

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2023

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HOUSE BILL 988

Short Title: 2024 Retirement Technical Corrections. (Public)

Sponsors: Representative Carson Smith.

*For a complete list of sponsors, refer to the North Carolina General Assembly web site.*

Referred to: Pensions and Retirement, if favorable, Rules, Calendar, and Operations of the House

May 6, 2024

A BILL TO BE ENTITLED

AN ACT MAKING TECHNICAL CORRECTIONS AND OTHER CONFORMING AND CLARIFYING CHANGES TO THE LAWS GOVERNING THE TEACHERS' AND STATE EMPLOYEES' RETIREMENT SYSTEM, THE LOCAL GOVERNMENTAL EMPLOYEES' RETIREMENT SYSTEM, THE CONSOLIDATED JUDICIAL RETIREMENT SYSTEM, AND THE LEGISLATIVE RETIREMENT SYSTEM, AND RELATED STATUTES.

The General Assembly of North Carolina enacts:

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

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

"(e) Reexamination of Beneficiaries Retired for Disability. – The provisions of this subsection shall be applicable to members retired on a disability retirement allowance and shall not be applicable to members in service on or after January 1, 1988. Once each year during the first five years following retirement of a member on a disability retirement 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 a 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 ~~G.S. 135-5(d), (d1), (d2) and (d3)~~ subsections (d) through (d3) 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~~ that member's income received as compensation for services, including fees, commissions or similar items, and income received



1 from business, for the previous calendar year. ~~Such~~ This statement shall be  
 2 filed on a form as required by the Board of Trustees. The benefit payable to a  
 3 beneficiary who does not or refuses to provide the information requested  
 4 within 60 days after ~~such~~ the request shall not be paid a benefit until the  
 5 information ~~so~~ requested is provided, and ~~should~~ such provided. If the refusal  
 6 or failure to provide ~~such~~ the required information ~~continue~~ continues for 240  
 7 days after ~~such~~ the request, then the right of a beneficiary to a benefit under  
 8 the Article may be terminated.

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

13 ...."

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

15 "(e) Reexamination of Beneficiaries Retired on Account of Disability. – Once each year  
 16 during the first five years following retirement of a member on a disability 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 the  
 21 physician or physicians designated by the Board of Trustees. Should any disability beneficiary  
 22 who has not yet attained the age of 60 years refuse to submit to at least one medical examination  
 23 in any ~~such~~ year by a physician or physicians designated by the Board of Trustees, his required  
 24 by this subsection, the beneficiary's allowance may be discontinued until ~~his~~ withdrawal of such  
 25 refusal, and ~~should~~ his the refusal. If the refusal ~~continue~~ continues for one year, all ~~his~~ the  
 26 beneficiary's rights in and to ~~his~~ the beneficiary's pension may be revoked by the Board of  
 27 Trustees. The following provisions apply:

28 ...

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

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

46 ...."

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

48 "(r) Compliance or Fraud Investigative Reports and Work Papers. – The Executive  
 49 Director of the Retirement Systems Division shall maintain for 10 years a complete file of all  
 50 compliance investigative reports, fraud investigative reports and reports of other examinations,  
 51 investigations, surveys, and reviews issued under the Executive Director's authority. Fraud or

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

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

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

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

38 **"§ 135-10.1. Failure to respond.**

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

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

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 ~~(t), (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~~an 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~~ Trustees, the Retirement System shall report monthly to each  
40 employer a list of those members for whom the employer made a  
41 contribution to the Retirement System in the preceding month that are  
42 most likely to require an additional employer contribution should they  
43 elect to retire in the following 12 months, if applicable. Reports  
44 received under this section shall not be public records. Employers or  
45 former employers in receipt of a report under this section shall treat  
46 the report, and the information contained within that report, as  
47 confidential and as though it were still held by the Retirement System  
48 under G.S. 128-33.1."  
49  
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. 123-23(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.