

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2013

H.B. 1194
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HOUSE PRINCIPAL CLERK

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HOUSE DRH20131-LL-193 (03/27)

Short Title: Retirement Admin. Changes Act of 2014. (Public)

Sponsors: Representatives Collins and S. Ross (Primary Sponsors).

Referred to:

A BILL TO BE ENTITLED

AN ACT TO MAKE CHANGES TO ADMINISTRATION OF THE STATE RETIREMENT SYSTEMS.

The General Assembly of North Carolina enacts:

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

"(g) Election of Optional Allowance. – With the provision that until the first payment on account of any benefit becomes normally due, or his first retirement check has been cashed, any member may elect to receive his benefits in a retirement allowance payable throughout life, or he may elect to receive the actuarial equivalent of such retirement allowance, including any special retirement allowance, in a reduced allowance payable throughout life under the provisions of one of the options set forth below. The election of Option 2, 3, or 6 or nomination of the person thereunder shall be revoked if such person nominated dies prior to the date the first payment becomes normally due or until the first retirement check has been cashed. Such election may be revoked by the member prior to the date the first payment becomes normally due or until his first retirement check has been cashed. Provided, however, in the event a member has elected Option 2, 3, or 5 and nominated his or her spouse to receive a retirement allowance upon the member's death, and the spouse predeceases the member after the first payment becomes normally due or the first retirement check has been cashed, if the member remarries he or she may request to nominate a new spouse to receive the retirement allowance under the previously elected option, within 90 days of the remarriage, and may nominate a new spouse to receive the retirement allowance under the previously elected option by written designation duly acknowledged and filed with the Board of Trustees within 120 days of the remarriage. The new nomination shall be effective on the first day of the month in which it is made and shall provide for a retirement allowance computed to be the actuarial equivalent of the retirement allowance in effect immediately prior to the effective date of the new nomination. Any member having elected Option 2, 3, 5, or 6 and nominated his or her spouse to receive a retirement allowance upon the member's death may, after divorce from his or her spouse, revoke the nomination and elect a new option, effective on the first day of the month in which the new option is elected, providing for a retirement allowance computed to be the actuarial equivalent of the retirement allowance in effect immediately prior to the effective date of the new option. Except as provided in this section, the member may not change the member's retirement benefit option or the member's designated beneficiary for survivor benefits, if any, after the member has cashed the first retirement check or after the 25th day of the month following the month in which the first check is mailed, whichever comes first.

Option 1.(a) In the Case of a Member Who Retires prior to July 1, 1963. – If he dies before he has received in annuity payments the present value of his annuity



1 as it was at the time of his retirement, the balance shall be paid to his legal
2 representatives or to such person as he shall nominate by written designation
3 duly acknowledged and filed with the Board of Trustees.

- 4 (b) In the Case of a Member Who Retires on or after July 1, 1963, but prior to
5 July 1, 1993. – If he dies within 10 years from his retirement date, an amount
6 equal to his accumulated contributions at retirement, less 1/120 thereof for
7 each month for which he has received a retirement allowance payment, shall
8 be paid to his legal representatives or to such person as he shall nominate by
9 written designation duly acknowledged and filed with the Board of Trustees;
10 or

11 Option 2. Upon his death his reduced retirement allowance shall be continued throughout
12 the life of and paid to such person as he shall nominate by written designation duly
13 acknowledged and filed with the Board of Trustees at the time of his retirement, provided that
14 if the person selected is other than his spouse the reduced retirement allowance payable to the
15 member shall not be less than one half of the retirement allowance without optional
16 modification which would otherwise be payable to him; or

17 Option 3. Upon his death, one half of his reduced retirement allowance shall be continued
18 throughout the life of, and paid to such person as he shall nominate by written designation duly
19 acknowledged and filed with the Board of Trustees at the time of his retirement; or

20 Option 4. Adjustment of Retirement Allowance for Social Security Benefits. – Until the
21 first payment on account of any benefit becomes normally due, any member may elect to
22 convert his benefit otherwise payable on his account after retirement into a retirement
23 allowance of equivalent actuarial value of such amount that with his benefit under Title II of
24 the Federal Social Security Act, he will receive, so far as possible, approximately the same
25 amount per year before and after the earliest age at which he becomes eligible, effective as of
26 the first of the month following the month of initial entitlement, upon application therefor, to
27 receive a social security benefit.

28 Option 5. For Members Retiring Prior to July 1, 1993. – The member may elect to receive a
29 reduced retirement allowance under the conditions of Option 2 or Option 3, as provided for
30 above, with the modification that if both he and the person nominated die within 10 years from
31 his retirement date, an amount equal to his accumulated contributions at retirement, less 1/120
32 thereof for each month for which a retirement allowance has been paid, shall be paid to his
33 legal representatives or to such person as he shall nominate by written designation duly
34 acknowledged and filed with the Board of Trustees.

35 Option 6. A member may elect either Option 2 or Option 3 with the added provision that in
36 the event the designated beneficiary predeceases the member, the retirement allowance payable
37 to the member after the designated beneficiary's death shall be equal to the retirement
38 allowance which would have been payable had the member not elected the option.

39 Upon the death of a member after the effective date of a retirement for which the member
40 has been approved and following receipt by the Board of Trustees of an election of benefits
41 (Form 6-E or Form 7-E) but prior to the cashing of the first benefit check, the retirement benefit
42 shall be payable as provided by the member's election of benefits under this subsection.

43 Upon the death of a member after the effective date of a retirement for which the member
44 has been approved but prior to the receipt by the Board of Trustees of an election of benefits
45 (Form 6-E or Form 7-E), properly acknowledged and filed by the member, the member's
46 designated beneficiary for a return of accumulated contributions may elect to receive the
47 benefit, if only one beneficiary is eligible to receive the return of accumulated contributions. If
48 more than one beneficiary is eligible to receive the return of accumulated contributions, the
49 administrator or executor of the member's estate will select an option and name the beneficiary
50 or beneficiaries."

