

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1989

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SENATE BILL 1598*

Short Title: Retiree's Increase.

(Public)

Sponsors: Senator Marvin.

Referred to: Pensions and Retirement.

June 6, 1990

A BILL TO BE ENTITLED

1 AN ACT TO INCREASE THE RETIREMENT FORMULA FOR MEMBERS AND
2 BENEFICIARIES OF THE TEACHERS' AND STATE EMPLOYEES'
3 RETIREMENT SYSTEM AND THE LOCAL GOVERNMENTAL EMPLOYEES'
4 RETIREMENT SYSTEM, AND TO PROVIDE A COST-OF-LIVING INCREASE
5 TO RETIREES OF THE TEACHERS' AND STATE EMPLOYEES'
6 RETIREMENT SYSTEM, THE CONSOLIDATED JUDICIAL RETIREMENT
7 SYSTEM, THE LEGISLATIVE RETIREMENT SYSTEM, AND THE LOCAL
8 GOVERNMENTAL EMPLOYEES' RETIREMENT SYSTEM.
9

10 The General Assembly of North Carolina enacts:

11 Section 1. ♦G.S. 135-5(b11) reads as rewritten:

12 "(b11) Service Retirement Allowance of Members Retiring on or after July 1,
13 ~~1989-1989, but before July 1, 1990.~~ – Upon retirement from service in accordance with
14 subsection (a) above, on or after July 1, 1989, but before July 1, 1990, a member shall
15 receive the following service retirement allowance:

16 (1) A member who is a law enforcement officer or an eligible former law
17 enforcement officer shall receive a service retirement allowance
18 computed as follows:

19 a. If the member's service retirement date occurs on or after his
20 55th birthday, and completion of five years of creditable service
21 as a law enforcement officer, or after the completion of 30 years
22 of creditable service, the allowance shall be equal to one and
23 sixty-three hundredths percent (1.63%) of his average final

- 1 compensation, multiplied by the number of years of his
2 creditable service.
- 3 b. This allowance shall also be governed by the provisions of G.S.
4 135-5(b9)(1)b.
- 5 (2) A member who is not a law enforcement officer or an eligible former
6 law enforcement officer shall receive a service retirement allowance
7 computed as follows:
- 8 a. If the member's service retirement date occurs on or after his
9 65th birthday upon the completion of five years of creditable
10 service or after the completion of 30 years of creditable service
11 or on or after his 60th birthday upon the completion of 25 years
12 of creditable service, the allowance shall be equal to one and
13 sixty-three hundredths percent (1.63%) of his average final
14 compensation, multiplied by the number of years of creditable
15 service.
- 16 b. This allowance shall also be governed by the provisions of G.S.
17 135-5(b9)(2)b. c. and d."

18 Sec. 2. G.S. 135-5 is amended by adding a new subsection to read:

19 "(b12) Service Retirement Allowance of Members Retiring on or after July 1,
20 1990. – Upon retirement from service in accordance with subsection (a) above, on or
21 after July 1, 1990, a member shall receive the following service retirement allowance:

- 22 (1) A member who is a law enforcement officer or an eligible former law
23 enforcement officer shall receive a service retirement allowance
24 computed as follows:
- 25 a. If the member's service retirement date occurs on or after his
26 55th birthday, and completion of five years of creditable service
27 as a law enforcement officer, or after the completion of 30 years
28 of creditable service, the allowance shall be equal to one and
29 sixty-four hundredths percent (1.64%) of his average final
30 compensation, multiplied by the number of years of his
31 creditable service.
- 32 b. This allowance shall also be governed by the provisions of G.S.
33 135-5(b9)(1)b.
- 34 (2) A member who is not a law enforcement officer or an eligible former
35 law enforcement officer shall receive a service retirement allowance
36 computed as follows:
- 37 a. If the member's service retirement date occurs on or after his
38 65th birthday upon the completion of five years of creditable
39 service or after the completion of 30 years of creditable service
40 or on or after his 60th birthday upon the completion of 25 years
41 of creditable service, the allowance shall be equal to one and
42 sixty-four hundredths percent (1.64%) of his average final
43 compensation, multiplied by the number of years of creditable
44 service.

1 b. This allowance shall also be governed by the provisions of G.S.
2 135-5(b9)(2)b. c. and d."

3 Sec. 3. G.S. 135-5 is amended by adding a new subsection to read:

4 "(rr) Increase in Allowance as to Persons on Retirement Rolls as of June 1, 1990.
5 From and after July 1, 1990, the retirement allowance to or on account of beneficiaries
6 on the retirement rolls as of June 1, 1990, shall be increased by six-tenths of one percent
7 (0.6%) of the allowance payable on June 1, 1990. This allowance shall be calculated on
8 the basis of the allowance payable and in effect on June 30, 1990, so as not to be
9 compounded on any other increase granted by act of the 1989 Session of the General
10 Assembly (1990 Regular Session)."

11 Sec. 4. G.S. 135-5 is amended by adding a new subsection to read:

12 "(ss) From and after July 1, 1990, the retirement allowance to or on account of
13 beneficiaries whose retirement commenced on or before July 1, 1989, shall be increased
14 by six and one-tenth percent (6.1%) of the allowance payable on July 1, 1989, in
15 accordance with G.S. 135-5(o). Furthermore, from and after July 1, 1990, the
16 retirement allowance to or on account of beneficiaries whose retirement commenced
17 after July 1, 1989, but before June 30, 1990, shall be increased by a prorated amount of
18 six and one-tenth percent (6.1%) of the allowance payable as determined by the Board
19 of Trustees based upon the number of months that a retirement allowance was paid
20 between July 1, 1989 and June 30, 1990."

