

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2015

H.B. 277
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HOUSE DRH30094-LL-32 (11/18)

Short Title: Retirement Admin. Changes Act of 2015.-AB (Public)

Sponsors: Representatives Ross, Gill, Goodman, and McNeill (Primary Sponsors).

Referred to:

1 A BILL TO BE ENTITLED
2 AN ACT TO ENACT THE RETIREMENT ADMINISTRATIVE CHANGES ACT OF 2015.
3 The General Assembly of North Carolina enacts:

4 **SECTION 1.(a)** The terms of office of the present members of the Supplemental
5 Retirement Board of Trustees shall expire on June 30, 2016. Effective for terms to begin on
6 July 1, 2016, the members of the Board shall be appointed as provided in G.S. 135-96, as
7 amended by this act.

8 **SECTION 1.(b)** G.S. 135-96 reads as rewritten:

9 **"§ 135-96. Supplemental Retirement Board of Trustees.**

10 (a) The Supplemental Retirement Board of Trustees is established to administer the
11 Supplemental Retirement Income Plan established under the provisions of this Article and the
12 North Carolina Public Employee Deferred Compensation Plan established under
13 G.S. 143B-426.24, and the North Carolina Public School Teachers' and Professional Educators'
14 Investment Plan established under G.S. 115C-341.2.

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

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

24 (c) ~~The initial appointments by the General Assembly and two of the Governor's initial~~
25 ~~appointments shall be for one-year terms. The remainder of the initial appointments shall be for~~
26 ~~two-year terms. At the expiration of these initial terms, appointments shall be for two years and~~
27 ~~shall be made by the appointing authorities designated in subsection (b) of this section.~~
28 Effective July 1, 2016:

29 (1) The appointments made by the General Assembly pursuant to subdivisions
30 (2) and (3) of subsection (b) of this section shall be for initial terms of three
31 years, to expire June 30, 2019.

32 (2) Three of the appointments made by the Governor pursuant to subdivision (1)
33 of subsection (b) of this section shall be for initial terms of one year, to
34 expire June 30, 2017.



1 (3) Three of the appointments made by the Governor pursuant to subdivision (1)
2 of subsection (b) of this section shall be for initial terms of two years, to
3 expire June 30, 2018.

4 Upon the expiration of these initial terms, appointments for all members shall be for terms
5 of three years beginning on the day following the expiration date of the previous member's
6 term.

7 (c1) A member shall continue to serve until the member's successor is duly appointed,
8 but a holdover under this provision does not affect the expiration date of the succeeding term.
9 No member of the Board may serve ~~more than three~~longer than any of the following:

10 (1) Two consecutive ~~two-year~~three-year terms.

11 (2) Three consecutive terms of any length, in the event that one or more of the
12 terms is for fewer than three years in duration or the member serves a partial
13 term as result of filling a vacancy.

14 (3) Eight consecutive years, regardless of term lengths.

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

20 (e) The Board may retain the services of independent appraisers, auditors, actuaries,
21 attorneys, investment counseling firms, statisticians, custodians, or other persons or firms
22 possessing specialized skills or knowledge necessary for the proper administration of
23 investment programs that the Board administers pursuant to this section."

24 **SECTION 2.** Article 3 of Chapter 111 of the General Statutes is amended by
25 adding a new section to read:

26 "**§ 111-47.3 Food service at Department of State Treasurer.**

27 Notwithstanding any other provision of this Article, the Department of State Treasurer may
28 operate or contract for the operation of food or vending services at Department of State
29 Treasurer offices. The net proceeds of revenue generated by food and vending services that are
30 provided at the Department of State Treasurer by the agency or a vendor with whom the agency
31 has contracted shall be credited to the Division of Services for the Blind of Department of
32 Health and Human Services for the purposes specified in G.S. 111-43."

33 **SECTION 3.(a)** G.S. 147-69.2(b) reads as rewritten:

34 "(b) It shall be the duty of the State Treasurer to invest the cash of the funds enumerated
35 in subsection (a) of this section in excess of the amount required to meet the current needs and
36 demands on such funds. The State Treasurer may invest the funds as provided in this
37 subsection. If an investment was authorized by this subsection at the time the investment was
38 made or contractually committed to be made, then that investment shall continue to be
39 authorized by this subsection, and none of the percentage or other limitation on investments set
40 forth in this subsection shall be construed to require the State Treasurer to subsequently dispose
41 of the investment or fail to honor any contractual commitments as a result of changes in market
42 values, ratings, or other investment qualifications. For purposes of computing market values on
43 which percentage limitations on investments in this subsection are based, all investments shall
44 be valued as of the last date of the most recent fiscal quarter.

45 (1) Investments authorized by G.S. 147-69.1(c)(1)-(7).

46 (2) General obligations of other states of the United States.

47 (3) General obligations of cities, counties and special districts in North Carolina.

48 (4) Obligations of any company, other organization or legal entity incorporated
49 or otherwise created or located within or outside the United States, including
50 obligations that are convertible into equity securities, if the obligations bear

1 one of the four highest ratings of at least one nationally recognized rating
2 service when acquired.

