

GENERAL ASSEMBLY OF NORTH CAROLINA  
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SENATE BILL DRS15225-NJp-62

Short Title: Pension Forfeiture Due to Criminal Acts. (Public)

Sponsors: Senators Krawiec, Ford, and Alexander (Primary Sponsors).

Referred to:

1 A BILL TO BE ENTITLED  
2 AN ACT TO CAUSE THE FORFEITURE OF BENEFITS UNDER THE TEACHERS' AND  
3 STATE EMPLOYEES' RETIREMENT SYSTEM, THE LOCAL GOVERNMENT  
4 EMPLOYEES' RETIREMENT SYSTEM, THE CONSOLIDATED JUDICIAL  
5 RETIREMENT SYSTEM, AND THE LEGISLATIVE RETIREMENT SYSTEM FOR  
6 COMMITTING CERTAIN CRIMINAL OFFENSES WHILE IN OFFICE AND TO  
7 UPDATE ASSOCIATED RETIREMENT RECORDS.

8 The General Assembly of North Carolina enacts:

9  
10 **PART I. FORFEITURE OF RETIREMENT BENEFITS UNDER THE TEACHERS' AND**  
11 **STATE EMPLOYEES' RETIREMENT SYSTEM**

12 **SECTION 1.1.** G.S. 135-1 reads as rewritten:

13 **"§ 135-1. Definitions.**

14 The following words and phrases as used in this Chapter, unless a different meaning is plainly  
15 required by the context, shall have the following meanings:

- 16 ...
- 17 (7c) "Conduct directly related to the office or employment" shall mean conduct by  
18 the member resulting in a felony conviction that:
- 19 a. Is an offense identified in G.S. 115C-270.35(b), and the commission  
20 of the offense occurred while the member was employed in a public  
21 school or working in a public school subject to a memorandum of  
22 understanding.
- 23 b. Is an offense which required the revocation of the member's licensure  
24 or certification required for the member's employment or office at the  
25 time of the commission of the offense.
- 26 c. Is conduct that was directly related to the member's employment or  
27 office as determined by the Board of Trustees.

28 (7e)(7d) "Consumer Price Index" shall mean the Consumer Price Index for All  
29 Urban Consumers (CPI-U), U.S. City Average, all items, not seasonally  
30 adjusted, standard reference base, as published by the Bureau of Labor  
31 Statistics of the U.S. Department of Labor.

32 ...."

33 **SECTION 1.2.** G.S. 135-18.10 reads as rewritten:

34 **"§ 135-18.10. Forfeiture of retirement benefits for certain felonies committed while serving**  
35 **as elected government official.**

36 ...



1       (c1) If a member is convicted of embezzlement under subsection (b) or (c) of this section,  
 2 each employer who reported compensation for the member must recertify the accuracy of all  
 3 compensation reported for the member. The recertification of compensation must occur within  
 4 120 days of notice of the conviction provided by the Retirement Systems Division and must be  
 5 received prior to any distribution by the Retirement System to the member. The employer may  
 6 request an extension of the recertification of compensation for an additional 60 days upon written  
 7 request duly acknowledged by the Retirement Systems Division. Should the recertification not  
 8 be provided within 180 days after the notice of conviction, then the member's right to receive a  
 9 distribution from the Retirement System is reinstated and eligible to receive a distribution based  
 10 on the previously reported compensation. Notwithstanding the foregoing, if the employer  
 11 subsequently recertifies the compensation, then the distributions by the Retirement System will  
 12 be adjusted accordingly.

13       ...."

14       **SECTION 1.3.** G.S. 135-18.10A reads as rewritten:

15 **"§ 135-18.10A. Forfeiture of retirement benefits for certain felonies related to employment**  
 16 **or holding office.**

17       (a) Except as provided in G.S. 135-4(ii), the Board of Trustees shall not pay any  
 18 retirement benefits or allowances, except for a return of member contributions plus interest, to  
 19 any member who is convicted of any felony under federal ~~law-law,~~ or the laws of this ~~State-State,~~  
 20 or removed from office under G.S. 128-16 or G.S. 7A-173(c) if all of the following apply:

21               (1) The offense is committed while the member is in service.

22               (2) The conduct resulting in the member's conviction is directly related to the  
 23 member's office or employment.

24       (a1) If the Board of Trustees receives an order from a judge determining that the member's  
 25 removal from office was due to conduct directly related to the member's service and directing  
 26 the Board not to pay retirement benefits or allowances to the member, except for a return of  
 27 member contributions plus interest, then the Board shall not pay to the member any benefits or  
 28 allowances except as provided in G.S. 135-4(ii). The order shall state the dates on which the  
 29 conduct occurred.

30       ...

