

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2023

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HOUSE BILL 988
PROPOSED COMMITTEE SUBSTITUTE H988-PCS40609-SHp-47

Short Title: 2024 Retirement Technical Corrections.

(Public)

Sponsors:

Referred to:

May 6, 2024

1 A BILL TO BE ENTITLED
2 AN ACT MAKING TECHNICAL CORRECTIONS AND OTHER CONFORMING AND
3 CLARIFYING CHANGES TO THE LAWS GOVERNING THE TEACHERS' AND
4 STATE EMPLOYEES' RETIREMENT SYSTEM, THE LOCAL GOVERNMENTAL
5 EMPLOYEES' RETIREMENT SYSTEM, THE CONSOLIDATED JUDICIAL
6 RETIREMENT SYSTEM, AND THE LEGISLATIVE RETIREMENT SYSTEM, AND
7 RELATED STATUTES.

8 The General Assembly of North Carolina enacts:

9
10 **PART I. CORRECT THE TITLE OF THE EXECUTIVE DIRECTOR OF THE**
11 **RETIREMENT SYSTEMS DIVISION**

12 **SECTION 1.(a)** G.S. 135-5(e) reads as rewritten:

13 "(e) Reexamination of Beneficiaries Retired for Disability. – The provisions of this
14 subsection shall be applicable to members retired on a disability retirement allowance and shall
15 not be applicable to members in service on or after January 1, 1988. Once each year during the
16 first five years following retirement of a member on a disability retirement allowance, and once
17 in every three-year period thereafter, the Board of Trustees may, and upon ~~his~~ the member's
18 application shall, require any disability beneficiary who has not yet attained the age of 60 years
19 to undergo a medical ~~examination, such examination to be made performed~~ at the place of
20 residence of ~~said beneficiary~~ that beneficiary, or other place mutually agreed upon, by a physician
21 or physicians designated by the Board of Trustees. Should any disability beneficiary who has not
22 yet attained the age of 60 years refuse to submit to at least one medical examination in any ~~such~~
23 ~~year by a physician or physicians designated by the Board of Trustees, his~~ required by this
24 subsection, the beneficiary's allowance may be discontinued until ~~his~~ withdrawal of such refusal,
25 ~~and should his~~ the refusal. If the refusal continue continues for one year all ~~his~~ the beneficiary's
26 rights in and to ~~his~~ the beneficiary's pension may be revoked by the Board of Trustees. The
27 following provisions apply:

28 ...

29 (4) As a condition to the receipt of the disability retirement allowance provided
30 for in ~~G.S. 135-5(d), (d1), (d2) and (d3)~~ subsections (d) through (d3) of this
31 section each member retired on a disability retirement allowance shall, on or
32 before April 15 of each calendar year, provide the Board of Trustees with a
33 statement of ~~his or her~~ that member's income received as compensation for
34 services, including fees, commissions or similar items, and income received
35 from business, for the previous calendar year. ~~Such~~ This statement shall be
36 filed on a form as required by the Board of Trustees. The benefit payable to a



beneficiary who does not or refuses to provide the information requested within 60 days after ~~such the~~ request shall not be paid a benefit until the information so requested is ~~provided, and should such~~ provided. If the refusal or failure to provide ~~such the~~ required information ~~continue~~ continues for 240 days after ~~such the~~ request, ~~then~~ the right of a beneficiary to a benefit under the Article may be terminated.

The Executive Director of the ~~State Retirement System~~ Systems Division shall contact any State or federal agency ~~which that~~ can provide information to substantiate the statement required to be submitted by this subdivision and may enter into agreements for the exchange of information.

...."