3 (5) Repealed by Session Laws 2001-444, s. 2, effective October 1, 2001.

4 (6) Asset-backed securities (whether considered debt or equity) provided they
5 bear ratings by nationally recognized rating services as provided in
6 G.S. 147-69.2(b)(4).

7 (6a) In addition to the limitations and requirements with respect to the
8 investments of the Retirement Systems set forth in this subsection, the State
9 Treasurer shall select investments of the assets of the Retirement Systems
10 such that investments made pursuant to subdivisions (b)(1) through (6) of
11 this section shall at all times equal or exceed twenty percent (20%) of the
12 market value of all invested assets of the Retirement Systems.

13 (6b) Investments pursuant to subdivisions (b)(1) through (6) of this section may
14 be made directly by the State ~~Treasurer~~Treasurer, through investment
15 companies registered under the Investment Company Act of 1940,
16 individual, common, or collective trust funds of banks and trust companies,
17 group trusts and limited partnerships, limited liability companies or other
18 limited liability investment vehicles that invest primarily in investments
19 authorized by subdivisions (1) through (6) of this subsection, or through
20 contractual arrangements in which the investment manager has full and
21 complete discretion and authority to invest assets specified in such
22 arrangements in investments authorized by subdivisions (b)(1) through (6) of
23 this section, provided for each indirect investment, the investment manager
24 has assets under management of at least one hundred million dollars
25 (\$100,000,000).

26"

27 **SECTION 3.(b)** G.S. 147-77 reads as rewritten:

28 "**§ 147-77. Daily deposit of funds to credit of Treasurer.**

29 All funds belonging to the State of North Carolina, in the hands of any head of any
30 department of the State which collects revenue for the State in any form whatsoever, and every
31 institution, agency, officer, employee, or representative of the State or any agency, department,
32 division or commission thereof, except officers and the clerks of the Supreme Court and Court
33 of Appeals, collecting or receiving any funds or money belonging to the State of North
34 Carolina, shall daily deposit the same in some bank, or trust company, selected or designated
35 by the State Treasurer, in the name of the State Treasurer, at noon, or as near thereto as may be,
36 and shall report the same daily to said ~~Treasurer: Provided that the~~Treasurer. The State
37 Treasurer may authorize exemptions from the provisions of this section so long as funds are
38 deposited and reported pursuant to the provisions of this section at least once a week and, in
39 addition, so long as funds are deposited and reported pursuant to the provisions of this section
40 whenever as much as ~~two hundred fifty dollars (\$250.00)~~five thousand dollars (\$5,000) has
41 been collected and ~~received: Provided, that the~~received. Each State agency that has custody of
42 funds less than five thousand dollars (\$5,000) shall provide adequate safekeeping of such
43 funds. The Treasurer may refund the amount of any bad checks which have been returned to
44 the department by the Treasurer when the same have not been collected after 30 days' trial."

45 **SECTION 4.** G.S. 135-1(20) reads as rewritten:

46 "(20) "Retirement" under this ~~Chapter~~Chapter, except as otherwise provided,
47 means the commencement of monthly retirement benefits along with
48 termination of employment and the complete separation from active service
49 with no intent or agreement, express or implied, to return to service. A
50 retirement allowance under the provisions of this Chapter may only be
51 granted upon retirement of a member. In order for a member's retirement to

1 become effective in any month, the member must perform no work for an
2 employer, including part-time, temporary, substitute, or contractor work, at
3 any time during the six months immediately following the effective date of
4 retirement. For purposes of this subdivision, working as a member of a
5 school board, board of trustees of a community college, board of trustees of
6 any constituent institution of The University of North Carolina, as an unpaid
7 bona fide volunteer in a local school administrative unit, or as an unpaid
8 bona fide volunteer guardian ad litem in the guardian ad litem program shall
9 not be considered ~~service~~service or work, and volunteering in positions
10 normally designated as unpaid bona fide volunteer positions during the six
11 months immediately following the effective date of retirement shall not be
12 considered service. A member who is a full-time faculty member of The
13 University of North Carolina may effect a retirement allowance under this
14 Chapter, notwithstanding the six-month requirement above, provided the
15 member immediately enters the University's Phased Retirement Program for
16 Tenured Faculty as that program existed on May 25, 2011."

17 **SECTION 5.(a)** G.S. 135-8(f) is amended by adding a new subdivision to read:

18 "(4) In conjunction with the employee and employer contributions required under
19 this section, the Board of Trustees shall direct employers to submit such
20 information on a monthly basis as is necessary for proper administration of
21 the Retirement System, actuarial valuation, and reporting under accounting
22 standards set forth by the Governmental Accounting Standards Board of the
23 Financial Accounting Foundation. Submission of such information by an
24 employer to the Retirement System constitutes a certification of its
25 accuracy."

