

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1989

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HOUSE BILL 2325

Short Title: Member Retirement Contribution Pick-up.

(Public)

Sponsors: Representatives Hall; and Warner.

Referred to: Pensions and Retirement.

June 6, 1990

A BILL TO BE ENTITLED

AN ACT TO PHASE OUT MEMBER CONTRIBUTIONS REQUIRED BY THE
TEACHERS' AND STATE EMPLOYEES' RETIREMENT SYSTEM, THE
CONSOLIDATED JUDICIAL RETIREMENT SYSTEM, AND THE
LEGISLATIVE RETIREMENT SYSTEM.

The General Assembly of North Carolina enacts:

Section 1. Effective upon convening of the 1991 Regular Session of the
General Assembly, G.S. 120-4.19 reads as rewritten:

"§ 120-4.19. Contributions by the members.

Effective upon convening of the 1985 Regular Session of the General Assembly,
each member shall contribute by payroll deduction for each pay period for which he
receives compensation seven percent (7%) of his compensation for the period.
Notwithstanding the foregoing provisions of this section, effective upon the convening
of the 1991 Regular Session of the General Assembly, members are not required to
make the contributions previously required by this section."

Sec. 2. G.S. 135-68(a) reads as rewritten:

"(a) Each member shall contribute by payroll deduction for each pay period for
which he receives compensation six percent (6%) of his compensation for such period.
Notwithstanding the foregoing provisions of this section, effective on and after July 1,
1990, members are not required to make the contributions previously required by this
section."

Sec. 3. G.S. 135-8(b)(1) reads as rewritten:

"(1) Prior to the first day of July, 1947, each employer shall cause to be
deducted from the salary of each member on each and every payroll of

1 such employer for each and every payroll period four per centum (4%)
2 of his actual compensation; and the employer also shall deduct four per
3 centum (4%) of any compensation received by any member for
4 teaching in public schools, or in any of the institutions, agencies or
5 departments of the State, from salaries other than the appropriations
6 from the State of North Carolina. On and after such date the rate so
7 deducted shall be five per centum (5%) of actual compensation except
8 that, with respect to each member who is eligible for coverage under
9 the Social Security Act in accordance with the agreement entered into
10 during 1955 in accordance with the provisions of Article 2 of Chapter
11 135 of Volume 3B of the General Statutes, as amended, and with
12 respect to members covered under G.S. 135-27, with such coverage
13 retroactive to January 1, 1955, such deduction shall, commencing with
14 the first day of the period of service with respect to which such
15 agreement is effective, be at the rate of three per centum (3%) of the
16 part of his actual compensation not in excess of the amount taxable to
17 him under the Federal Insurance Contributions Act as from time to
18 time in effect plus five per centum (5%) of the part of his earnable
19 compensation not so taxable; provided that in the case of any member
20 so eligible and receiving compensation from two or more employers
21 such deductions may be adjusted under such rules as the Board of
22 Trustees may establish so as to be as nearly equivalent as practicable
23 to the deductions which would have been made had the member
24 received all of such compensation from one employer.
25 Notwithstanding the foregoing, the Board of Trustees may in its
26 discretion cause such portion as it may determine of deductions made
27 between January 1, 1955, and December 1, 1955, to be transferred into
28 the contribution fund established under G.S. 135-24; such amounts so
29 transferred shall in that event be deemed to be taxes contributed by
30 employees as required under Article 2, Chapter 135 of Volume 3B of
31 the General Statutes as amended, and shall be in lieu of contributions
32 otherwise payable in the same amount as so required.

33 Notwithstanding the foregoing, effective July 1, 1963, with respect
34 to the period of service commencing on July 1, 1963, and ending
35 December 31, 1965, the rates of such deduction shall be four per
36 centum (4%) of the portion of compensation not in excess of forty-
37 eight hundred dollars (\$4,800) and six per centum (6%) of the portion
38 of compensation in excess of forty-eight hundred dollars (\$4,800); and
39 with respect to the period of service commencing January 1, 1966, and
40 ending June 30, 1967, the rate of such deductions shall be four per
41 centum (4%) of the portion of compensation not in excess of fifty-six
42 hundred dollars (\$5,600) and six per centum (6%) of the portion of
43 compensation in excess of fifty-six hundred dollars (\$5,600); and with
44 respect to the period of service commencing July 1, 1967, and ending

1 June 30, 1975, the rate of such deductions shall be five per centum
 2 (5%) of the portion of compensation not in excess of fifty-six hundred
 3 dollars (\$5,600) and six per centum (6%) of the portion of
 4 compensation in excess of fifty-six hundred dollars (\$5,600). Such
 5 rates shall apply uniformly to all members of the Retirement System,
 6 without regard to their coverage under the Social Security Act.