51 **SECTION 1.(b)** G.S. 128-27(g) reads as rewritten:

1 "(g) Election of Optional Allowance. – With the provision that until the first payment on
2 account of any benefit becomes normally due, or his first retirement check has been cashed,
3 any member may elect to receive his benefits in a retirement allowance payable throughout life,
4 or he may elect to receive the actuarial equivalent of such retirement allowance, including any
5 special retirement allowance, in a reduced allowance payable throughout life under the
6 provisions of one of the Options set forth below. The election of Option 2, 3, or 6 or
7 nomination of the person thereunder shall be revoked if such person nominated dies prior to the
8 date the first payment becomes normally due or the first retirement check has been cashed.
9 Such election may be revoked by the member prior to the date the first payment becomes
10 normally due or his first retirement check has been cashed. Provided, however, in the event a
11 member has elected Option 2, 3, or 5 and nominated his or her spouse to receive a retirement
12 allowance upon the member's death, and the spouse predeceases the member after the first
13 payment becomes normally due or the first retirement check has been cashed, if the member
14 remarries he or she may request to nominate a new spouse to receive the retirement allowance
15 under the previously elected option, within 90 days of the remarriage, and may nominate a new
16 spouse to receive the retirement allowance under the previously elected option by written
17 designation duly acknowledged and filed with the Board of Trustees within 120 days of the
18 remarriage. The new nomination shall be effective on the first day of the month in which it is
19 made and shall provide for a retirement allowance computed to be the actuarial equivalent of
20 the retirement allowance in effect immediately prior to the effective date of the new
21 nomination. Any member having elected Option 2, 3, 5, or 6 and nominated his or her spouse
22 to receive a retirement allowance upon the member's death may, after divorce from his or her
23 spouse, revoke the nomination and elect a new option, effective on the first day of the month in
24 which the new option is elected, providing for a retirement allowance computed to be the
25 actuarial equivalent of the retirement allowance in effect immediately prior to the effective date
26 of the new option. Except as provided in this section, the member may not change the member's
27 retirement benefit option or the member's designated beneficiary for survivor benefits, if any,
28 after the member has cashed the first retirement check or after the 25th day of the month
29 following the month in which the first check is mailed, whichever comes first.

30 Option one.

- 31 (a) In the Case of a Member Who Retires prior to July 1, 1965. – If he dies
32 before he has received in annuity payments the present value of his annuity
33 as it was at the time of his retirement, the balance shall be paid to such
34 person as he shall nominate by written designation duly acknowledged and
35 filed with the Board of Trustees or, if none, to his legal representative.
- 36 (b) In the Case of a Member Who Retires on or after July 1, 1965, but prior to
37 July 1, 1993. – If he dies within 10 years from his retirement date, an amount
38 equal to his accumulated contributions at retirement, less one
39 one-hundred-twentieth thereof for each month for which he has received a
40 retirement allowance payment, shall be paid to such person as he shall
41 nominate by written designation duly acknowledged and filed with the
42 Board of Trustees or, if none, to his legal representative; or

43 Option two. Upon his death his reduced retirement allowance shall be continued throughout
44 the life of and paid to such person as he shall nominate by written designation duly
45 acknowledged and filed with the Board of Trustees at the time of his retirement, provided that
46 if the person selected is other than his spouse the reduced retirement allowance payable to the
47 member shall not be less than one half of the retirement allowance without optional
48 modification which would otherwise be payable to him; or

49 Option three. Upon his death, one half of his reduced retirement allowance shall be
50 continued throughout the life of, and paid to such person as he shall nominate by written

1 designation duly acknowledged and filed with the Board of Trustees at the time of his
2 retirement; or

3 Option four. Adjustment of Retirement Allowance for Social Security Benefits. – Until the
4 first payment on account of any benefit becomes normally due, any member may elect to
5 convert his benefit otherwise payable on his account after retirement into a retirement
6 allowance of equivalent actuarial value of such amount that with his benefit under Title II of
7 the Federal Social Security Act, he will receive, so far as possible, approximately the same
8 amount per year before and after the earliest age at which he becomes eligible, effective as of
9 the first of the month following the month of initial entitlement, upon application therefor, to
10 receive a social security benefit.

11 Option five. For Members Retiring prior to July 1, 1993. – The member may elect to
12 receive a reduced retirement allowance under the conditions of Option two or Option three, as
13 provided for above, with the modification that if both he and the person nominated die within
14 10 years from his retirement date, an amount equal to his accumulated contributions at
15 retirement, less 1/120th thereof for each month for which a retirement allowance has been paid,
16 shall be paid to his legal representatives or to such person as he shall nominate by written
17 designation duly acknowledged and filed with the Board of Trustees.

18 Option six. A member may elect either Option two or Option three with the added provision
19 that in the event the designated beneficiary predeceases the member, the retirement allowance
20 payable to the member after the designated beneficiary's death shall be equal to the retirement
21 allowance which would have been payable had the member not elected the option.

22 Upon the death of a member after the effective date of a retirement for which the member
23 has been approved and following receipt by the Board of Trustees of an election of benefits
24 (Form 6-E or Form 7-E) but prior to the cashing of the first benefit check, the retirement benefit
25 shall be payable as provided by the member's election of benefits under this subsection.

26 Upon the death of a member after the effective date of a retirement for which the member
27 has been approved but prior to the receipt by the Board of Trustees of an election of benefits
28 (Form 6-E or Form 7-E), properly acknowledged and filed by the member, the member's
29 designated beneficiary for a return of accumulated contributions may elect to receive the
30 benefit, if only one beneficiary is eligible to receive the return of accumulated contributions. If
31 more than one beneficiary is eligible to receive the return of accumulated contributions, the
32 administrator or executor of the member's estate will select an option and name the beneficiary
33 or beneficiaries."

34 **SECTION 2.(a)** G.S. 135-8(f) reads as rewritten:

35 "(f) Collection of Contributions. –

36 (1) The collection of members' contributions shall be as follows:

37 a. Each employer shall cause to be deducted on each and every payroll
38 of a member for each and every payroll subsequent to the date of
39 establishment of the Retirement System the contributions payable by
40 such member as provided in this Chapter, and the employer shall
41 draw his warrant for the amount so deducted, payable to the
42 Teachers' and State Employees' Retirement System of North
43 Carolina, and shall transmit the same, together with schedule of the
44 contributions, on such forms as prescribed.

45 (2) The collection of employers' contributions shall be made as follows:

46 a. Upon the basis of each actuarial valuation provided herein there shall
47 be prepared biennially and certified to the Department of
48 Administration a statement of the total amount necessary for the
49 ensuing biennium to the pension accumulation and expense funds, as
50 provided under subsections (d) and (f) of this section, and these funds