26 **SECTION 5.(b)** G.S. 128-30(g) is amended by adding a new subdivision to read:

27 "(4) In conjunction with the employee and employer contributions required under
28 this section, the Board of Trustees shall direct employers to submit such
29 information on a monthly basis as is necessary for proper administration of
30 the Retirement System, actuarial valuation, and reporting under accounting
31 standards set forth by the Governmental Accounting Standards Board of the
32 Financial Accounting Foundation. Submission of such information by an
33 employer to the Retirement System constitutes a certification of its
34 accuracy."

35 **SECTION 6.(a)** G.S. 135-8(f)(3) reads as rewritten:

36 "(3) In the event the employee or employer contributions required under this
37 section are not received by the date set by the Board of Trustees, the Board
38 shall assess the employer with a penalty, in lieu of interest, of 1% per month
39 with a minimum penalty of twenty-five dollars (\$25.00). The Board may
40 waive one penalty per employer every five years if the Board finds that the
41 employer has consistently demonstrated good-faith efforts to comply with
42 the set deadline. If within 90 days after request therefor by the Board any
43 employer shall not have provided the System with the records and other
44 information required hereunder or if the full accrued amount of the
45 contributions provided for under this section due from members employed
46 by an employer or from an employer other than the State shall not have been
47 received by the System from the chief fiscal officer of such employer within
48 30 days after the last due date as herein provided, then, notwithstanding
49 anything herein or in the provisions of any other law to the contrary, upon
50 notification by the Board to the State Treasurer as to the default of such
51 employer as herein provided, any distributions which might otherwise be

1 made to such employer from any funds of the State shall be withheld from
2 such employer until notice from the Board to the State Treasurer that such
3 employer is no longer in default.

4 In the event that an employer fails to submit payment of any required
5 contributions or payments to the Retirement Systems Division, other than
6 the 1% payment provided for in the first paragraph of this subdivision,
7 within 90 days after the date set by the Board of Trustees, the Board shall
8 notify the State Treasurer of its intent to collect the delinquent contributions
9 and other payments due to the Retirement Systems Division and request an
10 interception of State appropriations due to the participating employer. Upon
11 such notification by the Board of Trustees to the State Treasurer and the
12 Office of State Budget and Management as to the default of the employer,
13 the Office of State Budget and Management shall withhold from any State
14 appropriation due to that employer an amount equal to the sum of all
15 delinquent contributions and other debts due to the Retirement Systems
16 Division and shall transmit that amount to the Retirement Systems
17 Division."

18 **SECTION 6.(b)** G.S. 128-30(g)(3) reads as rewritten:

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

39 In the event that an employer fails to submit payment of any required
40 contributions or payments to the Retirement Systems Division, other than
41 the 1% payment provided for in the first paragraph of this subdivision,
42 within 90 days after the date set by the Board of Trustees, the Board shall
43 notify the State Treasurer of its intent to collect the delinquent contributions
44 and other payments due to the Retirement Systems Division and request an
45 interception of State appropriations due to the participating employer. Upon
46 such notification by the Board of Trustees to the State Treasurer and the
47 Office of State Budget and Management as to the default of the employer,
48 the Office of State Budget and Management shall withhold from any State
49 appropriation due to that employer an amount equal to the sum of all
50 delinquent contributions and other debts due to the Retirement Systems

1 Division and shall transmit that amount to the Retirement Systems
2 Division."

3 **SECTION 6.(c)** G.S. 115C-438 reads as rewritten:

4 **"§ 115C-438. Provision for disbursement of State money.**

5 The deposit of money in the State treasury to the credit of local school administrative units
6 shall be made in monthly installments, and additionally as necessary, at such time and in such a
7 manner as may be most convenient for the operation of the public school system. Before an
8 installment is credited, the school finance officer shall certify to the State Board of Education
9 the expenditures to be made by the local school administrative unit from the State Public
10 School Fund during the month. This certification shall be filed on or before the fifth day
11 following the end of the month preceding the period in which the expenditures will be made.
12 The State Board of Education shall determine whether the moneys requisitioned are due the
13 local school administrative unit, and upon determining the amount due, shall cause the requisite
14 amount to be credited to the local school administrative unit. Upon receiving notice from the
15 State Treasurer of the amount placed to the credit of the local school administrative unit, the
16 finance officer may issue State warrants up to the amount so certified.

17 Upon notification by the Board of Trustees of the Teachers' and State Employees'
18 Retirement System to the State Treasurer and the Office of State Budget and Management as to
19 the default of the local school administrative unit, the State Board of Education shall withhold
20 from any State appropriation due to the local school administrative unit an amount equal to the
21 sum of all delinquent contributions and payments due to the Retirement Systems Division and
22 shall transmit that amount to the Retirement Systems Division.

23 The State Board of Education may withhold money for payment of salaries for
24 administrative officers of local school administrative units if any report required to be filed
25 with State school authorities is more than 30 days overdue. The State Board of Education shall
26 withhold money for payment of salaries for the superintendent, finance officer, and all other
27 administrative officers charged with providing payroll information pursuant to
28 G.S. 115C-12(18), if the local school administrative unit fails to provide the payroll
29 information to the State Board in a timely fashion and substantially in accordance with the
30 standards set by the State Board. The State Board of Education shall also withhold money used
31 for payment of salaries for the superintendent, transportation director, and all other
32 administrative officers or employees charged by the local board of education or the local
33 superintendent with implementing the Transportation Information Management System,
34 pursuant to G.S. 115C-240(d), if the State Board finds that a local school administrative unit is
35 not progressing in good faith and is not using its best efforts to implement the Transportation
36 Information Management System.

