

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2025

**H.B. 564**  
**Mar 27, 2025**  
**HOUSE PRINCIPAL CLERK**

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HOUSE BILL DRH10039-MRap-35

Short Title: State Retirees Cost-of-Living Increase/Funds.

(Public)

Sponsors: Representative Wheatley.

Referred to:

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

6 The General Assembly of North Carolina enacts:

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

8 "(aaa) Effective July 1, 2025, the retirement allowance payable to, or on account of,  
9 beneficiaries whose retirement commenced on or before July 1, 2024, is increased by two percent  
10 (2%) of the allowance payable on June 1, 2024, in accordance with subsection (o) of this section.  
11 Effective July 1, 2025, the retirement allowance payable to, or on account of, beneficiaries whose  
12 retirement commenced after July 1, 2024, but before June 30, 2025, is increased by a prorated  
13 amount of two percent (2%), as determined by the Board of Trustees based upon the number of  
14 months that a retirement allowance was paid between July 1, 2024, and June 30, 2025."

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

16 "(ll) Effective July 1, 2025, the retirement allowance payable to, or on account of,  
17 beneficiaries whose retirement commenced on or before July 1, 2024, is increased by two percent  
18 (2%) of the allowance payable on June 1, 2024. Effective July 1, 2025, the retirement allowance  
19 payable to, or on account of, beneficiaries whose retirement commenced after July 1, 2024, but  
20 before June 30, 2025, is increased by a prorated amount of two percent (2%), as determined by  
21 the Board of Trustees based upon the number of months that a retirement allowance was paid  
22 between July 1, 2024, and June 30, 2025."

23 **SECTION 1.(c)** G.S. 120-4.22A is amended by adding a new subsection to read:

24 "(ff) In accordance with subsection (a) of this section, effective July 1, 2025, the retirement  
25 allowance payable to, or on account of, beneficiaries whose retirement commenced on or before  
26 January 1, 2025, is increased by two percent (2%) of the allowance payable on June 1, 2025.  
27 Effective July 1, 2025, the retirement allowance payable to, or on account of, beneficiaries whose  
28 retirement commenced after January 1, 2025, but before June 30, 2025, is increased by a prorated  
29 amount of two percent (2%), as determined by the Board of Trustees based upon the number of  
30 months that a retirement allowance was paid between January 1, 2025, and June 30, 2025."

31 **SECTION 2.** There is appropriated from the General Fund to the Reserve for Retiree  
32 Cost-of-Living Adjustments the sum of one hundred six million two hundred thousand dollars  
33 (\$106,200,000) in recurring funds for the 2025-2026 fiscal year to implement Section 1 of this  
34 act.

35 **SECTION 3.** This act becomes effective July 1, 2025.

