the total balance.

Provides that any beneficiary who retired before January 1, 2011 will not be allowed to make the one-time election until July 1, 2011. Also allows the Board to use administrative fees assessed under the act to hire additional personnel.

July 6, 2010

**H 2066. SPECIAL RETIREMENT ALLOWANCES.** Filed 5/26/10. House amendment makes the following changes to 3rd edition.

Makes identical changes to proposed (1) GS 135-5(m2) (regarding the special retirement allowance for retired members of the Teachers' and State Employees' Retirement System [TSERS]) and (2) GS 128-27(m2) (regarding the special retirement allowance for retired members of the Local Governmental Employees' Retirement System [LGERS]).

Provides that the special retirement allowance (allowance) is to continue for the life of the member *and* the beneficiary, if any, designated to receive a monthly survivorship benefit under Option, 2, 3, or 6 as provided in GS 135-5(g) (TSERS) and GS 128-27(g) (LGERS). Amends both GS 135-5(m2) and GS 128-27(m2) as follows regarding the terms of the two options guaranteeing payments to be established by the Board of Trustees (Board).

*Payment Option One:* Allows a member to choose to receive the allowance *for life* but with the payments guaranteed for a number of months by the Board (was, permitted a member to choose to receive the allowance for guaranteed number of months to be specified by the Board). Conditions the payment of the allowance to the designated beneficiary for life if the member dies before the specified number of months expires and Option 2, 3, or 6 as provided in GS 135-5(g) (TSERS) and GS 128-27(g) (LGERS) is selected. Provides that if Option 2, 3, or 6 is not selected, the member's designated beneficiary will receive the benefit only for the remainder of the number of months specified by the Board.

*Payment Option Two:* Allows a member to choose to receive the allowance for life; however, guarantees that the sum of the allowance payments will equal the total of the transferred amount (was, permitted the member to choose to receive the allowance until the sum of monthly payments equals the total of the transferred balance). Provides that if the member dies before receiving the total transferred amount, the allowance will be paid to the member's designated beneficiary for the life of the beneficiary, if Option 2, 3, or 6 as provided in GS 135-5(g) and GS 128-27(g) is selected. Provides that if Option 2, 3, or 6 is not selected, the remaining balance of the transferred amount is to be paid to the member's designated beneficiary or the member's estate.

July 8, 2010

**H 2066. SPECIAL RETIREMENT ALLOWANCES.** Filed 5/26/10. Senate amendment makes the following changes to 4th edition.

Adds a new section providing that if House Bill 2054 (making various technical corrections to the retirement systems statutes), 2009 Regular Session, becomes law, Sections 9(a), 9(b), 10(a), and 10(b) of that act are repealed. Sections 9(a) (pertaining to GS 135-5(g1), retirement system for teachers and state employees) and 9(b) (pertaining to GS 128-27(g1), local government

employees' retirement system) allow a retiree to designate person(s) to receive the additional death benefit, as indicated, when the retiree is receiving a special retirement allowance. Sections 10(a) and 10(b), amending GS 135-5(m1) and GS 128-27(m1) respectively, allow a law enforcement officer to elect to transfer any portion of eligible contributions and receive the special retirement allowance.

Changes the act's effective date to provide that Sections 1 (allowing transfer election for eligible officers under GS 135-5(m1)), 4 (allowing transfer election for eligible officers under GS 128-27(m1)), and 7 (providing act's effective date) of the act become effective July 1, 2010, and the remainder of the act becomes effective January 1, 2011 (previous version had effective date of January 1, 2011, for the entire act).

July 28, 2010

**SL 2010-124 (H 2066). SPECIAL RETIREMENT ALLOWANCES. AN ACT TO AUTHORIZE THE CREATION OF SPECIAL RETIREMENT ALLOWANCES FOR RETIREES OF THE TEACHERS' AND STATE EMPLOYEES' RETIREMENT SYSTEM AND THE LOCAL GOVERNMENTAL EMPLOYEES' RETIREMENT SYSTEM.** Summarized in *Daily Bulletin* 5/26/10, 6/22/10, 6/30/10, 7/6/10, and 7/8/10. Enacted July 21, 2010. Sections 1, 4, and 7 are effective July 1, 2010. The remainder is effective January 1, 2011.