Amends Title [NO] Date ______________, 2017
Sixth Edition

Representative Michaux

Moves to amend the bill on page 4, lines 36-37, by inserting the following between the lines:

"Savings from Personnel Turnover (88,640,498) (88,640,498)
Reserve for Retiree Cost-of-Living Adjustments 88,640,498 88,640,498";

and to amend the bill on page 335, lines 7-8, by inserting the following new section to read:

"RETIREE COST-OF-LIVING ADJUSTMENT

SECTION 35.19C.(a) G.S. 135-5 is amended by adding a new subsection to read:

"(www) From and after July 1, 2017, the retirement allowance to or on account of beneficiaries whose retirement commenced on or before July 1, 2016, shall be increased by two percent (2%) of the allowance payable on June 1, 2017, in accordance with G.S. 135-5(o). Furthermore, from and after July 1, 2017, the retirement allowance to or on account of beneficiaries whose retirement commenced after July 1, 2016, but before June 30, 2017, shall be increased by a prorated amount of two percent (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, 2016, and June 30, 2017."

SECTION 35.19C.(b) G.S. 135-65 is amended by adding a new subsection to read:

"(hh) From and after July 1, 2017, the retirement allowance to or on account of beneficiaries whose retirement commenced on or before January 1, 2017, shall be increased by two percent (2%) of the allowance payable on June 1, 2017. Furthermore, from and after July 1, 2017, the retirement allowance to or on account of beneficiaries whose retirement commenced after July 1, 2016, but before June 30, 2017, shall be increased by a prorated amount of two percent (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, 2016, and June 30, 2017."

SECTION 35.19C.(c) G.S. 120-4.22A is amended by adding a new subsection to read:

"(bb) In accordance with subsection (a) of this section, from and after July 1, 2017, the retirement allowance to or on account of beneficiaries whose retirement commenced on or before January 1, 2017, shall be increased by two percent (2%) of the allowance payable on June 1, 2017. Furthermore, from and after July 1, 2017, the retirement allowance to or on
account of beneficiaries whose retirement commenced after January 1, 2017, but before June
30, 2017, shall be increased by a prorated amount of two percent (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 January 1, 2017, and June 30, 2017."

SECTION 35.19C.(d) There is established in the General Fund the Reserve for
Retiree Cost-of-Living Adjustments (Reserve). The Office of the State Controller shall reserve
from funds available in the General Fund the sum of eighty-eight million six hundred forty
thousand four hundred ninety-eight dollars ($88,640,498) for the 2017-2018 fiscal year and the
sum of eighty-eight million six hundred forty thousand four hundred ninety-eight dollars
($88,640,498) for the 2018-2019 fiscal year to the Reserve. Funds in the Reserve shall be used
only to implement the cost-of-living adjustments authorized by this section.

SECTION 35.19C.(e) Notwithstanding any other provision of law, the amount
appropriated by this act for the salaries and benefits of State personnel shall be reduced by
eighty-eight million six hundred forty thousand four hundred ninety-eight dollars ($88,640,498)
for the 2017-2018 fiscal year and the sum of eighty-eight million six hundred forty thousand
four hundred ninety-eight dollars ($88,640,498) for the 2018-2019 fiscal year. The Office of
State Budget and Management may make any adjustments to agency budgets necessary to
reflect the reductions required by this subsection. This subsection shall not apply to funds
budgeted for State-funded local employees.";

and by adjusting the appropriate totals accordingly.

SIGNED ____________________________________________
Amendment Sponsor

SIGNED ____________________________________________
Committee Chair if Senate Committee Amendment

ADOPTED ___________ FAILED ________________ TABLED ___________