SECTION 1.(b) G.S. 128-27(e) reads as rewritten:

"(e) Reexamination of Beneficiaries Retired on Account of Disability. – Once each year during the first five years following retirement of a member on a disability allowance, and once in every three-year period thereafter, the Board of Trustees may, and upon ~~his the~~ member's application shall, require any disability beneficiary who has not yet attained the age of 60 years to undergo a medical ~~examination, such examination to be made~~ performed at the place of residence of ~~said beneficiary that beneficiary,~~ or other place mutually agreed upon, by the physician or physicians designated by the Board of Trustees. Should any disability beneficiary who has not yet attained the age of 60 years refuse to submit to at least one medical examination in any ~~such year by a physician or physicians designated by the Board of Trustees,~~ his required by this subsection, the beneficiary's allowance may be discontinued until ~~his~~ withdrawal of ~~such refusal, and should his the~~ refusal. If the refusal ~~continue~~ continues for one year, all ~~his the~~ beneficiary's rights in and to ~~his the~~ beneficiary's pension may be revoked by the Board of Trustees. The following provisions apply:

...

(4) As a condition to the receipt of the disability retirement allowance provided for in subsections (d) through (d4) of this section each member retired on a disability retirement allowance shall, on or before April 15 of each calendar year, provide the Board of Trustees with a statement of ~~his or her the~~ member's income received as compensation for services, including fees, commissions or similar items, and income received from business, for the previous calendar year. ~~Such This~~ statement shall be filed on a form as required by the Board of Trustees. The benefit payable to a beneficiary who does not or refuses to provide the information requested within 120 days after ~~such the~~ request shall not be paid a benefit until the information so requested is ~~provided, and should such~~ provided. If the refusal or failure to provide ~~such the~~ required information ~~continue~~ continues for 180 days after ~~such the~~ request, ~~then~~ the right of a beneficiary to a benefit under the Article may be terminated.

The Executive Director of the ~~State Retirement Systems~~ Division shall contact any State or federal agency which can provide information to substantiate the statement required to be submitted by this subdivision and may enter into agreements for the exchange of information.

...."

SECTION 1.(c) G.S. 135-6(r) reads as rewritten:

"(r) Compliance or Fraud Investigative Reports and Work Papers. – The Executive Director of the Retirement Systems Division shall maintain for 10 years a complete file of all compliance investigative reports, fraud investigative reports and reports of other examinations, investigations, surveys, and reviews issued under the Executive Director's authority. Fraud or compliance investigation work papers and other evidence or related supportive material directly pertaining to the work of the Retirement Systems Division of the Department of State Treasurer

1 shall be retained according to an agreement between the Executive Director of the Retirement
2 Systems Division and State Archives. To promote intergovernmental cooperation and avoid
3 unnecessary duplication of fraud and compliance investigative efforts, and notwithstanding local
4 unit personnel policies to the contrary, pertinent work papers and other supportive material
5 relating to issued fraud or compliance investigation reports may be, at the discretion of the
6 Executive Director of the Retirement and Systems Division and, unless otherwise prohibited by
7 law, made available for inspection by duly authorized representatives of the State and federal
8 government who desire access to and inspection of such records in connection with some matter
9 officially before them, including criminal investigations. Except as provided in this section, or
10 upon an order issued in Wake County Superior Court upon 10 days' notice and hearing finding
11 that access is necessary to a proper administration of justice, fraud and compliance investigation
12 work papers and related supportive material shall be kept confidential, including any information
13 developed as a part of the investigation."

14 **SECTION 1.(d)** G.S. 128-28(s) reads as rewritten:

15 "(s) Fraud Investigative Reports and Work Papers or Compliance Investigative Reports
16 and Work Papers. – The Executive Director of the Retirement Systems Division shall maintain
17 for 10 years a complete file of all fraud investigative reports, compliance investigative reports,
18 and reports of other examinations, investigations, surveys, and reviews issued under the
19 Executive Director's authority. Fraud investigation work papers, compliance investigation work
20 papers, and other evidence or related supportive material directly pertaining to the work of the
21 Retirement Systems Division of the Department of State Treasurer shall be retained according to
22 an agreement between the Executive Director of the Retirement Systems Division and State
23 Archives. To promote intergovernmental cooperation and avoid unnecessary duplication of fraud
24 or compliance investigative effort, and notwithstanding local unit personnel policies to the
25 contrary, pertinent work papers and other supportive material relating to issued fraud
26 investigation reports or compliance investigative reports may be, at the discretion of the
27 Executive Director of the Retirement and Systems Division and, unless otherwise prohibited by
28 law, made available for inspection by duly authorized representatives of the State and federal
29 government who desire access to and inspection of such records in connection with some matter
30 officially before them, including criminal investigations. Except as provided in this section, or
31 upon an order issued in Wake County Superior Court upon 10 days' notice and hearing finding
32 that access is necessary to a proper administration of justice, fraud or compliance investigation
33 work papers and related supportive material shall be kept confidential, including any information
34 developed as a part of the investigation."