37 Money in the State Public School Fund and State bond moneys shall be released only on
38 warrants drawn on the State Treasurer, signed by such local official as may be required by the
39 State Board of Education."

40 **SECTION 7.** G.S.150B-21.3A is amended by adding a new subsection to read:

41 "(e1) Rules to Protect Inchoate or Accrued Rights of Retirement Systems Members. –
42 Rules deemed by the Boards of Trustees established under G.S. 128-28 and G.S. 135-6 to
43 protect inchoate or accrued rights of members of the Retirement Systems administered by the
44 State Treasurer shall not expire as provided by this section. The Commission shall report
45 annually to the Committee on any rules that do not expire pursuant to this subsection."

46 **SECTION 8.** G.S. 128-21 is amended by adding two new subdivisions to read:

47 "(10a) "Regularly employed" shall mean employment in a position requiring not
48 less than 1,000 hours of work in a calendar year, provided that the term shall
49 not include any individuals whose employment is considered "temporary
50 employment" as defined in subdivision (10b) of this section.

1 "(10b) "Temporary employment" shall mean employment for a limited term,
2 normally not to exceed three to six months and in no case to exceed 12
3 consecutive months, for an employer as defined in subdivision (11) of this
4 section. The term shall also include individuals whose employment for an
5 employer as defined in subdivision (11) of this section occurs as a result of
6 the individual's designation by the city council as an interim city manager, as
7 provided in G.S. 160A-150, or as a result of the individual's designation by
8 the board of commissioners as an interim county manager, as provided in
9 G.S. 153A-84."

10 **SECTION 9.(a)** G.S. 135-91(c) reads as rewritten:

11 "(c) The Department of State Treasurer and the Board of Trustees shall have full power
12 and authority to adopt rules and regulations for the administration of the Plan, provided they are
13 not inconsistent with the provisions of this Article. The Department of State Treasurer and
14 Board of Trustees may appoint those agents, contractors, employees and committees as they
15 deem advisable to carry out the terms and conditions of the Plan. In order to promote
16 achievement of long-term investment objectives and to retain key public employees with
17 investment functions, the Board of Trustees shall authorize the State Treasurer to establish
18 market-oriented compensation plans, including salaries and performance-related bonuses, for
19 employees possessing specialized skills or knowledge necessary for the proper administration
20 of the Plan, who shall be exempt from the classification and compensation rules established by
21 the Office of State Human Resources. The design and administration of those compensation
22 plans shall be based on compensation studies conducted by a nationally recognized firm
23 specializing in public fund investment compensation. The compensation and other associated
24 employee benefits shall be apportioned directly from the Plan."

25 **SECTION 9.(b)** G.S. 126-5 is amended by adding a new subsection to read:

26 "(c13) Except as to G.S. 126-13, 126-14, 126-14.1, and the provisions of Articles 6, 7, 14,
27 15, and 16 of this Chapter, the provisions of this Chapter shall not apply to employees of the
28 Department of State Treasurer possessing specialized skills or knowledge necessary for the
29 proper administration of the Supplemental Retirement Plans and compensated pursuant to
30 G.S. 135-91(c)."

31 **SECTION 10.(a)** G.S. 135-5 is amended by adding a new subsection to read:

32 "(m4) A member who has contributions in this System and is not eligible for a retirement
33 benefit as set forth in G.S. 135-5(a) shall be paid his contributions in a lump sum as provided in
34 G.S. 135-5(f) by April 1 of the calendar year following the later of the calendar year in which
35 the member (i) attains seventy and one half-years of age or (ii) has ceased to be a teacher or
36 State employee except by death. If such member fails, following reasonable notification, to
37 complete a refund application by such required date, the requirement that a refund application
38 be completed shall be waived and the refund shall be paid without a refund application as a
39 single lump sum payment with applicable required North Carolina and federal income taxes
40 withheld. For purposes of this subsection, a member shall not be considered to have ceased to
41 be a teacher or state employee if the member is actively contributing to the Consolidated
42 Judicial Retirement System, Local Governmental Employees' Retirement System, or
43 Legislative Retirement System. A lump sum refund shall not be paid under this subsection if
44 the member is actively contributing to the Consolidated Judicial Retirement System, Local
45 Governmental Employees' Retirement System, or Legislative Retirement System.