31       (c1) If a member is convicted of embezzlement, each employer who reported  
 32 compensation for the member must recertify the accuracy of all compensation reported for the  
 33 member. The recertification of compensation must occur within 120 days of notice of the  
 34 conviction provided by the Retirement Systems Division and must be received prior to any  
 35 distribution by the Retirement System to the member. The employer may request an extension  
 36 of the recertification of compensation for an additional 60 days upon written request duly  
 37 acknowledged by the Retirement Systems Division. Should the recertification not be provided  
 38 within 180 days after the notice of conviction, then the member's right to receive a distribution  
 39 from the Retirement System is reinstated and eligible to receive a distribution based on the  
 40 previously reported compensation. Notwithstanding the foregoing, if the employer subsequently  
 41 recertifies the compensation, then the distributions by the Retirement System will be adjusted  
 42 accordingly."

43       **SECTION 1.4.** Article 1 of Chapter 135 of the General Statutes is amended by  
 44 adding a new section to read:

45 **"§ 135-18.10C. Annual report to the Board of Trustees of forfeited retirement benefits due**  
 46 **to felonies committed while serving as elected government officials and felonies**  
 47 **related to employment or holding office.**

48       Notwithstanding Chapter 132 of the General Statutes, the Director of the Retirement Systems  
 49 Division shall supply a report to the Teachers' and State Employees' Retirement System Board  
 50 of Trustees annually, listing members to whom the felony forfeiture statutes were applied in the

1 previous year. The report shall be deemed public record as defined in Chapter 132 of the General  
 2 Statutes. The report shall include all of the following:

- 3 (1) Name of the member.
- 4 (2) Name of last employer.
- 5 (3) Retirement system.
- 6 (4) Last position held.
- 7 (5) Felony the member was convicted of.
- 8 (6) Year the member was convicted."

9 **SECTION 1.5.** G.S. 135-4(ii) reads as rewritten:

10 "(ii) If a member who is in service and has not vested in this System on December 1, 2012,  
 11 is convicted of an offense listed in G.S. 135-18.10A or removed from office for acts committed  
 12 after December 1, 2012, then that member shall forfeit all benefits under this System, except for  
 13 a return of member contributions plus interest. If a member who is in service and has vested in  
 14 this System on December 1, 2012, is convicted of an offense listed in G.S. 135-18.10A or  
 15 removed from office for acts committed after December 1, 2012, then that member is not entitled  
 16 to any creditable service that accrued after December 1, 2012, regardless of whether that  
 17 creditable service was earned by virtue of membership in the System, accrued by conversion of  
 18 sick leave at the point of the member's retirement, accrued by transfer of service from another  
 19 retirement system, purchased by the member in accordance with this Chapter, or accrued by any  
 20 other means. For purposes of this subsection, creditable service attributable to the conversion of  
 21 sick leave accrues in this System on the date of retirement, service transferred to this System  
 22 from another system accrues in this System on the effective date of the transfer, and purchased  
 23 service accrues in this System on the date of the purchase."  
 24

25 **PART II. FORFEITURE OF RETIREMENT BENEFITS UNDER THE LOCAL**  
 26 **GOVERNMENTAL EMPLOYEES' RETIREMENT SYSTEM**

27 **SECTION 2.1.** G.S. 128-21 reads as rewritten:

28 "**§ 128-21. Definitions.**

29 The following words and phrases as used in this Article, unless a different meaning is plainly  
 30 required by the context, shall have the following meanings:

- 31 ...
- 32 (7c) "Conduct directly related to the office or employment" shall mean conduct by  
 33 the member resulting in a felony conviction that:
  - 34 a. Is an offense identified in G.S. 115C-270.35(b), and the commission  
 35 of the offense occurred while the member was employed in a public  
 36 school or working in a public school subject to a memorandum of  
 37 understanding.
  - 38 b. Is an offense which required the revocation of the member's licensure  
 39 or certification required for the member's employment or office at the  
 40 time of the commission of the offense.
  - 41 c. Is conduct that was directly related to the member's employment or  
 42 office as determined by the Board of Trustees.
- 43 (~~7e~~)(7d) "Consumer Price Index" shall mean the Consumer Price Index for All  
 44 Urban Consumers (CPI-U), U.S. City Average, all items, not seasonally  
 45 adjusted, standard reference base, as published by the Bureau of Labor  
 46 Statistics of the U.S. Department of Labor.

47 ...."

48 **SECTION 2.2.** G.S. 128-38.4 reads as rewritten:

49 "**§ 128-38.4. Forfeiture of retirement benefits for certain felonies committed while serving**  
 50 **as elected government official.**

1 (a) Except as provided in G.S. 128-26(w), the Board of Trustees shall not pay any  
 2 retirement benefits or allowances, except for a return of member contributions plus interest, to  
 3 any member who is convicted of any felony under the federal laws listed in subsection (b) of this  
 4 ~~section or section~~, the laws of this State ~~listed in subsection (c) of this section~~ State, or removed  
 5 from office under G.S. 128-16, if all ~~of~~ the following apply:

- 6 (1) The federal or State offense is committed while serving as an elected  
 7 government official.
- 8 (2) The conduct on which the federal or State offense is based is directly related  
 9 to the member's service as an elected government official.

