

**NORTH CAROLINA GENERAL ASSEMBLY
LEGISLATIVE ACTUARIAL NOTE
RETIREMENT**

BILL NUMBER: House Bill 333 (Second Edition)

SHORT TITLE: Death Benefits to Legal Representative

SPONSOR(S): Representative Grady

SYSTEM OR PROGRAM AFFECTED: The Retirees' Contributory Death Benefit Plan

BILL SUMMARY: Amends the Death Benefit Plan for retirees of the Teachers' and State Employees' Retirement System, the Local Governmental Employees' Retirement System, the Consolidated Judicial Retirement System and the Legislative Retirement System to allow the payment to a legal representative of the retiree instead of the spouse.

EFFECTIVE DATE: July 1, 2001

ESTIMATED IMPACT ON STATE: No cost.

ASSUMPTIONS AND METHODOLOGY:**The Retirees' Contributory Death Benefit Plan:** The actuarial valuation of the Retirees' Contributory Death Benefit Plan as of December 31, 1999 shows that the Plan has liabilities of \$74,400,283. The Plan has assets of \$66,077,075. Prospective contributions of participants eligible for benefits (those with two or more years of coverage) have a value of \$47,967,811. The total present and prospective assets amount to \$114,044,886, which exceeds the liability of \$74,400,283 by \$39,644,603. On the basis of the calculation, the present contribution rates appear to be sufficient support the benefits of the Plan, and the necessary reserves are being accumulated.

SOURCES OF DATA: Retirement System Actuary - Buck Consultant, Inc.
General Assembly Actuary - Hartman & Associates, LLC

FISCAL RESEARCH DIVISION 733-4910 The above information is provided in accordance with North Carolina General Statute 120-114 and applicable Rules of the North Carolina Senate and House of Representatives.

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APPROVED BY: James D. Johnson

DATE: April 26, 2001



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