46 A member who has contributions in this System and is eligible for a retirement benefit as
47 set forth in G.S. 135-5(a) shall begin to receive a monthly benefit no later than April 1 of the
48 calendar year following the later of the calendar year in which the member (i) attains seventy
49 and one half-years of age or (ii) has ceased to be a teacher or state employee except by death. If
50 such member fails, following reasonable notification, to complete the retirement process as set
51 forth under Chapter 135 of the General Statutes by such required beginning date, the

1 requirement that a retirement application and an election of payment plan form be completed
2 shall be waived and the retirement allowance shall be paid as a single life annuity. The single
3 life annuity shall be calculated and processed in accordance with G.S. 135-5. For purposes of
4 this subsection, a member shall not be considered to have ceased to be a teacher or State
5 employee if the member is actively contributing to the Consolidated Judicial Retirement
6 System, Local Governmental Employees' Retirement System, or Legislative Retirement
7 System. A retirement benefit shall not be paid under this subsection if the member is actively
8 contributing to the Consolidated Judicial Retirement System, Local Governmental Employees'
9 Retirement System, or Legislative Retirement System."

10 **SECTION 10.(b)** G.S. 128-27 is amended by adding a new subsection to read:

11 "(m3) A member who has contributions in this System and is not eligible for a retirement
12 benefit as set forth in G.S. 128-27(b21) shall be paid his contributions in a lump sum as
13 provided in G.S. 128-27(f) by April 1 of the calendar year following the later of the calendar
14 year in which the member (i) attains seventy and one half-years of age or (ii) has ceased to be
15 an employee except by death. If such member fails, following reasonable notification, to
16 complete a refund application by such required date, the requirement that a refund application
17 be completed shall be waived and the refund shall be paid without a refund application as a
18 single lump sum payment with applicable required North Carolina and federal income taxes
19 withheld. For purposes of this subsection, a member shall not be considered to have ceased to
20 be an employee if the member is actively contributing to the Teachers' and State Employees'
21 Retirement System, Consolidated Judicial Retirement System, or Legislative Retirement
22 System. A lump sum refund shall not be paid under this subsection if the member is actively
23 contributing to the Teachers' and State Employees' Retirement System, Consolidated Judicial
24 Retirement System, or Legislative Retirement System.

25 A member who has contributions in this System and is eligible for a retirement benefit as
26 set forth in G.S. 128-27(21) shall begin to receive a monthly benefit no later than April 1 of the
27 calendar year following the later of the calendar year in which the member (i) attains seventy
28 and one half-years of age or (ii) has ceased to be an employee except by death. If such member
29 fails, following reasonable notification, to complete the retirement process as set forth under
30 Chapter 128 of the General Statutes by such required beginning date, the requirement that a
31 retirement application and an election of payment plan form be completed shall be waived and
32 the retirement allowance shall be paid as a single life annuity. The single life annuity shall be
33 calculated and processed in accordance with G.S. 128-27(b21). For purposes of this subsection,
34 a member shall not be considered to have ceased to be an employee if the member is actively
35 contributing to the Teachers' and State Employees' Retirement System, Consolidated Judicial
36 Retirement System, or Legislative Retirement System. A retirement benefit shall not be paid
37 under this subsection if the member is actively contributing to the Teachers' and State
38 Employees' Retirement System, Consolidated Judicial Retirement System, or Legislative
39 Retirement System."

40 **SECTION 10.(c)** G.S. 135-74 is amended by adding a new subsection to read:

41 "(c1) A member who has contributions in this System and is not eligible for a retirement
42 benefit as set forth in G.S. 135-58(a6) shall be paid his contributions in a lump sum as provided
43 in G.S. 135-62 by April 1 of the calendar year following the later of the calendar year in which
44 the member (i) attains seventy and one half-years of age or (ii) has ceased to be a judge, district
45 attorney, public defender, the Director of Indigent Defense Services, or clerk of superior court
46 as provided in G.S. 135-53, except by death. If such member fails, following reasonable
47 notification, to complete a refund application by such required date, the requirement that a
48 refund application be completed shall be waived and the refund shall be paid without a refund
49 application as a single lump sum payment with applicable required North Carolina and federal
50 income taxes withheld. For purposes of this subsection, a member shall not be considered to
51 have ceased to be a judge, district attorney, public defender, the Director of Indigent Defense

1 Services, or clerk of superior court as provided in G.S. 135-53 if the member is actively
2 contributing to the Teachers' and State Employees' Retirement System, Local Governmental
3 Employees' Retirement System, or Consolidated Judicial Retirement System. A lump sum
4 refund shall not be paid under this subsection if the member is actively contributing to the
5 Teachers' and State Employees' Retirement System, Local Governmental Employees'
6 Retirement System, or Consolidated Judicial Retirement System.

7 A member who has contributions in this System and is eligible for a retirement benefit as
8 set forth in G.S. 120-4.21 shall begin to receive a monthly benefit no later than April 1 of the
9 calendar year following the later of the calendar year in which the member (i) attains seventy
10 and one half-years of age or (ii) has ceased to be a judge, district attorney, public defender, the
11 Director of Indigent Defense Services, or clerk of superior court as provided in G.S. 135-53,
12 except by death. If such member fails, following reasonable notification, to complete the
13 retirement process as set forth under Chapter 120 of the General Statutes by such required
14 beginning date, the requirement that a retirement application and an election of payment plan
15 form be completed shall be waived and the retirement allowance shall be paid as a single life
16 annuity. The single life annuity shall be calculated and processed in accordance with
17 G.S. 120-4.21. For purposes of this subsection, a member shall not be considered to have
18 ceased to be a judge, district attorney, public defender, the Director of Indigent Defense
19 Services, or clerk of superior court as provided in G.S. 135-53 if the member is actively
20 contributing to the Teachers' and State Employees' Retirement System, Local Governmental
21 Employees' Retirement System, or Consolidated Judicial Retirement System. A retirement
22 benefit shall not be paid under this subsection if the member is actively contributing to the
23 Teachers' and State Employees' Retirement System, Local Governmental Employees'
24 Retirement System, or Consolidated Judicial Retirement System."