- 1 shall be handled and disbursed in accordance with the State Budget
2 Act, Chapter 143C of the General Statutes.
- 3 b. Until the first valuation has been made and the rates computed as
4 provided in subsection (d) of this section, the amount payable by
5 employers on account of the normal and accrued liability
6 contributions shall be five and fifty-one one-hundredths percent
7 (5.51%) of the payroll of all teachers and three and sixteen
8 one-hundredths percent (3.16%) for other State employees.
- 9 c. Repealed by Session Laws 1993, c. 257, s. 13.
- 10 d. Each board of education in each county and each board of education
11 in each city in which teachers or other employees of the schools
12 receive compensation for services in the public schools from sources
13 other than the appropriation of the State of North Carolina shall pay
14 the Board of Trustees of the State Retirement System such rate of
15 their respective salaries as are paid those of other employees.
- 16 e. Each employer shall transmit monthly to the State Retirement
17 System on account of each employee, who is a member of this
18 System, an amount sufficient to cover the normal contribution and
19 the accrued liability contribution of each member employed by such
20 employer for the preceding month.
- 21 (3) In the event the employee or employer contributions required under this
22 section are not received by the date set by the Board of Trustees, the Board
23 shall assess the employer with a ~~penalty~~penalty, in lieu of interest, of 1% per
24 month with a minimum penalty of twenty-five dollars (\$25.00). The Board
25 may waive one penalty per employer every five years if the Board finds that
26 the employer has consistently demonstrated good-faith efforts to comply
27 with the set deadline. If within 90 days after request therefor by the Board
28 any employer shall not have provided the System with the records and other
29 information required hereunder or if the full accrued amount of the
30 contributions provided for under this section due from members employed
31 by an employer or from an employer other than the State shall not have been
32 received by the System from the chief fiscal officer of such employer within
33 30 days after the last due date as herein provided, then, notwithstanding
34 anything herein or in the provisions of any other law to the contrary, upon
35 notification by the Board to the State Treasurer as to the default of such
36 employer as herein provided, any distributions which might otherwise be
37 made to such employer from any funds of the State shall be withheld from
38 such employer until notice from the Board to the State Treasurer that such
39 employer is no longer in default."

40 **SECTION 2.(b)** G.S. 128-30(g) reads as rewritten:

41 "(g) Collection of Contributions. –

- 42 (1) The collection of members' contributions shall be as follows:
- 43 a. Each employer shall cause to be deducted on each and every payroll
44 of a member for each and every payroll subsequent to the date of
45 participation in the Retirement System the contributions payable by
46 such member as provided in this Article. Each employer shall certify
47 to the treasurer of said employer on each and every payroll a
48 statement as vouchers for the amount so deducted.
- 49 b. The treasurer of each employer on the authority from the employer
50 shall make deductions from salaries of members as provided in this
51 Article and shall transmit monthly, or at such time as the Board of

1 Trustees shall designate, the amount specified to be deducted, to the
2 secretary-treasurer of the Board of Trustees. The secretary-treasurer
3 of the Board of Trustees after making a record of all such receipts
4 shall deposit them in a bank or banks selected by said Board of
5 Trustees for use according to the provisions of this Article.

6 (2) The collections of employers' contributions shall be made as follows: Upon
7 the basis of each actuarial valuation provided herein the Board of Trustees
8 shall annually prepare and certify to each employer a statement of the total
9 amount necessary for the ensuing fiscal year to the pension accumulation
10 fund as provided under subsection (d) of this section. Such employer
11 contributions shall be transmitted to the secretary-treasurer of the Board of
12 Trustees together with the employee deductions as provided under
13 sub-subdivision b. of subdivision (1) of this subsection.

14 (3) In the event the employee or employer contributions required under this
15 section are not received by the date set by the Board of Trustees, the Board
16 shall assess the employer with a ~~penalty~~ penalty, in lieu of interest, of 1% per
17 month with a minimum penalty of twenty-five dollars (\$25.00). The Board
18 may waive one penalty per employer every five years if the Board finds that
19 the employer has consistently demonstrated good-faith efforts to comply
20 with the set deadline. If within 90 days after request therefor by the Board
21 any employer shall not have provided the System with the records and other
22 information required hereunder or if the full accrued amount of the
23 contributions provided for under this section due from members employed
24 by an employer or from an employer shall not have been received by the
25 System from the chief fiscal officer of such employer within 30 days after
26 the last due date as herein provided, then, notwithstanding anything herein or
27 in the provisions of any other law to the contrary, upon notification by the
28 Board to the State Treasurer as to the default of such employer as herein
29 provided, any distributions which might otherwise be made to such
30 employer, or the municipality or county of which such employer is an
31 integral part, from any funds of the State or any funds collected by the State
32 shall be withheld from such employer until notice from the Board to the
33 State Treasurer that such employer is no longer in default."

34 **SECTION 3.(a)** G.S. 135-5(l) reads as rewritten:

35 "(1) Death Benefit Plan. – There is hereby created a Group Life Insurance Plan
36 (hereinafter called the "Plan") which is established as an employee welfare benefit plan that is
37 separate and apart from the Retirement System and under which the members of the Retirement
38 System shall participate and be eligible for group life insurance benefits. Upon receipt of proof,
39 satisfactory to the Board of Trustees in their capacity as trustees under the Group Life
40 Insurance Plan, of the death, in service, of a member who had completed at least one full
41 calendar year of membership in the Retirement System, there shall be paid to such person as he
42 shall have nominated by electronic submission prior to completing 10 years of service in a form
43 approved by the Board of Trustees or by written designation duly acknowledged and filed with
44 the Board of Trustees, if such person is living at the time of the member's death, otherwise to
45 the member's legal representatives, a death benefit. Such death benefit shall be equal to the
46 greater of:

- 47 (1) The compensation on which contributions were made by the member during
48 the calendar year preceding the year in which his death occurs, or
49 (2) The greatest compensation on which contributions were made by the
50 member during a 12-month period of service within the 24-month period of

1 service ending on the last day of the month preceding the month in which his
2 last day of actual service occurs;

3 (3), (4) Repealed by Session Laws 1983 (Regular Session, 1984), c. 1049, s. 2.
4 subject to a minimum of twenty-five thousand dollars (\$25,000) and to a maximum of fifty
5 thousand dollars (\$50,000). Such death benefit shall be payable apart and separate from the
6 payment of the member's accumulated contributions under the System on his death pursuant to
7 the provisions of subsection (f) of this section. For the purpose of the Plan, a member shall be
8 deemed to be in service at the date of his death if his death occurs within 180 days from the last
9 day of his actual service.

10 The death benefit provided in this subsection (l) shall not be payable, notwithstanding the
11 member's compliance with all the conditions set forth in the preceding paragraph, if his death
12 occurs

- 13 (1) After December 31, 1968 and after he has attained age 70; or
- 14 (2) After December 31, 1969 and after he has attained age 69; or
- 15 (3) After December 31, 1970 and after he has attained age 68; or
- 16 (4) After December 31, 1971 and after he has attained age 67; or
- 17 (5) After December 31, 1972 and after he has attained age 66; or
- 18 (6) After December 31, 1973 and after he has attained age 65; or
- 19 (7) After December 31, 1978, but before January 1, 1987, and after he has
20 attained age 70.

21 Notwithstanding the above provisions, the death benefit shall be payable on account of the
22 death of any member who died or dies on or after January 1, 1974, but before January 1, 1979,
23 after attaining age 65, if he or she had not yet attained age 65, if he or she had not yet attained
24 age 66, was at the time of death completing the work year for those individuals under specific
25 contract, or during the fiscal year for those individuals not under specific contract, in which he
26 or she attained 65, and otherwise met all conditions for payment of the death benefit.

