

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2017

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HOUSE BILL 497

Short Title: Retirement Systems 2% COLAs/Funds. (Public)

Sponsors: Representatives Jordan, Hurley, Strickland, and Malone (Primary Sponsors).
For a complete list of sponsors, refer to the North Carolina General Assembly web site.

Referred to: Pensions and Retirement, if favorable, Appropriations

March 29, 2017

1 A BILL TO BE ENTITLED
2 AN ACT TO PROVIDE TWO PERCENT COST-OF-LIVING INCREASES FOR MEMBERS
3 OF THE TEACHERS' AND STATE EMPLOYEES' RETIREMENT SYSTEM, THE
4 LOCAL GOVERNMENTAL EMPLOYEES' RETIREMENT SYSTEM, THE
5 CONSOLIDATED JUDICIAL RETIREMENT SYSTEM, AND THE LEGISLATIVE
6 RETIREMENT SYSTEM.

7 The General Assembly of North Carolina enacts:

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

9 "(vvv) From and after July 1, 2017, the retirement allowance to or on account of
10 beneficiaries whose retirement commenced on or before July 1, 2016, shall be increased by two
11 percent (2%) of the allowance payable on June 1, 2017, in accordance with G.S. 135-5(o).
12 Furthermore, from and after July 1, 2017, the retirement allowance to or on account of
13 beneficiaries whose retirement commenced after July 1, 2016, but before June 30, 2017, shall
14 be increased by a prorated amount of two percent (2%) of the allowance payable as determined
15 by the Board of Trustees based upon the number of months that a retirement allowance was
16 paid between July 1, 2016, and June 30, 2017."

17 **SECTION 2.(a)** G.S. 128-27 is amended by adding five new subsections to read:

18 "(hhh) From and after July 1, 2006, the retirement allowance to or on account of
19 beneficiaries whose retirement commenced on or before July 1, 2005, shall be increased by two
20 and eight-tenths percent (2.8%) of the allowance payable on June 1, 2006, in accordance with
21 subsection (k) of this section. Furthermore, from and after July 1, 2006, the retirement
22 allowance to or on account of beneficiaries whose retirement commenced after July 1, 2005,
23 but before June 30, 2006, shall be increased by a prorated amount of two and eight-tenths
24 percent (2.8%) of the allowance payable as determined by the Board of Trustees based upon the
25 number of months that a retirement allowance was paid between July 1, 2005, and June 30,
26 2006.

27 (iii) From and after July 1, 2007, the retirement allowance to or on account of
28 beneficiaries whose retirement commenced on or before July 1, 2006, shall be increased by two
29 and two-tenths percent (2.2%) of the allowance payable on June 1, 2007, in accordance with
30 subsection (k) of this section. Furthermore, from and after July 1, 2007, the retirement
31 allowance to or on account of beneficiaries whose retirement commenced after July 1, 2006,
32 but before June 30, 2007, shall be increased by a prorated amount of two and two-tenths
33 percent (2.2%) of the allowance payable as determined by the Board of Trustees based upon the
34 number of months that a retirement allowance was paid between July 1, 2006, and June 30,
35 2007.



1 (jjj) From and after July 1, 2008, the retirement allowance to or on account of
2 beneficiaries whose retirement commenced on or before July 1, 2007, shall be increased by two
3 and fifteen-hundredths percent (2.15%) of the allowance payable on June 1, 2008, in
4 accordance with subsection (k) of this section. Furthermore, from and after July 1, 2008, the
5 retirement allowance to or on account of beneficiaries whose retirement commenced after July
6 1, 2007, but before June 30, 2008, shall be increased by a prorated amount of two and
7 fifteen-hundredths percent (2.15%) of the allowance payable as determined by the Board of
8 Trustees based upon the number of months that a retirement allowance was paid between July
9 1, 2007, and June 30, 2008.

10 (kkk) From and after July 1, 2009, the retirement allowance to or on account of
11 beneficiaries whose retirement commenced on or before July 1, 2008, shall be increased by
12 one-tenth of one percent (0.1%) of the allowance payable on June 1, 2009, in accordance with
13 subsection (k) of this section. Furthermore, from and after July 1, 2009, the retirement
14 allowance to or on account of beneficiaries whose retirement commenced after July 1, 2008,
15 but before June 30, 2009, shall be increased by a prorated amount of one-tenth of one percent
16 (0.1%) of the allowance payable as determined by the Board of Trustees based upon the
17 number of months that a retirement allowance was paid between July 1, 2008, and June 30,
18 2009.

19 (III) From and after July 1, 2017, the retirement allowance to or on account of
20 beneficiaries whose retirement commenced on or before July 1, 2016, shall be increased by two
21 percent (2%) of the allowance payable on June 1, 2017, in accordance with subsection (k) of
22 this section. Furthermore, from and after July 1, 2017, the retirement allowance to or on
23 account of beneficiaries whose retirement commenced after July 1, 2016, but before June 30,
24 2017, shall be increased by a prorated amount of two percent (2%) of the allowance payable as
25 determined by the Board of Trustees based upon the number of months that a retirement
26 allowance was paid between July 1, 2016, and June 30, 2017."

27 **SECTION 2.(b)** The cost-of-living increases provided for in G.S. 128-27(hhh)
28 through (kkk), as enacted in subsection (a) of this section, represent increases already provided
29 by the Board of Trustees to members of the Local Governmental Employees' Retirement
30 System.

31 **SECTION 3.** G.S. 135-65 is amended by adding a new subsection to read:

32 "(gg) From and after July 1, 2017, the retirement allowance to or on account of
33 beneficiaries whose retirement commenced on or before July 1, 2016, shall be increased by two
34 percent (2%) of the allowance payable on June 1, 2017. Furthermore, from and after July 1,
35 2017, the retirement allowance to or on account of beneficiaries whose retirement commenced
36 after July 1, 2016, but before June 30, 2017, shall be increased by a prorated amount of two
37 percent (2%) of the allowance payable as determined by the Board of Trustees based upon the
38 number of months that a retirement allowance was paid between July 1, 2016, and June 30,
39 2017."

40 **SECTION 4.** G.S. 120-4.22A is amended by adding a new subsection to read:

41 "(aa) In accordance with subsection (a) of this section, from and after July 1, 2017, the
42 retirement allowance to or on account of beneficiaries whose retirement commenced on or
43 before January 1, 2017, shall be increased by two percent (2%) of the allowance payable on
44 June 1, 2017. Furthermore, from and after July 1, 2017, the retirement allowance to or on
45 account of beneficiaries whose retirement commenced after January 1, 2017, but before June
46 30, 2017, shall be increased by a prorated amount of two percent (2%) of the allowance payable
47 as determined by the Board of Trustees based upon the number of months that a retirement
48 allowance was paid between January 1, 2017, and June 30, 2017."

49 **SECTION 5.** There is appropriated from the General Fund to the Reserve for
50 Retiree Cost-of-Living Adjustments the sum of eighty-eight million dollars (\$88,000,000) for

1 the 2017-2018 fiscal year and the sum of eighty-eight million dollars (\$88,000,000) for the
2 2018-2019 fiscal year to implement the cost-of-living adjustment authorized by this act.
3 **SECTION 6.** This act becomes effective July 1, 2017.