10 (a1) If the Board of Trustees receives an order from a judge determining that the member's  
 11 removal from office was due to conduct directly related to the member's service and directing  
 12 the Board not to pay retirement benefits or allowances to the member, except for a return of  
 13 member contributions plus interest, then the Board shall not pay to the member any benefits or  
 14 allowances except as provided in G.S. 128-26(w). The order shall state the dates on which the  
 15 conduct occurred.

16 ...

17 (c1) If a member is convicted of embezzlement under subsection (b) or (c) of this section,  
 18 each employer who reported compensation for the member must recertify the accuracy of all  
 19 compensation reported for the member. The recertification of compensation must occur within  
 20 120 days of notice of the conviction provided by the Retirement Systems Division and must be  
 21 received prior to any distribution by the Retirement System to the member. The employer may  
 22 request an extension of the recertification of compensation for an additional 60 days upon written  
 23 request duly acknowledged by the Retirement Systems Division. Should the recertification not  
 24 be provided within 180 days after the notice of conviction, then the member's right to receive a  
 25 distribution from the Retirement System is reinstated and eligible to receive a distribution based  
 26 on the previously reported compensation. Notwithstanding the foregoing, if the employer  
 27 subsequently recertifies the compensation, then the distributions by the Retirement System will  
 28 be adjusted accordingly.

29 ...."

30 **SECTION 2.3.** G.S. 128-38.4A reads as rewritten:

31 **"§ 128-38.4A. Forfeiture of retirement benefits for certain felonies related to employment**  
 32 **or holding office.**

33 (a) Except as provided in G.S. 128-26(x), the Board of Trustees shall not pay any  
 34 retirement benefits or allowances, except for a return of member contributions plus interest, to  
 35 any member who is convicted of any felony under federal ~~law or law~~, the laws of this State ~~State~~,  
 36 ~~or removed from office under G.S. 128-16~~ if all ~~of~~ the following apply:

- 37 (1) The offense is committed while the member is in service.
- 38 (2) The conduct resulting in the member's conviction is directly related to the  
 39 member's office or employment.

40 (a1) If the Board of Trustees receives an order from a judge determining that the member's  
 41 removal from office was due to conduct directly related to the member's service and directing  
 42 the Board not to pay retirement benefits or allowances to the member, except for a return of  
 43 member contributions plus interest, then the Board shall not pay to the member any benefits or  
 44 allowances except as provided in G.S. 128-26(x). The order shall state the dates on which the  
 45 conduct occurred.

46 ...

47 (c1) If a member is convicted of embezzlement, each employer who reported  
 48 compensation for the member must recertify the accuracy of all compensation reported for the  
 49 member. The recertification of compensation must occur within 120 days of notice of the  
 50 conviction provided by the Retirement Systems Division and must be received prior to any  
 51 distribution by the Retirement System to the member. The employer may request an extension

1 of the recertification of compensation for an additional 60 days upon written request duly  
2 acknowledged by the Retirement Systems Division. Should the recertification not be provided  
3 within 180 days after the notice of conviction, then the member's right to receive a distribution  
4 from the Retirement System is reinstated and eligible to receive a distribution based on the  
5 previously reported compensation. Notwithstanding the foregoing, if the employer subsequently  
6 recertifies the compensation, then the distributions by the Retirement System will be adjusted  
7 accordingly."

8 **SECTION 2.4.** Article 3 of Chapter 128 of the General Statutes is amended by  
9 adding a new section to read:

10 **"§ 128-38.4C. Annual report to the Board of Trustees of forfeited retirement benefits due**  
11 **to felonies committed while serving as elected government officials and felonies**  
12 **related to employment or holding office.**

13 Notwithstanding Chapter 132 of the General Statutes, the Director of the Retirement Systems  
14 Division shall supply a report to the Teachers' and State Employees' Retirement System Board  
15 of Trustees annually, listing members to whom the felony forfeiture statutes were applied in the  
16 previous year. The report shall be deemed public record as defined in Chapter 132 of the General  
17 Statutes. The report shall include all of the following:

- 18 (1) Name of the member.
- 19 (2) Name of last employer.
- 20 (3) Retirement system.
- 21 (4) Last position held.
- 22 (5) Felony the member was convicted of.
- 23 (6) Year the member was convicted."

24 **SECTION 2.5.** G.S. 128-26 reads as rewritten:

25 **"§ 128-26. Allowance for service.**

26 ...

27 (w) If a member who is an elected government official and has not vested in this System  
28 on July 1, 2007, is convicted of an offense listed in G.S. 128-38.4 or removed from office for  
29 acts committed after July 1, 2007, then that member shall forfeit all benefits under this System,  
30 except for a return of member contributions plus interest. If a member who is an elected  
31 government official and has vested in this System on July 1, 2007, is convicted of an offense  
32 listed in G.S. 128-38.4 or removed from office for acts committed after July 1, 2007, then that  
33 member is not entitled to any creditable service that accrued after July 1, 2007, regardless of  
34 whether that creditable service was earned by virtue of membership in the System, accrued by  
35 conversion of sick leave at the point of the member's retirement, accrued by transfer of service  
36 from another retirement system, purchased by the member in accordance with this Article, or  
37 accrued by any other means. No member shall forfeit any benefit or creditable service earned  
38 from a position not as an elected government official. For purposes of this subsection, creditable  
39 service attributable to the conversion of sick leave accrues in this System on the date of  
40 retirement, service transferred to this System from another system accrues in this System on the  
41 effective date of the transfer, and purchased service accrues in this System on the date of the  
42 ~~purchase~~purchase, and service imputed under G.S. 128-27(d4) accrues in this system on the  
43 effective date of disability retirement.