25 **SECTION 10.(d)** G.S. 120-4.31 is amended by adding a new subsection to read:

26 "(c1) A member who has contributions in this System and is not eligible for a retirement
27 benefit as set forth in G.S. 120-4.21 shall be paid his contributions in a lump sum as provided
28 in G.S. 120-4.25 by April 1 of the calendar year following the later of the calendar year in
29 which the member (i) attains seventy and one half-years of age or (ii) has ceased to be a
30 member of the General Assembly, except by death. If such member fails, following reasonable
31 notification, to complete a refund application by such required date, the requirement that a
32 refund application be completed shall be waived and the refund shall be paid without a refund
33 application as a single lump sum payment with applicable required North Carolina and federal
34 income taxes withheld. For purposes of this subsection, a member shall not be considered to
35 have ceased to be a member of the General Assembly if the member is actively contributing to
36 the Teachers' and State Employees' Retirement System, Local Governmental Employees'
37 Retirement System, or Consolidated Judicial Retirement System. A lump sum refund shall not
38 be paid under this subsection if the member is actively contributing to the Teachers' and State
39 Employees' Retirement System, Local Governmental Employees' Retirement System, or
40 Consolidated Judicial Retirement System.

41 A member who has contributions in this System and is eligible for a retirement benefit as
42 set forth in G.S. 120-4.21 shall begin to receive a monthly benefit no later than April 1 of the
43 calendar year following the later of the calendar year in which the member (i) attains seventy
44 and one half-years of age or (ii) has ceased to be a member of the General Assembly, except by
45 death. If such member fails, following reasonable notification, to complete the retirement
46 process as set forth under Chapter 120 of the General Statutes by such required beginning date,
47 the requirement that a retirement application and an election of payment plan form be
48 completed shall be waived and the retirement allowance shall be paid as a single life annuity.
49 The single life annuity shall be calculated and processed in accordance with G.S. 120-4.21. For
50 purposes of this subsection, a member shall not be considered to have ceased to be a member of
51 the General Assembly if the member is actively contributing to the Teachers' and State

1 Employees' Retirement System, Local Governmental Employees' Retirement System, or
2 Consolidated Judicial Retirement System. A retirement benefit shall not be paid under this
3 subsection if the member is actively contributing to the Teachers' and State Employees'
4 Retirement System, Local Governmental Employees' Retirement System, or Consolidated
5 Judicial Retirement System."

6 **SECTION 11.(a)** G.S. 135-5(l) reads as rewritten:

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

19 (1) ~~The compensation on which contributions were made by the member during~~
20 ~~the calendar year preceding the year in which his death occurs, or~~
21 (2) ~~The greatest compensation on which contributions were made by the~~
22 ~~member during a 12-month period of service within the 24-month period of~~
23 ~~service ending on the last day of the month preceding the month in which his~~
24 ~~last day of actual service occurs;~~
25 (3), (4) ~~Repealed by Session Laws 1983 (Regular Session, 1984), c. 1049, s. 2.~~
26 ~~subject to a minimum of twenty five thousand dollars (\$25,000) and to a maximum of fifty~~
27 ~~thousand dollars (\$50,000). Such death benefit shall be payable apart and separate from the~~
28 ~~payment of the member's accumulated contributions under the System on his death pursuant to~~
29 ~~the provisions of subsection (f) of this section. For the purpose of the Plan, a member shall be~~
30 ~~deemed to be in service at the date of his death if his death occurs within 180 days from the last~~
31 ~~day of his actual service.~~

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

- 35 (1) After December 31, 1968 and after he has attained age 70; or
36 (2) After December 31, 1969 and after he has attained age 69; or
37 (3) After December 31, 1970 and after he has attained age 68; or
38 (4) After December 31, 1971 and after he has attained age 67; or
39 (5) After December 31, 1972 and after he has attained age 66; or
40 (6) After December 31, 1973 and after he has attained age 65; or
41 (7) After December 31, 1978, but before January 1, 1987, and after he has
42 attained age 70.

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

49 Notwithstanding the above provisions, the Board of Trustees may and is specifically
50 authorized to provide the death benefit according to the terms and conditions otherwise
51 appearing in this Plan in the form of group life insurance, either (i) by purchasing a contract or

1 contracts of group life insurance with any life insurance company or companies licensed and
2 authorized to transact business in this State for the purpose of insuring the lives of members in
3 service, or (ii) by establishing a separate trust fund qualified under Section 501(c)(9) of the
4 Internal Revenue Code of 1954, as amended, for such purpose. To that end the Board of
5 Trustees is authorized, empowered and directed to investigate the desirability of utilizing group
6 life insurance by either of the foregoing methods for the purpose of providing the death benefit.
7 If a separate trust fund is established, it shall be operated in accordance with rules and
8 regulations adopted by the Board of Trustees and all investment earnings on the trust fund shall
9 be credited to such fund.