35 **SECTION 1.(e)** G.S. 135-10.1 reads as rewritten:

36 **"§ 135-10.1. Failure to respond.**

37 (a) If a member fails to respond within 120 days after preliminary option figures and the
38 Form 6-E or Form 7-E are transmitted to the member, or if a member fails to respond within 120
39 days after the effective date of retirement, whichever is later, then the Form 6 or Form 7 shall be
40 null and void; ~~the retirement system shall not be liable for any benefits due on account of the~~
41 ~~voided application, and a new application must be filed establishing a subsequent effective date~~
42 ~~of retirement. void.~~

43 (b) If an applicant for disability retirement fails to furnish requested additional medical
44 information within 90 days following ~~such request, the request for that information, then the~~
45 application shall be declared null and void ~~under the same conditions outlined above, void,~~ unless
46 the applicant is eligible for early or service retirement ~~in which case retirement. If the applicant~~
47 is eligible for early or service retirement, then the application shall be processed ~~accordingly,~~
48 using the same effective date as would have been used had the application for disability
49 retirement been approved.

1 (c) The Retirement System shall not be liable for any benefits due on account of an
2 application voided in accordance with this section. A new application must be filed establishing
3 a subsequent effective date of retirement.

4 (d) The Executive Director of the Retirement Systems Division, acting on behalf of the
5 Board of Trustees, may extend the 120-day limitation provided for in this section when a member
6 has suffered incapacitation such that a reasonable person would not have expected the member
7 to be able to complete the required paperwork within the regular deadline, or when an omission
8 by the Retirement Systems Division prevents the member from having sufficient time to meet
9 the regular deadline."

10 **SECTION 1.(f)** G.S. 128-32.1 reads as rewritten:

11 "**§ 128-32.1. Failure to respond.**

12 (a) If a member fails to respond within 120 days after preliminary option figures and the
13 Form 6-E or Form 7-E are transmitted to the member, or if a member fails to respond within 120
14 days after the effective date of retirement, whichever is later, then the Form 6 or Form 7 shall be
15 null and void; the retirement system shall not be liable for any benefits due on account of the
16 voided application, and a new application must be filed establishing a subsequent effective date
17 of retirement.

18 (b) If an applicant for disability retirement fails to furnish requested additional medical
19 information within 90 days following ~~such request, the request for that information, then the~~
20 application shall be declared null and void ~~under the same conditions outlined above, void,~~ unless
21 the applicant is eligible for early or service retirement ~~in which case retirement. If the applicant~~
22 is eligible for early or service retirement, then the application shall be processed accordingly,
23 using the same effective date as would have been used had the application for disability
24 retirement been approved.

25 (c) The Retirement System shall not be liable for any benefits due on account of an
26 application voided in accordance with this section. A new application must be filed establishing
27 a subsequent effective date of retirement.

28 (d) The Executive Director of the Retirement Systems Division, acting on behalf of the
29 Board of Trustees, may extend the 120-day limitation provided for in this section when a member
30 has suffered incapacitation such that a reasonable person would not have expected the member
31 to be able to complete the required paperwork within the regular deadline, or when an omission
32 by the Retirement Systems Division prevents the member from having sufficient time to meet
33 the regular deadline."