21 Sec. 5. G.S. 135-65 is amended by adding a new subsection to read:

22 "(k) From and after July 1, 1990, the retirement allowance to or on account of
23 beneficiaries whose retirement commenced on or before July 1, 1989, shall be increased
24 by six and one-tenth percent (6.1%) of the allowance payable on July 1, 1989.
25 Furthermore, from and after July 1, 1990, the retirement allowance to or on account of
26 beneficiaries whose retirement commenced after July 1, 1989, but before June 30, 1990,
27 shall be increased by a prorated amount of six and one-tenth percent (6.1%) of the
28 allowance payable as determined by the Board of Trustees based upon the number of
29 months that a retirement allowance was paid between July 1, 1989 and June 30, 1990."

30 Sec. 6. G.S. 120-4.22A is amended by adding a new subsection to read:

31 "(f) In accordance with subsection (a) of this section, from and after July 1, 1990,
32 the retirement allowance to or on account of beneficiaries whose retirement commenced
33 on or before January 1, 1990, shall be increased by the same amount as provided to
34 retired members and beneficiaries of the Teachers' and State Employees' Retirement
35 System pursuant to the provisions of G.S. 135-5(ss)."

36 Sec. 7. G.S. 128-27(b11) reads as rewritten:

37 "(b11) Service Retirement Allowance of Members Retiring on or after July 1,
38 1989-1989, but before July 1, 1990. – Upon retirement from service in accordance with
39 subsection (a) above, on or after July 1, 1989, but before July 1, 1990, a member shall
40 receive the following service retirement allowance:

41 (1) A member who is a law enforcement officer or an eligible former law
42 enforcement officer shall receive a service retirement allowance
43 computed as follows:

- 1 a. If the member's service retirement date occurs on or after his
2 55th birthday, and completion of five years of creditable service
3 as a law enforcement officer, or after the completion of 30 years
4 of creditable service, the allowance shall be equal to one and
5 sixty-three hundredths percent (1.63%) of his average final
6 compensation, multiplied by the number of years of his
7 creditable service.
- 8 b. This allowance shall also be governed by the provisions of G.S.
9 128-27(b8)(2).
- 10 (2) A member who is not a law enforcement officer or an eligible former
11 law enforcement officer shall receive a service retirement allowance
12 computed as follows:
- 13 a. If the member's service retirement date occurs on or after his
14 65th birthday upon the completion of five years of creditable
15 service or after the completion of 30 years of creditable service
16 or on or after his 60th birthday upon the completion of 25 years
17 of creditable service, the allowance shall be equal to one and
18 sixty-three hundredths percent (1.63%) of his average final
19 compensation, multiplied by the number of years of creditable
20 service.
- 21 b. This allowance shall also be governed by the provisions of G.S.
22 128-27(b7)(2a) and (3)."

23 Sec. 8. G.S. 128-27 is amended by adding a new subsection to read:

24 "(b12) Service Retirement Allowance of Members Retiring on or after July 1,
25 1990. – Upon retirement from service in accordance with subsection (a) above, on or
26 after July 1, 1990, a member shall receive the following service retirement allowance:

- 27 (1) A member who is a law enforcement officer or an eligible former law
28 enforcement officer shall receive a service retirement allowance
29 computed as follows:
- 30 a. If the member's service retirement date occurs on or after his
31 55th birthday, and completion of five years of creditable service
32 as a law enforcement officer, or after the completion of 30 years
33 of creditable service, the allowance shall be equal to one and
34 sixty-four hundredths percent (1.64%) of his average final
35 compensation, multiplied by the number of years of his
36 creditable service.
- 37 b. This allowance shall also be governed by the provisions of G.S.
38 128-27(b8)(2).
- 39 (2) A member who is not a law enforcement officer or an eligible former
40 law enforcement officer shall receive a service retirement allowance
41 computed as follows:
- 42 a. If the member's service retirement date occurs on or after his
43 65th birthday upon the completion of five years of creditable
44 service or after the completion of 30 years of creditable service

1 or on or after his 60th birthday upon the completion of 25 years
2 of creditable service, the allowance shall be equal to one and
3 sixty-four hundredths percent (1.64%) of his average final
4 compensation, multiplied by the number of years of creditable
5 service.

6 b. This allowance shall also be governed by the provisions of G.S.
7 128-27(b7)(2a) and (3)."

8 Sec. 9. G.S. 128-27 is amended by adding a new subsection to read:

9 "(hh) Increase in Allowance as to Persons on Retirement Rolls as of June 1, 1990.
10 From and after July 1, 1990, the retirement allowance to or on account of beneficiaries
11 on the retirement rolls as of June 1, 1990, shall be increased by six-tenths of one percent
12 (0.6%) of the allowance payable on June 1, 1990. This allowance shall be calculated on
13 the basis of the allowance payable and in effect on June 30, 1990, so as not to be
14 compounded on any other increase granted by act of the 1989 Session of the General
15 Assembly (1990 Regular Session)."

16 Sec. 10. G.S. 128-27 is amended by adding a new subsection to read:

17 "(ii) From and after July 1, 1990, the retirement allowance to or on account of
18 beneficiaries whose retirement commenced on or before July 1, 1989, shall be increased
19 by six and one-tenth percent (6.1%) of the allowance payable on July 1, 1989, in
20 accordance with G.S. 128-27(k). Furthermore, from and after July 1, 1990, the
21 retirement allowance to or on account of beneficiaries whose retirement commenced
22 after July 1, 1989, but before June 30, 1990, shall be increased by a prorated amount of
23 six and one-tenth percent (6.1%) of the allowance payable as determined by the Board
24 of Trustees based upon the number of months that a retirement allowance was paid
25 between July 1, 1989 and June 30, 1990."

26 Sec. 11. This act shall become effective July 1, 1990.