44 (x) If a member who is in service and has not vested in this System on December 1, 2012,  
45 is convicted of an offense listed in G.S. 128-38.4A or removed from office for acts committed  
46 after December 1, 2012, then that member shall forfeit all benefits under this System, except for  
47 a return of member contributions plus interest. If a member who is in service and has vested in  
48 this System on December 1, 2012, is convicted of an offense listed in G.S. 128-38.4A or removed  
49 from office for acts committed after December 1, 2012, then that member is not entitled to any  
50 creditable service that accrued after December 1, 2012, regardless of whether that creditable  
51 service was earned by virtue of membership in the System, accrued by conversion of sick leave

1 at the point of the member's retirement, accrued by transfer of service from another retirement  
 2 system, purchased by the member in accordance with this Article, or accrued by any other means.  
 3 For purposes of this subsection, creditable service attributable to the conversion of sick leave  
 4 accrues in this System on the date of retirement, service transferred to this System from another  
 5 system accrues in this System on the effective date of the transfer, and purchased service accrues  
 6 in this System on the date of the ~~purchase-purchase, and service imputed under G.S. 128-27(d4)~~  
 7 accrues in this system on the effective date of disability retirement.

8 ...."  
 9

10 **PART III. FORFEITURE OF RETIREMENT BENEFITS UNDER THE**  
 11 **CONSOLIDATED JUDICIAL RETIREMENT SYSTEM**

12 **SECTION 3.1.** G.S. 135-75.1 reads as rewritten:

13 **"§ 135-75.1. Forfeiture of retirement benefits for certain felonies committed while serving**  
 14 **as elected government official.**

15 (a) Except as provided in G.S. 135-56(g), the Board of Trustees shall not pay any  
 16 retirement benefits or allowances, except for a return of member contributions plus interest, to  
 17 any member who is convicted of any felony under the federal laws listed in subsection (b) of this  
 18 ~~section or section, the laws of this State listed in subsection (c) of this section~~ State, or removed  
 19 from office under G.S. 7A-66, 7A-105, or 7A-376(b), if all of the following apply:

- 20 (1) The federal or State offense is committed while serving as a justice, judge,  
 21 district attorney, or clerk of superior court.
- 22 (2) The conduct on which the federal or State offense is based is directly related  
 23 to the member's service as a justice, judge, district attorney, or clerk of  
 24 superior court.

25 (a1) If the Board of Trustees receives an order from a judge determining that the member's  
 26 removal from office was due to conduct directly related to the member's service and directing  
 27 the Board not to pay retirement benefits or allowances to the member, except for a return of  
 28 member contributions plus interest, then the Board shall not pay to the member any benefits or  
 29 allowances except as provided in G.S. 135-56(g). The order shall state the dates on which the  
 30 conduct occurred.

31 ...

32 (c1) If a member is convicted of embezzlement, each employer who reported  
 33 compensation for the member must recertify the accuracy of all compensation reported for the  
 34 member. The recertification of compensation must occur within 120 days of notice of the  
 35 conviction provided by the Retirement Systems Division and must be received prior to any  
 36 distribution by the Retirement System to the member. The employer may request an extension  
 37 of the recertification of compensation for an additional 60 days upon written request duly  
 38 acknowledged by the Retirement Systems Division. Should the recertification not be provided  
 39 within 180 days after the notice of conviction, then the member's right to receive a distribution  
 40 from the Retirement System is reinstated and eligible to receive a distribution based on the  
 41 previously reported compensation. Notwithstanding the foregoing, if the employer subsequently  
 42 recertifies the compensation, then the distributions by the Retirement System will be adjusted  
 43 accordingly.

44 ...."

45 **SECTION 3.2.** G.S. 135-75.1A reads as rewritten:

46 **"§ 135-75.1A. Forfeiture of retirement benefits for certain felonies related to employment**  
 47 **or holding office.**

48 (a) Except as provided in G.S. 135-56(j), the Board of Trustees shall not pay any  
 49 retirement benefits or allowances, except for a return of member contributions plus interest, to  
 50 any member who is convicted of any felony under federal ~~law or law, the laws of this State~~ State,  
 51 or removed from office under G.S. 7A-66, 7A-105, or 7A-376(b), if all of the following apply:

- 1 (1) The offense is committed while the member is in service.  
2 (2) The conduct resulting in the member's conviction is directly related to the  
3 member's office or employment.

4 (a1) If the Board of Trustees receives an order from a judge determining that the member's  
5 removal from office was due to conduct directly related to the member's service and directing  
6 the Board not to pay retirement benefits or allowances to the member, except for a return of  
7 member contributions plus interest, then the Board shall not pay to the member any benefits or  
8 allowances except as provided in G.S. 135-56(j). The order shall state the dates on which the  
9 conduct occurred.

