

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2019

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SENATE BILL 408
Pensions and Retirement and Aging Committee Substitute Adopted 5/1/19
PROPOSED HOUSE COMMITTEE SUBSTITUTE S408-PCS45484-SHap-40

Short Title: COLA for TSERS & CJRS.

(Public)

Sponsors:

Referred to:

April 1, 2019

1 A BILL TO BE ENTITLED
2 AN ACT TO PROVIDE A COST OF LIVING ADJUSTMENT FOR RETIREES OF THE
3 TEACHERS' AND STATE EMPLOYEES' RETIREMENT SYSTEM AND THE
4 CONSOLIDATED JUDICIAL RETIREMENT SYSTEM.

5 The General Assembly of North Carolina enacts:

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

7 "(xxx) From and after July 1, 2020, the retirement allowance to or on account of beneficiaries
8 whose retirement commenced on or before July 1, 2019, shall be increased by two percent (2%)
9 of the allowance payable on June 1, 2020, in accordance with G.S. 135-5(o). Furthermore, from
10 and after July 1, 2020, the retirement allowance to or on account of beneficiaries whose
11 retirement commenced after July 1, 2019, but before June 30, 2020, shall be increased by a
12 prorated amount of two percent (2%) of the allowance payable as determined by the Board of
13 Trustees based upon the number of months that a retirement allowance was paid between July 1,
14 2019, and June 30, 2020."

15 **SECTION 1.(b)** G.S. 135-65 is amended by adding a new subsection to read:

16 "(ii) From and after July 1, 2020, the retirement allowance to or on account of beneficiaries
17 whose retirement commenced on or before July 1, 2019, shall be increased by two percent (2%)
18 of the allowance payable on June 1, 2020. Furthermore, from and after July 1, 2020, the
19 retirement allowance to or on account of beneficiaries whose retirement commenced after July
20 1, 2019, but before June 30, 2020, shall be increased by a prorated amount of two percent (2%)
21 of the allowance payable as determined by the Board of Trustees based upon the number of
22 months that a retirement allowance was paid between July 1, 2019, and June 30, 2020."

23 **SECTION 2.** There is appropriated from the General Fund to the Reserve for Retiree
24 Cost-of-Living Adjustments the sum of ninety-six million dollars (\$96,000,000) in recurring
25 funds for the 2020-2021 fiscal year to implement the cost-of-living adjustment authorized by this
26 act.

27 **SECTION 3.** This act becomes effective July 1, 2020.



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