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

- 11 (1) For the purpose of determining eligibility only, in this subsection "calendar
12 year" shall mean any period of 12 consecutive months or, if less, the period
13 covered by an annual contract of employment. For all other purposes in this
14 subsection "calendar year" shall mean the 12 months beginning January 1
15 and ending December 31.
- 16 (2) Last day of actual service shall be:
 - 17 a. When employment has been terminated, the last day the member
18 actually worked.
 - 19 b. When employment has not been terminated, the date on which an
20 absent member's sick and annual leave expire, unless he is on
21 approved leave of absence and is in service under the provisions of
22 G.S. 135-4(h).
 - 23 c. When a participant's employment is interrupted by reason of service
24 in the Uniformed Services, as that term is defined in section 4303(16)
25 of the Uniformed Services Employment and Reemployment Rights
26 Act, Public Law 103-353, and the participant does not return
27 immediately after that service to employment with a covered
28 employer in this System, the date on which the participant was first
29 eligible to be separated or released from his or her involuntary
30 military service.
- 31 (3) For a period when a member is on leave of absence, his status with respect to
32 the death benefit will be determined by the provisions of G.S. 135-4(h).
- 33 (4) A member on leave of absence from his position as a teacher or State
34 employee for the purpose of serving as a member or officer of the General
35 Assembly shall be deemed to be in service during sessions of the General
36 Assembly and thereby covered by the provisions of the death benefit. The
37 amount of the death benefit for such member shall be ~~the equivalent of the~~
38 ~~salary to which the member would have been entitled as a teacher or State~~
39 ~~employee during the 12-month period immediately prior to the month in~~
40 ~~which death occurred, not to be less than twenty five thousand dollars~~
41 ~~(\$25,000) nor to exceed fifty thousand dollars (\$50,000).~~

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

44 A member who is a beneficiary of the Disability Income Plan provided for in Article 6 of
45 this Chapter, or a member who is in receipt of Workers' Compensation during the period for
46 which he or she would have otherwise been eligible to receive short-term benefits or extended
47 short-term benefits as provided in G.S. 135-105 and dies on or after 181 days from the last day
48 of his or her actual service but prior to the date the benefits as provided in G.S. 135-105 would
49 have ended, shall be eligible for group life insurance benefits as provided in this subsection,
50 notwithstanding that the member is no longer an employee or teacher or that the member's
51 death occurs after the eligibility period after active service. ~~The basis of the death benefit~~

1 ~~payable hereunder shall be the higher of the death benefit computed as above or a death benefit~~
2 ~~based on compensation used in computing the benefit payable under G.S. 135-105 and~~
3 ~~G.S. 135-106, as may be adjusted for percentage post disability increases, all subject to the~~
4 ~~maximum dollar limitation as provided above. The amount of the death benefit for that member~~
5 shall be fifty thousand dollars (\$50,000). A member in receipt of benefits from the Disability
6 Income Plan under the provisions of G.S. 135-112 whose right to a benefit accrued under the
7 former Disability Salary Continuation Plan shall not be covered under the provisions of this
8 paragraph.

9 Upon receipt of proof, satisfactory to the Board of Trustees in its capacity under this
10 subsection, of the death of a retired member of the Retirement System on or after July 1, 1988,
11 but before January 1, 1999, there shall be paid a death benefit to the surviving spouse of the
12 deceased retired member or to the deceased retired member's legal representative if not
13 survived by a spouse; provided the retired member has elected, when first eligible, to make, and
14 has continuously made, in advance of his death required contributions as determined by the
15 Board of Trustees on a fully contributory basis, through retirement allowance deductions or
16 other methods adopted by the Board of Trustees, to a group death benefit trust fund
17 administered by the Board of Trustees separate and apart from the Retirement System's
18 Annuity Savings Fund and Pension Accumulation Fund. This death benefit shall be a lump-sum
19 payment in the amount of five thousand dollars (\$5,000) upon the completion of twenty-four
20 months of contributions required under this subsection. Should death occur before the
21 completion of twenty-four months of contributions required under this subsection, the deceased
22 retired member's surviving spouse or legal representative if not survived by a spouse shall be
23 paid the sum of the retired member's contributions required by this subsection plus interest to
24 be determined by the Board of Trustees.

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

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

1 before the completion of 24 months of contributions required under this subsection, the
2 deceased retired member's surviving spouse or legal representative if not survived by a spouse
3 shall be paid the sum of the retired member's contributions required by this subsection plus
4 interest to be determined by the Board of Trustees.