10 ...

11 (c1) If a member is convicted of embezzlement, each employer who reported  
12 compensation for the member must recertify the accuracy of all compensation reported for the  
13 member. The recertification of compensation must occur within 120 days of notice of the  
14 conviction provided by the Retirement Systems Division and must be received prior to any  
15 distribution by the Retirement System to the member. The employer may request an extension  
16 of the recertification of compensation for an additional 60 days upon written request duly  
17 acknowledged by the Retirement Systems Division. Should the recertification not be provided  
18 within 180 days after the notice of conviction, then the member's right to receive a distribution  
19 from the Retirement System is reinstated and eligible to receive a distribution based on the  
20 previously reported compensation. Notwithstanding the foregoing, if the employer subsequently  
21 recertifies the compensation, then the distributions by the Retirement System will be adjusted  
22 accordingly."

23 **SECTION 3.3.** Article 4 of Chapter 135 of the General Statutes is amended by  
24 adding a new section to read:

25 "**§ 135-75.1C. Annual report to the Board of Trustees of forfeited retirement benefits due**  
26 **to felonies committed while serving as elected government officials and felonies**  
27 **related to employment or holding office.**

28 Notwithstanding Chapter 132 of the General Statutes, the Director of the Retirement Systems  
29 Division shall supply a report to the Teachers' and State Employees' Retirement System Board  
30 of Trustees annually, listing members to whom the felony forfeiture statutes were applied in the  
31 previous year. The report shall be deemed public record as defined in Chapter 132 of the General  
32 Statutes. The report shall include all of the following:

- 33 (1) Name of the member.  
34 (2) Name of last employer.  
35 (3) Retirement system.  
36 (4) Last position held.  
37 (5) Felony the member was convicted of.  
38 (6) Year the member was convicted."

39 **SECTION 3.4.** G.S. 135-56 reads as rewritten:  
40 "**§ 135-56. Creditable service.**

41 ...

42 (g) If a member who has not vested in this System on July 1, 2007, is convicted of an  
43 offense listed in G.S. 135-75.1 or removed from office for acts committed after July 1, 2007, then  
44 that member shall forfeit all benefits under this System. If a member who has vested in this  
45 System on July 1, 2007, is convicted of an offense listed in G.S. 135-75.1 or removed from office  
46 for acts committed after July 1, 2007, then that member is not entitled to any creditable service  
47 that accrued after July 1, 2007, regardless of whether that creditable service was earned by virtue  
48 of membership in the System, accrued by conversion of sick leave at the point of the member's  
49 retirement, accrued by transfer of service from another retirement system, purchased by the  
50 member in accordance with this Chapter, or accrued by any other means. No member shall forfeit  
51 any benefit or creditable service earned from a position not as a justice, judge, district attorney,

1 or clerk of superior court. For purposes of this subsection, creditable service attributable to the  
 2 conversion of sick leave accrues in this System on the date of retirement, service transferred to  
 3 this System from another system accrues in this System on the effective date of the transfer, and  
 4 purchased service accrues in this System on the date of the ~~purchase-purchase~~, and service  
 5 imputed under G.S. 135-60(a) accrues in this system on the effective date of disability retirement.

6 ...

7 (j) If a member who is in service and has not vested in this System on December 1, 2012,  
 8 is convicted of an offense listed in G.S. 135-75.1A or removed from office for acts committed  
 9 after December 1, 2012, then that member shall forfeit all benefits under this System, except for  
 10 a return of member contributions plus interest. If a member who is in service and has vested in  
 11 this System on December 1, 2012, is convicted of an offense listed in G.S. 135-75.1A or removed  
 12 from office for acts committed after December 1, 2012, then that member is not entitled to any  
 13 creditable service that accrued after December 1, 2012, regardless of whether that creditable  
 14 service was earned by virtue of membership in the System, accrued by conversion of sick leave  
 15 at the point of the member's retirement, accrued by transfer of service from another retirement  
 16 system, purchased by the member in accordance with this Chapter, or accrued by any other  
 17 means. For purposes of this subsection, creditable service attributable to the conversion of sick  
 18 leave accrues in this System on the date of retirement, service transferred to this System from  
 19 another system accrues in this System on the effective date of the transfer, and purchased service  
 20 accrues in this System on the date of the ~~purchase-purchase~~, and service imputed under  
 21 G.S. 135-60(a) accrues in this system on the effective date of disability retirement."

## 22 23 **PART IV. FORFEITURE OF RETIREMENT BENEFITS UNDER THE LEGISLATIVE** 24 **RETIREMENT SYSTEM**

25 **SECTION 4.1.** G.S. 120-4.8 reads as rewritten:

### 26 "§ 120-4.8. Definitions.

27 The following words and phrases as used in this Article, unless the context clearly requires  
 28 otherwise, have the following meanings:

29 ...

