

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2009

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SENATE BILL 658
Pensions & Retirement & Aging Committee Substitute Adopted 5/13/09
PROPOSED HOUSE COMMITTEE SUBSTITUTE S658-PCS55445-LL-48

Short Title: Modify Supp. Retirement Board/Furloughs.

(Public)

Sponsors:

Referred to:

March 19, 2009

1 A BILL TO BE ENTITLED
2 AN ACT TO MODIFY THE MEMBERSHIP OF THE SUPPLEMENTAL RETIREMENT
3 BOARD OF TRUSTEES AND TO PROVIDE THAT THE FURLOUGH OF A MEMBER
4 OF THE LOCAL GOVERNMENTAL EMPLOYEES' RETIREMENT SYSTEM SHALL
5 NOT DIMINISH THE EMPLOYEE'S STATUS IN THE RETIREMENT SYSTEM.

6 The General Assembly of North Carolina enacts:

7 **SECTION 1.** G.S. 135-96 reads as rewritten:

8 "**§ 135-96. Supplemental Retirement Board of Trustees.**

9 (a) The Supplemental Retirement Board of Trustees is established to administer the
10 Supplemental Retirement Income Plan established under the provisions of this Article and the
11 North Carolina Public Employee Deferred Compensation Plan established under
12 G.S. 143B-426.24.

13 (b) The Board consists of nine voting members, as follows:

- 14 (1) Six persons appointed by the Governor who have experience in finance and
15 investments, one of whom shall be a State ~~employee~~; employee, and one of
16 whom shall be a retired State or local governmental employee;
- 17 (2) One person appointed by the General Assembly upon the recommendation
18 of the Speaker of the House of Representatives;
- 19 (3) One person appointed by the General Assembly upon the recommendation
20 of the President Pro Tempore of the Senate; and
- 21 (4) The State Treasurer, ex officio, who shall be the Chair.

22 (c) The initial appointments by the General Assembly and two of the Governor's initial
23 appointments shall be for one-year terms. The remainder of the initial appointments shall be for
24 two-year terms. At the expiration of these initial terms, appointments shall be for two years and
25 shall be made by the appointing authorities designated in subsection (b) of this section. A
26 member shall continue to serve until the member's successor is duly appointed, but a holdover
27 under this provision does not affect the expiration date of the succeeding term. No member of
28 the Board may serve more than three consecutive two-year terms.

29 (d) Other than ex officio members, members appointed by the Governor shall serve at
30 the Governor's pleasure. An ex officio member may designate in writing, filed with the Board,
31 any employee of the member's department to act at any meeting of the Board from which the
32 member is absent, to the same extent that the member could act if present in person at such
33 meeting."



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1 **SECTION 2.** Notwithstanding any other provision of law and at the option of the
2 employer as defined in G.S. 128-21(11), a public employee on a furlough who is a member of
3 the Local Governmental Employees' Retirement System administered by the Retirement
4 Systems Division of the Department of State Treasurer shall be considered in active service
5 during any period of furlough and shall be entitled to all of the same benefits to which the
6 employee was entitled on the workday immediately preceding the furlough. The member shall
7 suffer no diminution of retirement average final compensation based on being on furlough, and
8 the retirement average final compensation shall be calculated based on the undiminished
9 compensation. During a furlough period, the employer who opts for this provision shall pay
10 both employee and employer contributions to the Retirement Systems Division on behalf of the
11 furloughed employee as though the employee were in active service.

12 **SECTION 3.** Section 2 of this act is effective when it becomes law and applies to
13 local government furloughs on and after January 1, 2009. The remainder of this act becomes
14 effective July 1, 2009.