

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2015

**H.B 1070**  
**May 10, 2016**  
**HOUSE PRINCIPAL CLERK**

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**HOUSE BILL DRH10502-MRa-34 (05/03)**

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

Sponsors: Representatives L. Bell, Lucas, Setzer, and Hurley (Primary Sponsors).

Referred to:

A BILL TO BE ENTITLED

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

The General Assembly of North Carolina enacts:

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

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

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

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

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

(jjj) From and after July 1, 2008, the retirement allowance to or on account of beneficiaries whose retirement commenced on or before July 1, 2007, shall be increased by two and fifteen-hundredths percent (2.15%) of the allowance payable on June 1, 2008, in accordance with



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

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

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

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

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

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

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

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

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

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