27 Notwithstanding the above provisions, the Board of Trustees may and is specifically
28 authorized to provide the death benefit according to the terms and conditions otherwise
29 appearing in this Plan in the form of group life insurance, either (i) by purchasing a contract or
30 contracts of group life insurance with any life insurance company or companies licensed and
31 authorized to transact business in this State for the purpose of insuring the lives of members in
32 service, or (ii) by establishing a separate trust fund qualified under Section 501(c)(9) of the
33 Internal Revenue Code of 1954, as amended, for such purpose. To that end the Board of
34 Trustees is authorized, empowered and directed to investigate the desirability of utilizing group
35 life insurance by either of the foregoing methods for the purpose of providing the death benefit.
36 If a separate trust fund is established, it shall be operated in accordance with rules and
37 regulations adopted by the Board of Trustees and all investment earnings on the trust fund shall
38 be credited to such fund.

39 In administration of the death benefit the following shall apply:

- 40 (1) For the purpose of determining eligibility only, in this subsection "calendar
41 year" shall mean any period of 12 consecutive months or, if less, the period
42 covered by an annual contract of employment. For all other purposes in this
43 subsection "calendar year" shall mean the 12 months beginning January 1
44 and ending December 31.
- 45 (2) Last day of actual service shall be:
 - 46 a. When employment has been terminated, the last day the member
47 actually worked.
 - 48 b. When employment has not been terminated, the date on which an
49 absent member's sick and annual leave expire, unless he is on
50 approved leave of absence and is in service under the provisions of
51 G.S. 135-4(h).

1 c. When a participant's employment is interrupted by reason of service
2 in the Uniformed Services, as that term is defined in section 4303(16)
3 of the Uniformed Services Employment and Reemployment Rights
4 Act, Public Law 103-353, and the participant does not return
5 immediately after that service to employment with a covered
6 employer in this System, the date on which the participant was first
7 eligible to be separated or released from his or her involuntary
8 military service.

9 (3) For a period when a member is on leave of absence, his status with respect to
10 the death benefit will be determined by the provisions of G.S. 135-4(h).

11 (4) A member on leave of absence from his position as a teacher or State
12 employee for the purpose of serving as a member or officer of the General
13 Assembly shall be deemed to be in service during sessions of the General
14 Assembly and thereby covered by the provisions of the death benefit. The
15 amount of the death benefit for such member shall be the equivalent of the
16 salary to which the member would have been entitled as a teacher or State
17 employee during the 12-month period immediately prior to the month in
18 which death occurred, not to be less than twenty-five thousand dollars
19 (\$25,000) nor to exceed fifty thousand dollars (\$50,000).

20 The provisions of the Retirement System pertaining to Administration, G.S. 135-6, and
21 management of funds, G.S. 135-7, are hereby made applicable to the Plan.

22 A member who is a beneficiary of the Disability Income Plan provided for in Article 6 of
23 this Chapter, or a member who is in receipt of Workers' Compensation during the period for
24 which he or she would have otherwise been eligible to receive short-term benefits or extended
25 short-term benefits as provided in G.S. 135-105 and dies on or after 181 days from the last day
26 of his or her actual service but prior to the date the benefits as provided in G.S. 135-105 would
27 have ended, shall be eligible for group life insurance benefits as provided in this subsection,
28 notwithstanding that the member is no longer an employee or teacher or that the member's
29 death occurs after the eligibility period after active service. The basis of the death benefit
30 payable hereunder shall be the higher of the death benefit computed as above or a death benefit
31 based on compensation used in computing the benefit payable under G.S. 135-105 and
32 G.S. 135-106, as may be adjusted for percentage post-disability increases, all subject to the
33 maximum dollar limitation as provided above. A member in receipt of benefits from the
34 Disability Income Plan under the provisions of G.S. 135-112 whose right to a benefit accrued
35 under the former Disability Salary Continuation Plan shall not be covered under the provisions
36 of this paragraph.

37 Upon receipt of proof, satisfactory to the Board of Trustees in its capacity under this
38 subsection, of the death of a retired member of the Retirement System on or after July 1, 1988,
39 but before January 1, 1999, there shall be paid a death benefit to the surviving spouse of the
40 deceased retired member or to the deceased retired member's legal representative if not
41 survived by a spouse; provided the retired member has elected, when first eligible, to make, and
42 has continuously made, in advance of his death required contributions as determined by the
43 Board of Trustees on a fully contributory basis, through retirement allowance deductions or
44 other methods adopted by the Board of Trustees, to a group death benefit trust fund
45 administered by the Board of Trustees separate and apart from the Retirement System's
46 Annuity Savings Fund and Pension Accumulation Fund. This death benefit shall be a lump-sum
47 payment in the amount of five thousand dollars (\$5,000) upon the completion of twenty-four
48 months of contributions required under this subsection. Should death occur before the
49 completion of twenty-four months of contributions required under this subsection, the deceased
50 retired member's surviving spouse or legal representative if not survived by a spouse shall be

1 paid the sum of the retired member's contributions required by this subsection plus interest to
2 be determined by the Board of Trustees.

3 Upon receipt of proof, satisfactory to the Board of Trustees in its capacity under this
4 subsection, of the death of a retired member of the Retirement System on or after January 1,
5 1999, but before July 1, 2004, there shall be paid a death benefit to the surviving spouse of the
6 deceased retired member or to the deceased retired member's legal representative if not
7 survived by a spouse; provided the retired member has elected, when first eligible, to make, and
8 has continuously made, in advance of his death required contributions as determined by the
9 Board of Trustees on a fully contributory basis, through retirement allowance deductions or
10 other methods adopted by the Board of Trustees, to a group death benefit trust fund
11 administered by the Board of Trustees separate and apart from the Retirement System's
12 Annuity Savings Fund and Pension Accumulation Fund. This death benefit shall be a lump-sum
13 payment in the amount of six thousand dollars (\$6,000) upon the completion of 24 months of
14 contributions required under this subsection. Should death occur before the completion of 24
15 months of contributions required under this subsection, the deceased retired member's surviving
16 spouse or legal representative if not survived by a spouse shall be paid the sum of the retired
17 member's contributions required by this subsection plus interest to be determined by the Board
18 of Trustees.

19 Upon receipt of proof, satisfactory to the Board of Trustees in its capacity under this
20 subsection, of the death of a retired member of the Retirement System on or after July 1, 2004,
21 but before July 1, 2007, there shall be paid a death benefit to the surviving spouse of the
22 deceased retired member or to the deceased retired member's legal representative if not
23 survived by a spouse; provided the retired member has elected, when first eligible, to make, and
24 has continuously made, in advance of his death required contributions as determined by the
25 Board of Trustees on a fully contributory basis, through retirement allowance deductions or
26 other methods adopted by the Board of Trustees, to a group death benefit trust fund
27 administered by the Board of Trustees Fund and Pension Accumulation Fund. This death
28 benefit shall be a lump-sum payment in the amount of nine thousand dollars (\$9,000) upon the
29 completion of 24 months of contributions required under this subsection. Should death occur
30 before the completion of 24 months of contributions required under this subsection, the
31 deceased retired member's surviving spouse or legal representative if not survived by a spouse
32 shall be paid the sum of the retired member's contributions required by this subsection plus
33 interest to be determined by the Board of Trustees.