34 **SECTION 1.(g)** G.S. 128-27(1) reads as rewritten:

35 "(1) Death Benefit Plan for Law Enforcement Officers. – Under all requirements and
36 conditions as otherwise provided for in subsection ~~(f), (l)~~ of this section, except for the
37 requirement that the provisions are effective only after an agreement has been executed by the
38 employer and the Executive Director of the Retirement ~~System, Systems Division,~~ all law
39 enforcement officers who are members of the Retirement System shall participate and be eligible
40 for group life insurance benefits under the Group Life Insurance Plan, and employers shall fund
41 the cost of these benefits."

42 **SECTION 1.(h)** G.S. 58-86-2(3) reads as rewritten:

43 "(3) "Director" means the Executive Director of the Retirement Systems Division
44 of the North Carolina Department of State Treasurer. The Director shall
45 promptly transmit to the State Treasurer all moneys collected on behalf of
46 members, which moneys shall be deposited by the State Treasurer into the
47 fund."

48 **SECTION 1.(i)** G.S. 58-86-6(1) reads as rewritten:

49 "(1) The Executive Director of the Retirement Systems Division of the North
50 Carolina Department of State Treasurer or his or her designee, who shall act
51 as chair."

1 **SECTION 1.(j)** G.S. 135-107(b)(2) reads as rewritten:

2 "(2) The participant has made payment arrangements approved by the Executive
3 Director of the Retirement ~~System~~. Systems Division."
4

5 **PART II. CORRECT REFERENCES TO AVERAGE FINAL COMPENSATION**

6 **SECTION 2.(a)** G.S. 135-8(f)(2)f. reads as rewritten:

7 "f. Except as otherwise provided under this subdivision, each employer
8 shall transmit to the Retirement System on account of each member
9 who retires on or after January 1, 2015, having earned his or her last
10 month of membership service as an employee of that employer the
11 lump sum payment, as calculated under G.S. 135-4(jj) for inclusion in
12 the Pension Accumulation Fund, that would have been necessary in
13 order for the ~~retirement system~~ Retirement System to restore the
14 member's retirement allowance to the pre cap amount. If the employer
15 associated with the member's last month of membership service did
16 not report to the ~~retirement system~~ Retirement System any
17 compensation paid to the member during the period used to compute
18 the member's average final compensation, then that employer shall not
19 transmit the lump sum payment described in this subdivision, but
20 instead the employer or employers who reported compensation during
21 the member's average final compensation period shall each transmit a
22 lump sum payment equal to the employer's share of the total required
23 lump sum payment, allocated proportionally to each employer based
24 on the total amount of compensation to the member that each employer
25 reported during the period used to compute the member's average final
26 compensation. Employers are not required to make contributions on
27 account of any retiree who became a member on or after January 1,
28 2015, and who earned at least five years of membership service in the
29 Retirement System after January 1, 2015. The retirement allowance of
30 a member with a ~~final average~~ average final compensation of more
31 than one hundred thousand dollars (\$100,000), as hereinafter indexed,
32 shall not be subject to the contribution based benefit cap if the
33 compensation was earned from multiple simultaneous employers,
34 unless an employer's share of the average final compensation exceeds
35 one hundred thousand dollars (\$100,000). An employer is not required
36 to make contributions on account of any retiree whose ~~final average~~
37 average final compensation exceeds one hundred thousand dollars
38 (\$100,000), as hereinafter indexed, based upon compensation earned
39 from multiple simultaneous employers, unless that employer's share of
40 the average final compensation exceeds one hundred thousand dollars
41 (\$100,000), as provided and indexed under G.S. 135-5(a3).

42 Under ~~such rules as adopted by~~ the Board of ~~Trustees shall adopt,~~
43 Trustees, the Retirement System shall report monthly to each
44 employer a list of those members for whom the employer made a
45 contribution to the Retirement System in the preceding month that are
46 most likely to require an additional employer contribution should they
47 elect to retire in the following 12 months, if applicable. Reports
48 received under this section shall not be public records. Employers or
49 former employers in receipt of a report under this section shall treat
50 the report, and the information contained within that report, as

1 confidential and as though it were still held by the Retirement System
2 under G.S. 135-6.1."