30 (5a) "Conduct directly related to the office" shall mean conduct by the member  
 31 resulting in a felony conviction that was directly related to the member's office  
 32 as determined by the Board of Trustees.

33 ...."

34 **SECTION 4.2.** G.S. 120-4.33 reads as rewritten:

### 35 "§ 120-4.33. Forfeiture of retirement benefits for certain felonies.

36 ...

37 (c1) If a member is convicted of embezzlement, each employer who reported  
 38 compensation for the member must recertify the accuracy of all compensation reported for the  
 39 member. The recertification of compensation must occur within 120 days of notice of the  
 40 conviction provided by the Retirement Systems Division and must be received prior to any  
 41 distribution by the Retirement System to the member. The employer may request an extension  
 42 of the recertification of compensation for an additional 60 days upon written request duly  
 43 acknowledged by the Retirement Systems Division. Should the recertification not be provided  
 44 within 180 days after the notice of conviction, then the member's right to receive a distribution  
 45 from the Retirement System is reinstated and eligible to receive a distribution based on the  
 46 previously reported compensation. Notwithstanding the foregoing, if the employer subsequently  
 47 recertifies the compensation, then the distributions by the Retirement System will be adjusted  
 48 accordingly.

49 ...."

50 **SECTION 4.3.** G.S. 120-4.33A reads as rewritten:



1 **"§ 120-4.33A. Forfeiture of retirement benefits for certain felonies related to employment**  
2 **or holding office.**

3 (a) Except as provided in G.S. 120-4.12(g), the Board of Trustees shall not pay any  
4 retirement benefits or allowances, except for a return of member contributions plus interest, to  
5 any member who is convicted of any felony under federal law or the laws of this State if all of  
6 the following apply:

7 (1) The offense is committed while the member is serving as a member of the  
8 General Assembly.

9 (2) The conduct resulting in the member's conviction is directly related to the  
10 member's office.

11 ...

12 (c1) If a member is convicted of embezzlement, each employer who reported  
13 compensation for the member must recertify the accuracy of all compensation reported for the  
14 member. The recertification of compensation must occur within 120 days of notice of the  
15 conviction provided by the Retirement Systems Division and must be received prior to any  
16 distribution by the Retirement System to the member. The employer may request an extension  
17 of the recertification of compensation for an additional 60 days upon written request duly  
18 acknowledged by the Retirement Systems Division. Should the recertification not be provided  
19 within 180 days after the notice of conviction, then the member's right to receive a distribution  
20 from the Retirement System is reinstated and eligible to receive a distribution based on the  
21 previously reported compensation. Notwithstanding the foregoing, if the employer subsequently  
22 recertifies the compensation, then the distributions by the Retirement System will be adjusted  
23 accordingly."

24 **SECTION 4.4.** Article 1A of Chapter 120 of the General Statutes is amended by  
25 adding a new section to read:

26 **"§ 120-4.33C. Annual report to the Board of Trustees of forfeited retirement benefits due**  
27 **to felonies committed while serving as elected government officials and felonies**  
28 **related to employment or holding office.**

29 Notwithstanding Chapter 132 of the General Statutes, the Director of the Retirement Systems  
30 Division shall supply a report to the Teachers' and State Employees' Retirement System Board  
31 of Trustees annually, listing members to whom the felony forfeiture statutes were applied in the  
32 previous year. The report shall be deemed public record as defined in Chapter 132 of the General  
33 Statutes. The report shall include all of the following:

34 (1) Name of the member.

35 (2) Name of last employer.

36 (3) Retirement system.

37 (4) Last position held.

38 (5) Felony the member was convicted of.

39 (6) Year the member was convicted."

40 **SECTION 4.5.** G.S. 120-4.12 reads as rewritten:

41 **"§ 120-4.12. Creditable service.**

42 ...

43 (f) If a member who has not vested in this System on July 1, 2007, is convicted of an  
44 offense listed in G.S. 120-4.33 for acts committed after July 1, 2007, then that member shall  
45 forfeit all benefits under this System. If a member who has vested in this System on July 1, 2007,  
46 is convicted of an offense listed in G.S. 120-4.33 for acts committed after July 1, 2007, then that  
47 member is not entitled to any creditable service that accrued after July 1, 2007, regardless of  
48 whether that creditable service was earned by virtue of membership in the System, accrued by  
49 conversion of sick leave at the point of the member's retirement, accrued by transfer of service  
50 from another retirement system, purchased by the member in accordance with this Article, or  
51 accrued by any other means. No member shall forfeit any benefit or creditable service earned

1 from a position not as a member of the General Assembly. For purposes of this subsection,  
 2 creditable service attributable to the conversion of sick leave accrues in this System on the date  
 3 of retirement, service transferred to this System from another system accrues in this System on  
 4 the effective date of the transfer, and purchased service accrues in this System on the date of the  
 5 ~~purchase~~.purchase, and service imputed under G.S. 120-4.22(c) accrues in this system on the  
 6 effective date of disability retirement.