34 Upon receipt of proof, satisfactory to the Board of Trustees in its capacity under this
35 subsection, of the death of a retired member of the Retirement System on or after July 1, 2007,
36 but before January 1, 2015, there shall be paid a death benefit to the surviving spouse of the
37 deceased retired member or to the deceased retired member's legal representative if not
38 survived by a spouse; provided the retired member has elected, when first eligible, to make, and
39 has continuously made, in advance of his death required contributions as determined by the
40 Board of Trustees on a fully contributory basis, through retirement allowance deductions or
41 other methods adopted by the Board of Trustees, to a group death benefit trust fund
42 administered by the Board of Trustees Fund and Pension Accumulation Fund. This death
43 benefit shall be a lump-sum payment in the amount of ten thousand dollars (\$10,000) upon the
44 completion of 24 months of contributions required under this subsection. Should death occur
45 before the completion of 24 months of contributions required under this subsection, the
46 deceased retired member's surviving spouse or legal representative if not survived by a spouse
47 shall be paid the sum of the retired member's contributions required by this subsection plus
48 interest to be determined by the Board of Trustees.

49 Upon receipt of proof, satisfactory to the Board of Trustees in its capacity under this
50 subsection, of the death of a retired member of the Retirement System on or after January 1,
51 2015, there shall be paid a death benefit to the person or persons designated by the member or,

1 if the member has not designated a beneficiary, to the surviving spouse of the deceased retired
2 member or, if not survived by a designated beneficiary or spouse, to the deceased retired
3 member's legal representative; provided the retired member has elected, when first eligible, to
4 make, and has continuously made, in advance of his death required contributions as determined
5 by the Board of Trustees on a fully contributory basis, through retirement allowance deductions
6 or other methods adopted by the Board of Trustees, to a group death benefit trust fund
7 administered by the Board of Trustees Fund and Pension Accumulation Fund. This death
8 benefit shall be a lump-sum payment in the amount of ten thousand dollars (\$10,000) upon the
9 completion of 24 months of contributions required under this subsection. Should death occur
10 before the completion of 24 months of contributions required under this subsection, the
11 deceased retired member's designated beneficiary, or surviving spouse if there is no surviving
12 beneficiary, or legal representative if not survived by a designated beneficiary or spouse, shall
13 be paid the sum of the retired member's contributions required by this subsection plus interest
14 to be determined by the Board of Trustees."

15 **SECTION 3.(b)** G.S. 135-64(i) reads as rewritten:

16 "(i) Upon the death of a retired member on or after July 1, 2004, but before July 1, 2007,
17 there shall be paid a death benefit to the surviving spouse of a deceased retired member or to
18 the deceased retired member's legal representative if not survived by a spouse; provided the
19 retired member has elected, when first eligible, to make, and has continuously made, in
20 advance of his death required contributions as determined by the Board of Trustees on a fully
21 contributory basis, through retirement allowance deductions or other methods adopted by the
22 Board of Trustees, to a group death benefit trust fund administered by the Board of Trustees
23 separate and apart from the Retirement System's Annuity Savings Fund and Pension
24 Accumulation Fund. This death benefit shall be a lump-sum payment in the amount of nine
25 thousand dollars (\$9,000) upon the completion of 24 months of contributions required under
26 this subsection. Should death occur before the completion of 24 months of contributions
27 required under this subsection, the deceased retired member's surviving spouse or legal
28 representative if not survived by a spouse shall be paid the sum of the retired member's
29 contributions required by this subsection plus interest to be determined by the Board of
30 Trustees.

31 ~~Upon the death of a retired member on or after July 1, 2007, there shall be paid a death~~
32 ~~benefit to the surviving spouse of a deceased retired member or to the deceased retired~~
33 ~~member's legal representative if not survived by a spouse; provided the retired member has~~
34 ~~elected, when first eligible, to make, and has continuously made, in advance of his death~~
35 ~~required contributions as determined by the Board of Trustees on a fully contributory basis,~~
36 ~~through retirement allowance deductions or other methods adopted by the Board of Trustees, to~~
37 ~~a group death benefit trust fund administered by the Board of Trustees separate and apart from~~
38 ~~the Retirement System's Annuity Savings Fund and Pension Accumulation Fund. This death~~
39 ~~benefit shall be a lump-sum payment in the amount of ten thousand dollars (\$10,000) upon the~~
40 ~~completion of 24 months of contributions required under this subsection. Should death occur~~
41 ~~before the completion of 24 months of contributions required under this subsection, the~~
42 ~~deceased retired member's surviving spouse or legal representative if not survived by a spouse~~
43 ~~shall be paid the sum of the retired member's contributions required by this subsection plus~~
44 ~~interest to be determined by the Board of Trustees."~~

45 **SECTION 3.(c)** G.S. 135-64 is amended by adding two new subsections to read:

46 "(j) Upon the death of a retired member on or after July 1, 2007, but before January 1,
47 2015, there shall be paid a death benefit to the surviving spouse of a deceased retired member
48 or to the deceased retired member's legal representative if not survived by a spouse; provided
49 the retired member has elected, when first eligible, to make, and has continuously made, in
50 advance of his death required contributions as determined by the Board of Trustees on a fully
51 contributory basis, through retirement allowance deductions or other methods adopted by the

1 Board of Trustees, to a group death benefit trust fund administered by the Board of Trustees
2 separate and apart from the Retirement System's Annuity Savings Fund and Pension
3 Accumulation Fund. This death benefit shall be a lump-sum payment in the amount of ten
4 thousand dollars (\$10,000) upon the completion of 24 months of contributions required under
5 this subsection. Should death occur before the completion of 24 months of contributions
6 required under this subsection, the deceased retired member's surviving spouse or legal
7 representative if not survived by a spouse shall be paid the sum of the retired member's
8 contributions required by this subsection plus interest to be determined by the Board of
9 Trustees.

10 "(k) Upon the death of a retired member on or after January 1, 2015, there shall be paid a
11 death benefit to the person or persons designated by the member or, if the member has not
12 designated a beneficiary, to the surviving spouse of the deceased retired member or, if not
13 survived by a designated beneficiary or spouse, to the deceased retired member's legal
14 representative; provided the retired member has elected, when first eligible, to make, and has
15 continuously made, in advance of his death required contributions as determined by the Board
16 of Trustees on a fully contributory basis, through retirement allowance deductions or other
17 methods adopted by the Board of Trustees, to a group death benefit trust fund administered by
18 the Board of Trustees separate and apart from the Retirement System's Annuity Savings Fund
19 and Pension Accumulation Fund. This death benefit shall be a lump-sum payment in the
20 amount of ten thousand dollars (\$10,000) upon the completion of 24 months of contributions
21 required under this subsection. Should death occur before the completion of 24 months of
22 contributions required under this subsection, the deceased retired member's designated
23 beneficiaries, or surviving spouse if there is no surviving designated beneficiary, or legal
24 representative if not survived by a designated beneficiary or spouse, shall be paid the sum of
25 the retired member's contributions required by this subsection plus interest to be determined by
26 the Board of Trustees."