3 **SECTION 2.(b)** G.S. 128-30(g)(2)b. reads as rewritten:

4 "b. Except as otherwise provided under this subdivision, each employer
5 shall transmit to the Retirement System on account of each member
6 who retires on or after January 1, 2015, having earned his or her last
7 month of membership service as an employee of that employer the
8 lump sum payment, as calculated under G.S. 128-26(y) for inclusion
9 in the Pension Accumulation Fund, that would have been necessary in
10 order for the ~~retirement system~~ Retirement System to restore the
11 member's retirement allowance to the pre-cap amount. If the employer
12 associated with the member's last month of membership service did
13 not report to the ~~retirement system~~ Retirement System any
14 compensation paid to the member during the period used to compute
15 the member's average final compensation, then that employer shall not
16 transmit the lump sum payment described in this subdivision, but
17 instead the employer or employers who reported compensation during
18 the member's average final compensation period shall each transmit a
19 lump sum payment equal to the employer's share of the total required
20 lump sum payment, allocated proportionally to each employer based
21 on the total amount of compensation to the member that each employer
22 reported during the period used to compute the member's average final
23 compensation. Employers are not required to make contributions on
24 account of any retiree who became a member on or after January 1,
25 2015, and who earned at least five years of membership service in the
26 Retirement System after January 1, 2015. The retirement allowance of
27 a member with ~~a final average~~ an average final compensation of more
28 than one hundred thousand dollars (\$100,000), as hereinafter indexed,
29 shall not be subject to the contribution-based benefit cap if the
30 compensation was earned from multiple simultaneous employers,
31 unless an employer's share of the average final compensation exceeds
32 one hundred thousand dollars (\$100,000). An employer is not required
33 to make contributions on account of any retiree whose ~~final average~~
34 average final compensation exceeds one hundred thousand dollars
35 (\$100,000), as hereinafter indexed, based upon compensation earned
36 from multiple simultaneous employers, unless that employer's share of
37 the average final compensation exceeds one hundred thousand dollars
38 (\$100,000), as provided and indexed under G.S. 128-27(a3).

39 Under ~~such rules as adopted by~~ the Board of ~~Trustees shall adopt,~~
40 Trustees, the Retirement System shall report monthly to each
41 employer a list of those members for whom the employer made a
42 contribution to the Retirement System in the preceding month that are
43 most likely to require an additional employer contribution should they
44 elect to retire in the following 12 months, if applicable. Reports
45 received under this section shall not be public records. Employers or
46 former employers in receipt of a report under this section shall treat
47 the report, and the information contained within that report, as
48 confidential and as though it were still held by the Retirement System
49 under G.S. 128-33.1."
50

1 **PART III. CONFORM LUMP SUM CONTRIBUTION PAYMENT CRITERIA TO**
2 **FEDERAL LAW**

3 **SECTION 3.(a)** G.S. 135-5(m4) reads as rewritten:

4 "(m4) A member who has contributions in this System and is not eligible for a retirement
5 benefit as set forth in G.S. 135-5(a) shall be paid his or her contributions in a lump sum as
6 provided in G.S. 135-5(f) by April 1 of the calendar year following the later of the calendar year
7 in which the member (i) attains ~~72 years of age~~ the applicable age under section 401(a)(9)(C)(v)
8 of the Internal Revenue Code or (ii) has ceased to be a teacher or State employee except by death.
9 If the member fails, following reasonable notification, to complete a refund application by the
10 required date, then the requirement that a refund application be completed shall be waived and
11 the refund shall be paid without a refund application as a single lump-sum payment with
12 applicable required North Carolina and federal income taxes withheld.