7 (g) If a member who is a present member of the General Assembly and who has not  
 8 vested in this System on December 1, 2012, is convicted of an offense listed in G.S. 120-4.33A  
 9 for acts committed after December 1, 2012, then that member shall forfeit all benefits under this  
 10 System, except for a return of member contributions plus interest. If a member who is a present  
 11 member of the General Assembly and has vested in this System on December 1, 2012, is  
 12 convicted of an offense listed in G.S. 120-4.33A for acts committed after December 1, 2012, then  
 13 that member is not entitled to any creditable service that accrued after December 1, 2012,  
 14 regardless of whether that creditable service was earned by virtue of membership in the System,  
 15 accrued by conversion of sick leave at the point of the member's retirement, accrued by transfer  
 16 of service from another retirement system, purchased by the member in accordance with this  
 17 Article, or accrued by any other means. For purposes of this subsection, creditable service  
 18 attributable to the conversion of sick leave accrues in this System on the date of retirement,  
 19 service transferred to this System from another system accrues in this System on the effective  
 20 date of the transfer, and purchased service accrues in this System on the date of the  
 21 ~~purchase~~.purchase, and service imputed under G.S. 120-4.22(c) accrues in this system on the  
 22 effective date of disability retirement."

23  
 24 **PART V. REMOVAL FROM OFFICE OF DISTRICT ATTORNEYS, JUDGES,**  
 25 **CLERKS OF COURT, MAGISTRATES, AND SHERIFFS OR POLICE OFFICERS**

26 **SECTION 5.1.** G.S. 7A-66 reads as rewritten:

27 "**§ 7A-66. Removal of district attorneys.**

28 ...

29 If a hearing, with or without suspension, is ordered, the district attorney should receive  
 30 immediate written notice of the proceedings and a true copy of the charges, and the matter shall  
 31 be set for hearing not less than 10 days nor more than 30 days thereafter. The matter shall be set  
 32 for hearing before the judge who originally examined the charges or before another regular  
 33 superior court judge resident in or regularly holding the courts of that district or set of districts.  
 34 The hearing shall be open to the public. All testimony shall be recorded. At the hearing the  
 35 superior court judge shall hear evidence and make findings of fact and conclusions of law and if  
 36 he finds that grounds for removal exist, he shall enter an order permanently removing the district  
 37 attorney from office, and terminating his salary. If the superior court judge issues an order to the  
 38 Board of Trustees determining that the member's removal from office was due to conduct directly  
 39 related to the member's service and directing the Board not to pay retirement benefits or  
 40 allowances to the member, except for a return of member contributions plus interest, then the  
 41 Board shall not pay to the member any benefits or allowances except as provided in subsection  
 42 (g) or (j) of G.S. 135-56. The order shall state the dates on which the conduct occurred. If he  
 43 finds that no grounds exist, he shall terminate the suspension, if any.

44 ...."

45 **SECTION 5.2.** G.S. 7A-376 reads as rewritten:

46 "**§ 7A-376. Grounds for discipline by Commission; public reprimand, censure, suspension,**  
 47 **or removal by the Supreme Court.**

48 ...

49 (b) Upon recommendation of the Commission, the Supreme Court may issue a public  
 50 reprimand, censure, suspend, or remove any judge for willful misconduct in office, willful and  
 51 persistent failure to perform the judge's duties, habitual intemperance, conviction of a crime

1 involving moral turpitude, or conduct prejudicial to the administration of justice that brings the  
2 judicial office into disrepute. A judge who is suspended for any of the foregoing reasons shall  
3 receive no compensation during the period of that suspension. A judge who is removed for any  
4 of the foregoing reasons shall receive no retirement compensation and is disqualified from  
5 holding further judicial office. If a judge issues an order to the Board of Trustees determining  
6 that the member's removal from office was due to conduct directly related to the member's service  
7 and directing the Board not to pay retirement benefits or allowances to the member, except for a  
8 return of member contributions plus interest, then the Board shall not pay to the member any  
9 benefits or allowances except as provided in subsection (g) or (j) of G.S. 135-56. The order shall  
10 state the dates on which the conduct occurred.

11 ...."

12 **SECTION 5.3.** G.S. 7A-105 reads as rewritten:

13 **"§ 7A-105. Suspension, removal, and reinstatement of clerk.**

14 A clerk of superior court may be suspended or removed from office for willful misconduct  
15 or mental or physical incapacity, and reinstated, under the same procedures as are applicable to  
16 a superior court district attorney, except that the procedure shall be initiated by the filing of a  
17 sworn affidavit with the chief district judge of the district in which the clerk resides, and the  
18 hearing shall be conducted by the senior regular resident superior court judge serving the county  
19 of the clerk's residence. If the superior court judge issues an order to the Board of Trustees  
20 determining that the member's removal from office was due to conduct directly related to the  
21 member's service and directing the Board not to pay retirement benefits or allowances to the  
22 member, except for a return of member contributions plus interest, then the Board shall not pay  
23 to the member any benefits or allowances except as provided in subsection (g) or (j) of  
24 G.S. 135-56. The order shall state the dates on which the conduct occurred. If suspension is  
25 ordered, the judge shall appoint some qualified person to act as clerk during the period of the  
26 suspension."