27 **SECTION 3.(d)** G.S. 120-4.27 reads as rewritten:

28 **"§ 120-4.27. Death benefit.**

29 The designated beneficiary of a member who dies while in service after completing one
30 year of creditable service shall receive a lump-sum payment of an amount equal to the deceased
31 member's highest annual salary, to a maximum of fifteen thousand dollars (\$15,000). For
32 purposes of this death benefit "in service" means currently serving as a member of the North
33 Carolina General Assembly. "In service" also means service in the Uniformed Services, as that
34 term is defined in section 4303(16) of the Uniformed Services Employment and Reemployment
35 Rights Act, Public Law 103-353, if that service begins during the member's term of office. If
36 the participant does not return immediately after that service to employment with a covered
37 employer in this System, then the participant shall be deemed "in service" until the date on
38 which the participant was first eligible to be separated or released from his or her involuntary
39 military service.

40 The death benefit provided by this section shall be designated a group life insurance benefit
41 payable under an employee welfare benefit plan that is separate and apart from the Retirement
42 System but under which the members of the Retirement System shall participate and be eligible
43 for group life insurance benefits. The Board of Trustees is authorized to provide the death
44 benefit in the form of group life insurance either by purchasing a contract or contracts of group
45 life insurance with any life insurance company or companies licensed and authorized to
46 transact business in the State of North Carolina for the purpose of insuring the lives of qualified
47 members in service, or by establishing or affiliating with a separate trust fund qualified under
48 Section 501(c)(9) of the Internal Revenue Code of 1954, as amended.

49 Upon receipt of proof, satisfactory to the Board of Trustees, of the death of a retired
50 member of the Retirement System or Retirement Fund on or after July 1, 1988, but before
51 January 1, 1999, there shall be paid a death benefit to the surviving spouse of a deceased retired

1 member, or to the deceased retired member's legal representative if not survived by a spouse;
2 provided the retired member has elected, when first eligible, to make, and has continuously
3 made, in advance of his death required contributions as determined by the Retirement System
4 on a fully contributory basis, through retirement allowance deductions or other methods
5 adopted by the Retirement System, to a group death benefit trust fund administered by the
6 Board of Trustees separate and apart from the Retirement System's Annuity Savings Fund and
7 Pension Accumulation Fund. This death benefit shall be a lump-sum payment in the amount of
8 five thousand dollars (\$5,000) upon the completion of twenty-four months of contributions
9 required under this subsection. Should death occur before the completion of twenty-four
10 months of contributions required under this subsection, the deceased retired member's surviving
11 spouse or legal representative if not survived by a spouse shall be paid the sum of the retired
12 member's contributions required by this subsection plus interest to be determined by the Board
13 of Trustees.

14 Upon receipt of proof, satisfactory to the Board of Trustees, of the death of a retired
15 member of the Retirement System or Retirement Fund on or after January 1, 1999, but before
16 July 1, 2004, there shall be paid a death benefit to the surviving spouse of a deceased retired
17 member, or to the deceased retired member's legal representative if not survived by a spouse;
18 provided the retired member has elected, when first eligible, to make, and has continuously
19 made, in advance of his death required contributions as determined by the Retirement System
20 on a fully contributory basis, through retirement allowance deductions or other methods
21 adopted by the Retirement System, to a group death benefit trust fund administered by the
22 Board of Trustees separate and apart from the Retirement System's Annuity Savings Fund and
23 Pension Accumulation Fund. This death benefit shall be a lump-sum payment in the amount of
24 six thousand dollars (\$6,000) upon the completion of 24 months of contributions required under
25 this subsection. Should death occur before the completion of 24 months of contributions
26 required under this subsection, the deceased retired member's surviving spouse or legal
27 representative if not survived by a spouse shall be paid the sum of the retired member's
28 contributions required by this subsection plus interest to be determined by the Board of
29 Trustees.

30 Upon receipt of proof, satisfactory to the Board of Trustees, of the death of a retired
31 member of the Retirement System or Retirement Fund on or after July 1, 2004, but before July
32 1, 2007, there shall be paid a death benefit to the surviving spouse of a deceased retired
33 member, or to the deceased retired member's legal representative if not survived by a spouse;
34 provided the retired member has elected, when first eligible, to make, and has continuously
35 made, in advance of his death required contributions as determined by the Retirement System
36 on a fully contributory basis, through retirement allowance deductions or other methods
37 adopted by the Retirement System, to a group death benefit trust fund administered by the
38 Board of Trustees separate and apart from the Retirement System's Annuity Savings Fund and
39 Pension Accumulation Fund. This death benefit shall be a lump-sum payment in the amount of
40 nine thousand dollars (\$9,000) upon the completion of 24 months of contributions required
41 under this subsection. Should death occur before the completion of 24 months of contributions
42 required under this subsection, the deceased retired member's surviving spouse or legal
43 representative if not survived by a spouse shall be paid the sum of the retired member's
44 contributions required by this subsection plus interest to be determined by the Board of
45 Trustees.

46 Upon receipt of proof, satisfactory to the Board of Trustees, of the death of a retired
47 member of the Retirement System or Retirement Fund on or after July 1, 2007, but before
48 January 1, 2015, there shall be paid a death benefit to the surviving spouse of a deceased retired
49 member, or to the deceased retired member's legal representative if not survived by a spouse;
50 provided the retired member has elected, when first eligible, to make, and has continuously
51 made, in advance of his death required contributions as determined by the Retirement System

1 on a fully contributory basis, through retirement allowance deductions or other methods
2 adopted by the Retirement System, to a group death benefit trust fund administered by the
3 Board of Trustees separate and apart from the Retirement System's Annuity Savings Fund and
4 Pension Accumulation Fund. This death benefit shall be a lump-sum payment in the amount of
5 ten thousand dollars (\$10,000) upon the completion of 24 months of contributions required
6 under this subsection. Should death occur before the completion of 24 months of contributions
7 required under this subsection, the deceased retired member's surviving spouse or legal
8 representative if not survived by a spouse shall be paid the sum of the retired member's
9 contributions required by this subsection plus interest to be determined by the Board of
10 Trustees.