13 A member who has contributions in this System and is eligible for a retirement benefit as set
14 forth in G.S. 135-5(a) shall begin to receive a monthly benefit no later than April 1 of the calendar
15 year following the later of the calendar year in which the member (i) attains ~~72 years of age~~ the
16 applicable age under section 401(a)(9)(C)(v) of the Internal Revenue Code or (ii) has ceased to
17 be a teacher or State employee except by death. If the member fails, following reasonable
18 notification, to complete the retirement process ~~as set forth under this Chapter 135 of the General~~
19 ~~Statutes by such~~ the required beginning date, then the requirement that a retirement application
20 and an election of payment plan form be completed shall be waived and the retirement allowance
21 shall be paid as a single life annuity. The single life annuity shall be calculated and processed in
22 accordance with this section.

23 For purposes of this subsection, a member shall not be considered to have ceased to be a
24 teacher or State employee if the member is actively contributing to the Consolidated Judicial
25 Retirement System, Local Governmental Employees' Retirement System, or Legislative
26 Retirement System. A retirement benefit or lump-sum refund shall not be paid under this
27 subsection if the member is actively contributing to the Consolidated Judicial Retirement System,
28 Local Governmental Employees' Retirement System, or Legislative Retirement System."

29 **SECTION 3.(b)** G.S. 128-27(m3) reads as rewritten:

30 "(m3) A member who has contributions in this System and is not eligible for a retirement
31 benefit as set forth in G.S. 128-27(a) or G.S. 128-27(a1) shall be paid his or her contributions in
32 a lump sum as provided in G.S. 128-27(f) by April 1 of the calendar year following the later of
33 the calendar year in which the member (i) attains ~~72 years of age~~ the applicable age under section
34 401(a)(9)(C)(v) of the Internal Revenue Code or (ii) has ceased to be an employee except by
35 death. If the member fails, following reasonable notification, to complete a refund application by
36 the required date, then the requirement that a refund application be completed shall be waived
37 and the refund shall be paid without a refund application as a single lump-sum payment with
38 applicable required North Carolina and federal income taxes withheld.

39 A member who has contributions in this System and is eligible for a retirement benefit as set
40 forth in G.S. 128-27(a) or G.S. 128-27(a1) shall begin to receive a monthly benefit no later than
41 April 1 of the calendar year following the later of the calendar year in which the member (i)
42 attains ~~72 years of age~~ the applicable age under section 401(a)(9)(C)(v) of the Internal Revenue
43 Code or (ii) has ceased to be an employee except by death. If the member fails, following
44 reasonable notification, to complete the retirement process ~~as set forth under Chapter 128 of the~~
45 ~~General Statutes~~ this Article by the required beginning date, then the requirement that a
46 retirement application and an election of payment plan form be completed shall be waived and
47 the retirement allowance shall be paid as a single life annuity. The single life annuity shall be
48 calculated and processed in accordance with this section.

49 For purposes of this subsection, a member shall not be considered to have ceased to be an
50 employee if the member is actively contributing to the Teachers' and State Employees'
51 Retirement System, Consolidated Judicial Retirement System, or Legislative Retirement System.

1 A retirement benefit or lump-sum refund shall not be paid under this subsection if the member is
2 actively contributing to the Teachers' and State Employees' Retirement System, Consolidated
3 Judicial Retirement System, or Legislative Retirement System."

4 **SECTION 3.(c)** G.S. 135-74(c1) reads as rewritten:

5 "(c1) A member who has contributions in this System and is not eligible for a retirement
6 benefit as set forth in G.S. 135-57 shall be paid his or her contributions in a lump sum as provided
7 in G.S. 135-62 by April 1 of the calendar year following the later of the calendar year in which
8 the member (i) attains ~~72 years of age~~ the applicable age under section 401(a)(9)(C)(v) of the
9 Internal Revenue Code or (ii) has ceased to be a judge, district attorney, public defender, the
10 Director of Indigent Defense Services, or clerk of superior court as provided in G.S. 135-53,
11 except by death. If the member fails, following reasonable notification, to complete a refund
12 application by the required date, then the requirement that a refund application be completed
13 shall be waived and the refund shall be paid without a refund application as a single lump-sum
14 payment with applicable required North Carolina and federal income taxes withheld.