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

20 Upon receipt of proof, satisfactory to the Board of Trustees in its capacity under this
21 subsection, of the death of a retired member of the Retirement System on or after January 1,
22 2015, there shall be paid a death benefit to the person or persons designated by the member or,
23 if the member has not designated a beneficiary, to the surviving spouse of the deceased retired
24 member or, if not survived by a designated beneficiary or spouse, to the deceased retired
25 member's legal representative; provided the retired member has elected, when first eligible, to
26 make, and has continuously made, in advance of his death required contributions as determined
27 by the Board of Trustees on a fully contributory basis, through retirement allowance deductions
28 or other methods adopted by the Board of Trustees, to a group death benefit trust fund
29 administered by the Board of Trustees Fund and Pension Accumulation Fund. This death
30 benefit shall be a lump-sum payment in the amount of ten thousand dollars (\$10,000) upon the
31 completion of 24 months of contributions required under this subsection. Should death occur
32 before the completion of 24 months of contributions required under this subsection, the
33 deceased retired member's designated beneficiary or beneficiaries, or surviving spouse if there
34 is no surviving beneficiary, or legal representative if not survived by a designated beneficiary
35 or spouse, shall be paid the sum of the retired member's contributions required by this
36 subsection plus interest to be determined by the Board of Trustees."

37 **SECTION 11.(b)** G.S. 128-27(l) reads as rewritten:

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

1 (1) ~~The compensation on which contributions were made by the member during~~
2 ~~the calendar year preceding the year in which his death occurs, or~~
3 (2) ~~The greatest compensation on which contributions were made by the~~
4 ~~member during a 12-month period of service within the 24-month period of~~
5 ~~service ending on the last day of the month preceding the month in which his~~
6 ~~last day of actual service occurs;~~

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

14 The death benefit provided in this subsection shall not be payable, notwithstanding the
15 member's compliance with all the conditions set forth in the preceding paragraph, if his death
16 occurs

- 17 (1) After June 30, 1969 and after he has attained age 70; or
18 (2) After December 31, 1969 and after he has attained age 69; or
19 (3) After December 31, 1970 and after he has attained age 68; or
20 (4) After December 31, 1971 and after he has attained age 67; or
21 (5) After December 31, 1972 and after he has attained age 66; or
22 (6) After December 31, 1973 and after he has attained age 65; or
23 (7) After December 31, 1978, but before January 1, 1987, and after he has
24 attained age 70.

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

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

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

- 44 (1) For the purpose of determining eligibility only, in this subsection "calendar
45 year" shall mean any period of 12 consecutive months. For all other
46 purposes in this subsection "calendar year" shall mean the 12 months
47 beginning January 1 and ending December 31.
48 (2) Last day of actual service shall be:
49 a. When employment has been terminated, the last day the member
50 actually worked.

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

11 (3) For a period when a member is on leave of absence, his status with respect to
12 the death benefit will be determined by the provisions of G.S. 128-26(g).

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

22 The provisions of the Retirement System pertaining to administration, G.S. 128-28, and
23 management of funds, G.S. 128-29, are hereby made applicable to the Plan."

24 **SECTION 12.(a)** G.S. 135-3(8) is amended by adding a new sub-subdivision to
25 read:

26 "f. Should a beneficiary who retired on an early or service retirement
27 allowance under this Chapter be reemployed by, or otherwise
28 engaged to perform services for, an employer participating in the
29 Retirement System on a part-time, temporary, interim, or on a fee for
30 service basis, whether contractual or otherwise at any time during the
31 six months immediately following the effective date of retirement,
32 then the option of the two listed below that has the lesser financial
33 impact on the member, as determined by the Retirement System,
34 shall be applied:

35 1. The member's retirement shall be deemed effective the month
36 after the last month the member performed services for a
37 participating employer, and the member shall repay all
38 retirement benefits paid up to the deemed effective date,
39 provided the member thereafter has satisfied the six-month
40 separation required by G.S. 135-1(20).

41 2. The member shall make a lump sum payment to the
42 Retirement System equal to three times the amount of
43 compensation earned during the six months immediately
44 following the effective date of retirement."

45 **SECTION 12.(b)** G.S. 128-24(5) is amended by adding a new sub-subdivision to
46 read:

47 "e. Should a beneficiary who retired on an early or service retirement
48 allowance under this Chapter be reemployed by, or otherwise
49 engaged to perform services for, an employer participating in the
50 Retirement System on a part-time, temporary, interim, or on a fee for
51 service basis, whether contractual or otherwise at any time during the

1 six months immediately following the effective date of retirement,
2 then the option of the two listed below that has the lesser financial
3 impact on the member, as determined by the Retirement System,
4 shall be applied:

- 5 1. The member's retirement shall be deemed effective the month
6 after the last month the member performed services for a
7 participating employer, and the member shall repay all
8 retirement benefits paid up to the deemed effective date,
9 provided the member thereafter has satisfied the six-month
10 separation required by G.S. 128-21(19).
- 11 2. The member shall make a lump sum payment to the
12 Retirement System equal to three times the amount of
13 compensation earned during the month immediately
14 following the effective date of retirement."

15 **SECTION 13.** Section 11 of this act becomes effective January 1, 2016. The
16 remainder of this act becomes effective October 1, 2015.