11 Upon receipt of proof, satisfactory to the Board of Trustees, of the death of a retired
12 member of the Retirement System or Retirement Fund on or after January 1, 2015, there shall
13 be paid a death benefit to the person or persons designated by the member or, if the member
14 has not designated a beneficiary, to the surviving spouse of the deceased retired member or, if
15 not survived by a designated beneficiary or spouse, to the deceased retired member's legal
16 representative; provided the retired member has elected, when first eligible, to make, and has
17 continuously made, in advance of his death required contributions as determined by the
18 Retirement System on a fully contributory basis, through retirement allowance deductions or
19 other methods adopted by the Retirement System, to a group death benefit trust fund
20 administered by the Board of Trustees separate and apart from the Retirement System's
21 Annuity Savings Fund and Pension Accumulation Fund. This death benefit shall be a lump-sum
22 payment in the amount of ten thousand dollars (\$10,000) upon the completion of 24 months of
23 contributions required under this subsection. Should death occur before the completion of 24
24 months of contributions required under this subsection, the deceased retired member's
25 designated beneficiaries, or surviving spouse if not survived by a designated beneficiary, or
26 legal representative if not survived by a designated beneficiary or spouse, shall be paid the sum
27 of the retired member's contributions required by this subsection plus interest to be determined
28 by the Board of Trustees."

29 **SECTION 3.(e)** G.S. 128-27(14) reads as rewritten:

30 "(14) Death Benefit for Retired Members. – Upon receipt of proof, satisfactory to the
31 Board of Trustees in its capacity under this subsection, of the death of a retired member of the
32 Retirement System on or after July 1, 2004, but before July 1, 2007, there shall be paid a death
33 benefit to the surviving spouse of the deceased retired member or to the deceased retired
34 member's legal representative if not survived by a spouse; provided the retired member has
35 elected, when first eligible, to make, and has continuously made, in advance of his death
36 required contributions as determined by the Board of Trustees on a fully contributory basis
37 through retirement allowance deductions or other methods adopted by the Board of Trustees, to
38 a group death benefit trust fund administered by the Board of Trustees separate and apart from
39 the Retirement System's Annuity Savings Fund and Pension Accumulation Fund. This death
40 benefit shall be a lump-sum payment in the amount of nine thousand dollars (\$9,000) upon the
41 completion of 24 months of contributions required under this subsection. Should death occur
42 before the completion of 24 months of contributions required under this subsection, the
43 deceased retired member's surviving spouse or legal representative if not survived by a spouse
44 shall be paid the sum of the retired member's contributions required by this subsection plus
45 interest to be determined by the Board of Trustees.

46 ~~Upon receipt of proof, satisfactory to the Board of Trustees in its capacity under this~~
47 ~~subsection, of the death of a retired member of the Retirement System on or after July 1, 2007,~~
48 ~~there shall be paid a death benefit to the surviving spouse of the deceased retired member or to~~
49 ~~the deceased retired member's legal representative if not survived by a spouse; provided the~~
50 ~~retired member has elected, when first eligible, to make, and has continuously made, in~~
51 ~~advance of his death required contributions as determined by the Board of Trustees on a fully~~

~~contributory basis through retirement allowance deductions or other methods adopted by the Board of Trustees, to a group death benefit trust fund administered by the Board of Trustees separate and apart from the Retirement System's Annuity Savings Fund and Pension Accumulation Fund. This death benefit shall be a lump sum payment in the amount of ten thousand dollars (\$10,000) upon the completion of 24 months of contributions required under this subsection. Should death occur before the completion of 24 months of contributions required under this subsection, the deceased retired member's surviving spouse or legal representative if not survived by a spouse shall be paid the sum of the retired member's contributions required by this subsection plus interest to be determined by the Board of Trustees."~~

SECTION 3.(f) G.S. 128-27 is amended by adding two new subsections to read:

"(15) Upon receipt of proof, satisfactory to the Board of Trustees in its capacity under this subsection, of the death of a retired member of the Retirement System on or after July 1, 2007, but before January 1, 2015, there shall be paid a death benefit to the surviving spouse of the deceased retired member or to the deceased retired member's legal representative if not survived by a spouse; provided the retired member has elected, when first eligible, to make, and has continuously made, in advance of his death required contributions as determined by the Board of Trustees on a fully contributory basis through retirement allowance deductions or other methods adopted by the Board of Trustees, to a group death benefit trust fund administered by the Board of Trustees separate and apart from the Retirement System's Annuity Savings Fund and Pension Accumulation Fund. This death benefit shall be a lump-sum payment in the amount of ten thousand dollars (\$10,000) upon the completion of 24 months of contributions required under this subsection. Should death occur before the completion of 24 months of contributions required under this subsection, the deceased retired member's surviving spouse or legal representative if not survived by a spouse shall be paid the sum of the retired member's contributions required by this subsection plus interest to be determined by the Board of Trustees.

"(16) Upon receipt of proof, satisfactory to the Board of Trustees in its capacity under this subsection, of the death of a retired member of the Retirement System on or after January 1, 2015, there shall be paid a death benefit to the person or persons designated by the member or, if the member has not designated a beneficiary, to the surviving spouse of the deceased retired member or, if not survived by a designated beneficiary or spouse, to the deceased retired member's legal representative; provided the retired member has elected, when first eligible, to make, and has continuously made, in advance of his death required contributions as determined by the Board of Trustees on a fully contributory basis through retirement allowance deductions or other methods adopted by the Board of Trustees, to a group death benefit trust fund administered by the Board of Trustees separate and apart from the Retirement System's Annuity Savings Fund and Pension Accumulation Fund. This death benefit shall be a lump-sum payment in the amount of ten thousand dollars (\$10,000) upon the completion of 24 months of contributions required under this subsection. Should death occur before the completion of 24 months of contributions required under this subsection, the deceased retired member's designated beneficiaries, or surviving spouse if not survived by a designated beneficiary, or legal representative if not survived by a designated beneficiary or spouse, shall be paid the sum of the retired member's contributions required by this subsection plus interest to be determined by the Board of Trustees."

SECTION 4.(a) G.S.135-6(i) reads as rewritten:

"(i) Record of Proceedings; Annual Report. – The Board of Trustees shall keep a record of all of its proceedings which shall be open to public inspection. It shall publish annually a report showing the fiscal transactions of the Retirement System for the preceding year, the amount of the accumulated cash and securities of the System, and the last balance sheet showing the financial condition of the System by means of an actuarial valuation of the assets

1 and liabilities of the Retirement System. It shall also publish annually a report on supplemental
2 insurance offerings that are made available to retirees and the extent to which retirees
3 participate in those offerings."

4 **SECTION 4.(b)** G.S. 128-28(j) reads as rewritten:

5 "(j) Record of Proceedings; Annual Report. – The Board of Trustees shall keep a record
6 of all of its proceedings which shall be open to public inspection. It shall publish annually a
7 report showing the fiscal transactions of the Retirement System for the preceding year, the
8 amount of the accumulated cash and securities of the System, and the last balance sheet
9 showing the financial condition of the System by means of an actuarial valuation of the assets
10 and liabilities of the Retirement System. It shall also publish annually a report on contracts and
11 usage by retired members regarding any supplemental insurance products offered through the
12 Retirement System."