27 **SECTION 5.4.** G.S. 7A-173(c) reads as rewritten:

28 "(c) If a hearing, with or without suspension, is ordered, the magistrate against whom the  
29 charges have been made shall be given immediate written notice of the proceedings and a true  
30 copy of the charges, and the matter shall be set by the chief district judge for hearing before the  
31 senior regular resident superior court judge or a regular superior court judge holding court in the  
32 district or set of districts as defined in G.S. 7A-41.1(a) in which the magistrate's county of  
33 appointment is located. The hearing shall be held in a county within the district or set of districts  
34 not less than 10 days nor more than 30 days after the magistrate has received a copy of the  
35 charges. The hearing shall be open to the public. All testimony offered shall be recorded. At the  
36 hearing the superior court judge shall receive evidence, and make findings of fact and conclusions  
37 of law. If the judge finds that grounds for removal exist, the judge shall enter an order  
38 permanently removing the magistrate from office, and terminating the magistrate's salary. If the  
39 superior court judge issues an order to the Board of Trustees determining that the member's  
40 removal from office was due to conduct directly related to the member's service and directing  
41 the Board not to pay retirement benefits or allowances to the member, except for a return of  
42 member contributions plus interest, then the Board shall not pay to the member any benefits or  
43 allowances except as provided in subsection (gg) or (ii) of G.S. 135-4. The order shall state the  
44 dates on which the conduct occurred. If the judge finds that no such grounds exist, he shall  
45 terminate the suspension, if any."

46 **SECTION 5.5.** G.S. 128-16 reads as rewritten:

47 **"§ 128-16. Officers subject to removal; for what offenses.**

48 Any sheriff or police officer shall be removed from office by the judge of the superior court,  
49 resident in or holding the courts of the district where said officer is resident upon charges made  
50 in writing, and hearing thereunder, for the following causes:

51 (1) For willful or habitual neglect or refusal to perform the duties of his office.

- (2) For willful misconduct or maladministration in office.
- (3) For corruption.
- (4) For extortion.
- (5) Upon conviction of a felony.
- (6) For intoxication, or upon conviction of being intoxicated.

If the superior court judge issues an order to the Board of Trustees determining that the member's removal from office was due to conduct directly related to the member's service and directing the Board not to pay retirement benefits or allowances to the member, except for a return of member contributions plus interest, then the Board shall not pay to the member any benefits or allowances except as provided in subsection (w) or (x) of G.S. 128-26, or subsection (gg) or (ii) of G.S. 135-4. The order shall state the dates on which the conduct occurred."

## **PART VI. MEMBER RETIREMENT RECORD FILES HELD BY THE RETIREMENT SYSTEM AND PUBLIC RECORDS REQUESTS**

**SECTION 6.1.** G.S. 135-6.1(c) reads as rewritten:

"(c) The following information regarding members and individuals in receipt of a recurring monthly benefit, if held by the Retirement System, is public and subject to subsection (d) of this section:

- (1) Name.
- (2) Age.
- (3) Date of membership in the applicable Retirement System, first service earned date, date of first enrollment, date of first employment, and date of retirement.
- (4) The terms of any contract by which the member is employed whether written or oral, past and current, to the extent that the Retirement System has the written contract or a record of the oral contract in its possession.
- (5) Current or most recently held position or title.
- (6) Compensation and other relevant remuneration history and benefits paid.
- (7) Date, general description, and type of each change and the corresponding employing agency.
- (8) The office or station to which the member is currently assigned, if any.
- (9) The record of benefit payments made by one of the Retirement Systems or Disability Benefits Programs administered by the Department of State Treasurer to a member or to the survivor, beneficiary, or alternate payee of a member.
- (10) Purchases of educational leave.
- (11) Whether the member has had creditable service forfeited."

**SECTION 6.2.** G.S. 128-33.1(c) reads as rewritten:

"(c) The following information regarding members and individuals in receipt of a recurring monthly benefit, if held by the Retirement System, is public subject to subsection (d) of this section:

- (1) Name.
- (2) Age.
- (3) Date of membership in the applicable Retirement System, first service earned date, date of first enrollment, date of first employment, and date of retirement.
- (4) The terms of any contract by which the member is employed whether written or oral, past and current, to the extent that the Retirement System has the written contract or a record of the oral contract in its possession.
- (5) Current or most recently held position or title.
- (6) Compensation and other relevant remuneration history and benefits paid.
- (7) Date, general description, and type of each change and the corresponding employing agency.

- 1           (8)    The office or station to which the member is currently assigned, if any.
- 2           (9)    The record of benefit payments made by one of the Retirement Systems or
- 3                Disability Benefits Programs administered by the Department of State
- 4                Treasurer to a member or to the survivor, beneficiary, or alternate payee of a
- 5                member.
- 6           (10)   Purchases of educational leave.
- 7           (11)   Whether the member has had creditable service forfeited."

8  
9   **PART VII. EFFECTIVE DATE**

10           **SECTION 7.1.** Except as otherwise provided, this act becomes effective January 1,  
11   2024.