15 A member who has contributions in this System and is eligible for a retirement benefit as set
16 forth in G.S. 135-57 shall begin to receive a monthly benefit no later than April 1 of the calendar
17 year following the later of the calendar year in which the member (i) attains ~~72 years of age~~ the
18 applicable age under section 401(a)(9)(C)(v) of the Internal Revenue Code or (ii) has ceased to
19 be a judge, district attorney, public defender, the Director of Indigent Defense Services, or clerk
20 of superior court as provided in G.S. 135-53, except by death. If the member fails, following
21 reasonable notification, to complete the retirement process ~~as set forth under this Chapter 135 of~~
22 ~~the General Statutes by such~~ the required beginning date, then the requirement that a retirement
23 application and an election of payment plan form be completed shall be waived and the retirement
24 allowance shall be paid as a single life annuity. The single life annuity shall be calculated and
25 processed in accordance with G.S. 135-58.

26 For purposes of this subsection, a member shall not be considered to have ceased to be a
27 judge, district attorney, public defender, the Director of Indigent Defense Services, or clerk of
28 superior court as provided in G.S. 135-53 if the member is actively contributing to the Teachers'
29 and State Employees' Retirement System, Local Governmental Employees' Retirement System,
30 or Consolidated Judicial Retirement System. A retirement benefit or lump-sum refund shall not
31 be paid under this subsection if the member is actively contributing to the Teachers' and State
32 Employees' Retirement System, Local Governmental Employees' Retirement System, or
33 Legislative Retirement System."

34 **SECTION 3.(d)** G.S. 120-4.31(c1) reads as rewritten:

35 "(c1) A member who has contributions in this System and is not eligible for a retirement
36 benefit as set forth in G.S. 120-4.21 shall be paid his or her contributions in a lump sum as
37 provided in G.S. 120-4.25 by April 1 of the calendar year following the later of the calendar year
38 in which the member (i) attains ~~72 years of age~~ the applicable age under section 401(a)(9)(C)(v)
39 of the Internal Revenue Code or (ii) has ceased to be a member of the General Assembly, except
40 by death. If the member fails, following reasonable notification, to complete a refund application
41 by the required date, then the requirement that a refund application be completed shall be waived
42 and the refund shall be paid without a refund application as a single lump-sum payment with
43 applicable required North Carolina and federal income taxes withheld.

44 A member who has contributions in this System and is eligible for a retirement benefit as set
45 forth in G.S. 120-4.21 shall begin to receive a monthly benefit no later than April 1 of the calendar
46 year following the later of the calendar year in which the member (i) attains ~~72 years of age~~ the
47 applicable age under section 401(a)(9)(C)(v) of the Internal Revenue Code or (ii) has ceased to
48 be a member of the General Assembly, except by death. If the member fails, following reasonable
49 notification, to complete the retirement process ~~as set forth under Chapter 120 of the General~~
50 ~~Statutes~~ this Article by the required beginning date, then the requirement that a retirement
51 application and an election of payment plan form be completed shall be waived and the retirement

1 allowance shall be paid as a single life annuity. The single life annuity shall be calculated and
2 processed in accordance with G.S. 120-4.21.

3 For purposes of this subsection, a member shall not be considered to have ceased to be a
4 member of the General Assembly if the member is actively contributing to the Teachers' and
5 State Employees' Retirement System, Local Governmental Employees' Retirement System, or
6 Consolidated Judicial Retirement System. A retirement benefit or lump-sum refund shall not be
7 paid under this subsection if the member is actively contributing to the Teachers' and State
8 Employees' Retirement System, Local Governmental Employees' Retirement System, or
9 Consolidated Judicial Retirement System."