13 **SECTION 5.(a)** G.S. 135-9 reads as rewritten:

14 "**§ 135-9. Exemption from garnishment, attachment, etc.**

15 Except for the applications of the provisions of G.S. 110-136, and G.S. 110-136.3 et seq.,
16 and in connection with a court-ordered equitable distribution under G.S. 50-20, the right of a
17 person to a pension, or annuity, or a retirement allowance, to the return of contributions, the
18 pension, annuity or retirement allowance itself, any optional benefit or any other right accrued
19 or accruing to any person under the provisions of this Chapter, and the moneys in the various
20 funds created by this Chapter, are exempt from levy and sale, garnishment, attachment, or any
21 other process whatsoever, and shall be unassignable except as in this Chapter specifically
22 otherwise provided. Application for System approval of a domestic relations order dividing a
23 person's interest under the Retirement System shall be accompanied by an order consistent with
24 the system-designed template order provided on the System's Web site. For orders entered on
25 or after January 1, 2015, payment to a member's former spouse pursuant to any such domestic
26 relations order shall be limited to the lifetime of that former spouse and, upon the death of that
27 former spouse, the former spouse's share shall revert to the member. Notwithstanding any
28 provisions to the contrary, any overpayment of benefits to a member in a State-administered
29 retirement system or the former Disability Salary Continuation Plan or the Disability Income
30 Plan of North Carolina, including any benefits paid to, or State Health Plan premiums
31 paid on behalf of, any member or beneficiary who is later determined to have been ineligible
32 for those benefits, may be offset against any retirement allowance, return of contributions or
33 any other right accruing under this Chapter to the same person, the person's estate, or
34 designated beneficiary."

35 **SECTION 5.(b)** G.S. 128-31 reads as rewritten:

36 "**§ 128-31. Exemptions from execution.**

37 Except for the applications of the provisions of G.S. 110-136, and G.S. 110-136.3 et seq.,
38 and in connection with a court-ordered equitable distribution under G.S. 50-20, the right of a
39 person to a pension, an annuity, or a retirement allowance, to the return of contributions, the
40 pension, annuity or retirement allowance itself, any optional benefit or any other right accrued
41 or accruing to any person under the provisions of this Article, and the moneys in the various
42 funds created by this Article, are exempt from levy and sale, garnishment, attachment, or any
43 other process whatsoever, and shall be unassignable except as in this Article specifically
44 otherwise provided. Application for System approval of a domestic relations order dividing a
45 person's interest under the Retirement System shall be accompanied by an order consistent with
46 the system-designed template order provided on the System's Web site. For orders entered on
47 or after January 1, 2015, payment to a member's former spouse pursuant to any such domestic
48 relations order shall be limited to the lifetime of that former spouse and, upon the death of that
49 former spouse, the former spouse's share shall revert to the member. Notwithstanding any
50 provisions to the contrary, any overpayment of benefits to a member in a State-administered
51 retirement system, the Disability Salary Continuation Plan, or the Disability Income Plan of

1 ~~North Carolina~~North Carolina, including any benefits paid to, or State Health Plan premiums paid on
2 behalf of, any member who is later determined to have been ineligible for those benefits, may
3 be offset against any retirement allowance, return of contributions or any other right accruing
4 under this Chapter to the same person, the person's estate, or designated beneficiary."

5 **SECTION 6.(a)** G.S. 135-6 is amended by adding a new subsection to read:

6 "(t) Immunity. – A person serving on the Teachers' and State Employees' Retirement
7 System Board of Trustees shall be immune individually from civil liability for monetary
8 damages, except to the extent covered by insurance, for any act or failure to act arising out of
9 that service, except where any of the following apply:

10 (1) The person was not acting within the scope of that person's official duties.

11 (2) The person was not acting in good faith.

12 (3) The person committed gross negligence or willful or wanton misconduct that
13 resulted in the damages or injury.

14 (4) The person derived an improper personal financial benefit, either directly or
15 indirectly, from the transaction.

16 (5) The person incurred the liability from the operation of a motor vehicle."

17 **SECTION 6.(b)** G.S. 128-27 is amended by adding a new subsection to read:

18 "(u) Immunity. – A person serving on the Local Governmental Employees' Retirement
19 System Board of Trustees shall be immune individually from civil liability for monetary
20 damages, except to the extent covered by insurance, for any act or failure to act arising out of
21 that service, except where any of the following apply:

22 (1) The person was not acting within the scope of that person's official duties.

23 (2) The person was not acting in good faith.

24 (3) The person committed gross negligence or willful or wanton misconduct that
25 resulted in the damages or injury.

26 (4) The person derived an improper personal financial benefit, either directly or
27 indirectly, from the transaction.

28 (5) The person incurred the liability from the operation of a motor vehicle."

29 **SECTION 7.(a)** G.S. 135-151(j) reads as rewritten:

30 "(j) Sunset of Eligibility to Participate in the QEBA. – No member of the Teachers' and
31 State Employees' Retirement System retiring on or after ~~January 1, 2015,~~January 1, 2017, shall
32 be eligible to participate in the QEBA, and the Retirement System shall not pay any new retiree
33 more retirement benefits than allowed under the limitations of section 415(b) of the Internal
34 Revenue Code."

35 **SECTION 7.(b)** G.S. 128-38.10(k) reads as rewritten:

36 "(k) Sunset of Eligibility to Participate in the QEBA. – No member of the North
37 Carolina Local Governmental Employees' Retirement System retiring on or after ~~January 1,~~
38 ~~2015,~~January 1, 2017,shall be eligible to participate in the QEBA, and the Retirement System
39 shall not pay any new retiree more retirement benefits than allowed under the limitations of
40 section 415(b) of the Internal Revenue Code."

41 **SECTION 8.** G.S. 128-27(a)(1) reads as rewritten:

42 "(1) Any member may retire upon electronic submission or written application to
43 the Board of Trustees setting forth at what time, as of the first day of a
44 calendar month, not less than one day nor more than 120 days subsequent to
45 the execution and filing thereof, he desires to be retired: Provided, that the
46 said member at the time so specified for his retirement shall have attained
47 the age of 60 years and have at least five years of creditable service or shall
48 have completed 30 years of creditable service, or if a ~~fireman,~~firefighter or
49 ~~rescue squad worker,~~ he shall have attained the age of 55 years and have at
50 least five years of creditable service."

1 **SECTION 9.** Sections 1 and 3 of this act become effective January 1, 2015.
2 Sections 2, 4, 5, 6, and 7 of this act become effective October 1, 2014. The remainder of this
3 act becomes effective July 1, 2014.