

GENERAL ASSEMBLY OF NORTH CAROLINA
1985 SESSION

CHAPTER 751
SENATE BILL 557

AN ACT TO INCREASE THE RETIREMENT FORMULA FOR ACTIVE AND
RETIRED MEMBERS OF THE LOCAL GOVERNMENTAL EMPLOYEES'
RETIREMENT SYSTEM AND LAW ENFORCEMENT OFFICERS'
RETIREMENT SYSTEM.

The General Assembly of North Carolina enacts:

Section 1. G.S. 128-27(b7) is amended by rewriting the caption and the language immediately preceding subdivision (1) to read:

"(b7) Service Retirement Allowances of Members Retiring on or after July 1, 1983, but prior to July 1, 1985. Upon retirement from service, in accordance with subsection (a) above, on or after July 1, 1983, but prior to July 1, 1985, a member shall receive a service retirement allowance computed as follows:".

Sec. 2. G.S. 128-27 is amended by adding a new subsection (b8) to read:

"(b8) Service Retirement Allowances of Members Retiring on or after July 1, 1985. Upon retirement from service, in accordance with subsection (a) above, on or after July 1, 1985, a member shall receive a service retirement allowance computed as follows:

- (1) If the member's service retirement date occurs on or after his 65th birthday, regardless of his years of creditable service, or after the completion of 30 years of creditable service, such allowance shall be equal to one and fifty-eight one hundredths percent (1.58%) of his average final compensation, multiplied by the number of years of his creditable service.
- (2) Such allowance shall also be governed by the provisions of G.S. 128-27(b7)(2a), (2b), and (3)."

Sec. 3. G.S. 128-27 and G.S. 143-166 are amended by adding new subsections (aa) and (x9) respectively to read:

"From and after July 1, 1985, the retirement allowance to or on account of beneficiaries on the retirement rolls as of June 1, 1985, shall be increased by six-tenths percent (0.6%) of the allowance payable on June 1, 1985. This allowance shall be calculated on the basis of the allowance payable and in effect on June 30, 1985, so as not to be compounded on any other increases payable on allowances in effect on June 30, 1985."

Sec. 4. G.S. 128-27 is amended by adding a new subsection (z1) to read:

"(z1) Notwithstanding the foregoing provisions, from and after July 1, 1985, the retirement allowance to or on account of beneficiaries whose retirement commenced on or before July 1, 1984, shall be increased by four percent (4%) of the allowance payable

on July 1, 1984, in accordance with G.S. 128-27(k). Furthermore, from and after July 1, 1985, the retirement allowance to or on account of beneficiaries whose retirement commenced after July 1, 1984, but before June 30, 1985, shall be increased by a prorated amount of four percent (4%) of the allowance payable as determined by the Board of Trustees based upon the number of months that a retirement allowance was paid between July 1, 1984, and June 30, 1985."

Sec. 5. G.S. 143-166 is amended by adding a new subsection (x10) to read:

"(x10) From and after July 1, 1985, the retirement allowance to or on account of beneficiaries whose retirement commenced on or before July 1, 1984, shall be increased by four percent (4%) of the allowance payable on July 1, 1984. Furthermore, from and after July 1, 1985, the retirement allowance to or on account of beneficiaries whose retirement commenced after July 1, 1984, but before June 30, 1985, shall be increased by a prorated amount of four percent (4%) of the allowance payable as determined by the Board of Trustees based upon the number of months that a retirement allowance was paid between July 1, 1984, and June 30, 1985."

Sec. 6. G.S. 128-27(b8)(1) is amended by deleting the phrase "one and fifty-seven one hundredths percent (1.57%)" where it appears and substituting the phrase "one and fifty-eight one hundredths percent (1.58%)".

Sec. 7. G.S. 143-166(y) is amended by deleting the phrase "one and fifty-seven one-hundredths percent (1.57%) of his average final compensation" in the second paragraph and substituting the phrase "one and fifty-eight one hundredths percent (1.58%) of his average final compensation".

Sec. 8. In order to fund the provisions of this act, the Board of Trustees of the Local Governmental Employees' Retirement System, and Law Enforcement Officers' Retirement System with the advice of its consulting actuary, shall apply any unencumbered actuarial gain remaining after application of actuarial gains to any cost-of-living increase granted to retired members effective July 1, 1985, and shall adjust the normal contribution rate of employers, without increase in the total employers' contribution rates and without changes in the amortization periods for liquidation of unfunded accrued liabilities of employers participating in the Retirement System.

Sec. 9. This act shall become effective July 1, 1985, except Section 6 which shall become effective January 1, 1986.

In the General Assembly read three times and ratified, this the 15th day of July, 1985.