10 11 **PART IV. MISCELLANEOUS TECHNICAL AND CONFORMING CHANGES**

12 **SECTION 4.(a)** G.S. 135-1(25) reads as rewritten:

13 "(25) "Teacher" shall mean (i) any teacher, helping teacher, teacher in a job-sharing
14 position under G.S. 115C-326.5 except for a beneficiary in that position,
15 librarian, superintendent principal, supervisor, superintendent of public
16 schools or any full-time employee, city or county, of public instruction, or any
17 full-time employee of the Department of Public Instruction, president, dean or
18 teacher, or any full-time employee in any educational institution supported by
19 and under the control of the State; (ii) who works at least 30 or more hours
20 per week for at least nine or more months per calendar year: ~~Provided, that the~~
21 year. The term "teacher" shall not include any employee or teacher in a
22 part-time, temporary, or substitute teacher or employee position, except for a
23 teacher in a job-sharing position, and shall position. The term "teacher" does
24 not include those participating in an optional retirement program provided for
25 in G.S. 135-5.1 or G.S. 135-5.4. In all cases of doubt, the Board of Trustees,
26 hereinbefore defined, Trustees shall determine whether any person is a teacher
27 as defined in this Chapter. On and after August 1, 2001, a person who is a
28 nonimmigrant alien and who otherwise meets the requirements of this
29 subdivision shall not be excluded from the definition of "teacher" solely
30 because the person holds a temporary or time-limited visa. Notwithstanding
31 the foregoing, the term "teacher" shall not include any nonimmigrant alien
32 employed in elementary or secondary public schools (whether schools,
33 whether employed in a full-time, part-time, temporary, permanent, or
34 substitute teacher position) position, and participating in an exchange visitor
35 program designated by the United States Department of State pursuant to 22
36 C.F.R. Part 62 or by the United States Department of Homeland Security
37 pursuant to 8 C.F.R. Part 214.2(q)."

38 **SECTION 4.(b)** G.S. 128-23(h) reads as rewritten:

39 "(h) Notwithstanding any provision of this section, G.S. 128-21(11), or any other
40 provision of law to the contrary, any board of alcoholic control that (i) is not a participating
41 employer in the Retirement System on June 30, 2021, or (ii) ceased participation in the
42 Retirement System as an inactive employer under G.S. 128-23.1 is not eligible to participate in
43 the Retirement System."

44 **SECTION 4.(c)** G.S. 128-26(y)(2) reads as rewritten:

45 "(2) Option two. – An installment payment plan ~~beginning no less than 90 days~~
46 ~~after the retirement of the member and~~ ending no more than 27 months after
47 the retirement of the member. Interest shall be assessed on the principal
48 amount of the contribution-based benefit cap liability owed and applied to any
49 installment payment plan term exceeding 12 months at a rate corresponding
50 with the interest rate assumption based on the most recent actuarial valuation
51 approved by the Board of Trustees."

1 **SECTION 4.(d)** G.S. 128-29(e) reads as rewritten:

2 "(e) Selection of Depositories. – The Board of Trustees shall select a bank or banks for
3 the deposits of the funds and securities of the Retirement System in the same manner as such
4 banks are selected by the Treasurer of the State of North Carolina. ~~Such banks~~ Banks selected
5 under this subsection shall be required to conform to the law governing banks selected by the
6 State. The funds and properties of the North Carolina Local Governmental Employees'
7 Retirement System held in any bank of the State shall be safeguarded by a fidelity and surety
8 bond, the amount to be determined by the Board of Trustees."

9 **SECTION 4.(e)** G.S. 135-48.10(b) reads as rewritten:

10 "(b) The terms of a contract between the Plan and its third party administrator or between
11 the Plan and its pharmacy benefit manager are a public record under Chapter 132 of the General
12 Statutes. No provision of law, however, shall be construed to prevent or restrict the release of
13 any information in a Plan contract to the State Treasurer, the State Auditor, the Attorney General,
14 the Director of the State Budget, the Plan's Board of Trustees, and the Plan's Executive
15 Administrator solely and exclusively for their use in the furtherance of their duties and
16 responsibilities.

17 ~~and after~~"

18

19 **PART V. EFFECTIVE DATE**

20 **SECTION 5.** This act is effective when it becomes law.