7 Notwithstanding the foregoing, effective July 1, 1975, with respect
 8 to the period of service commencing on July 1, 1975, the rate of such
 9 deductions shall be six per centum (6%) of the compensation received
 10 by any member. Such rates shall apply uniformly to all members of the
 11 Retirement System, without regard to their coverage under the Social
 12 Security Act.

13 Notwithstanding the foregoing provisions of this subdivision,
 14 members, with the exception of teachers as covered by the provisions
 15 of Chapter 115C of the General Statutes in the employ of city or
 16 county boards of education, are not required to make the contributions
 17 previously required by this section. Effective on and after July 1,
 18 1992, members are not required to make the contributions previously
 19 required by this subdivision."

20 Sec. 4. (a) Sections 23(b), 29(b), 30(c), 34(b), 35(b), 37, 38(a2), 38(c1), and 38(d1)
 21 of Chapter 752 of the 1989, Session Laws are repealed.

22 (b) Section 24 of Chapter 752, Session Laws of 1989, reads as rewritten:

23 "Sec. 24. The annual salaries for members of the Council of State, payable monthly,
 24 for the following fiscal ~~years~~ arebiennium are:

	<u>1989-9091</u>	<u>1990-91</u>
25 Council of State		
26 Lieutenant Governor	\$ 70,992	\$75,252
27 Attorney General	70,992	75,252
28 Secretary of State	70,992	75,252
29 State Treasurer	70,992	75,252
30 State Auditor	70,992	75,252
31 Superintendent of Public Instruction	70,992	75,252
32 Agriculture Commissioner	70,992	75,252
33 Insurance Commissioner	70,992	75,252
34 Labor Commissioner	70,992	75,252. "

35 (c) Section 25 of Chapter 752, Session Laws of 1989 reads as rewritten:

36 "Sec. 25. In accordance with G.S. 143B-9, the maximum annual salaries, payable
 37 monthly, for the nonelected heads of the principal State departments for the following
 38 fiscal ~~years~~ arebiennium are:

	<u>1989-9091</u>	<u>1990-91</u>
39 Nonelected Department Heads		
40 Secretary of Administration	\$ 70,992	\$75,252
41 Secretary of Commerce <u>Economic</u> 42 <u>and Community Development</u>	70,992	75,252
43 Secretary of Correction	70,992	75,252
44 Secretary of Crime Control and		

1	Public Safety	70,992	75,252
2	Secretary of Cultural Resources	70,992	75,252
3	Secretary of Human Resources	70,992	75,252
4	Secretary of Natural Resources		
5	and Community Development		
6	<u>Environment, Health, and</u>		
7	<u>Natural Resources</u>	70,992	75,252
8	Secretary of Revenue	70,992	75,252
9	Secretary of Transportation	70,992	75,252. "

10 (d) G.S. 120-37(c) reads as rewritten:

11 "(c) The principal clerks shall be full-time officers. Each principal clerk shall be
 12 entitled to other benefits available to permanent legislative employees and shall be paid
 13 an annual salary of forty-three thousand five hundred forty-eight dollars (\$43,548) ~~from~~
 14 ~~on and after July 1, 1989 through June 30, 1990, and an annual salary of forty six thousand~~
 15 ~~one hundred sixty four dollars (\$46,164) on and after July 1, 1990, payable monthly. The~~
 16 Legislative Services Commission shall review the salary of the principal clerks prior to
 17 submission of the proposed operating budget of the General Assembly to the Governor
 18 and Advisory Budget Commission and shall make appropriate recommendations for
 19 changes in those salaries. Any changes enacted by the General Assembly shall be by
 20 amendment to this paragraph."

21 (e) G.S. 120-37(b) reads as rewritten:

22 "(b) The sergeant-at-arms and the reading clerk in each house shall be paid a
 23 salary of one hundred ninety-seven dollars (\$197.00) per week ~~from on and after July 1,~~
 24 ~~1989 through June 30, 1990, and two hundred nine dollars (\$209.00) per week on and after~~
 25 ~~July 1, 1990, plus subsistence at the same daily rate provided for members of the General~~
 26 Assembly, plus mileage at the rate provided for members of the General Assembly for
 27 one round trip only from their homes to Raleigh and return. The sergeants-at-arms shall
 28 serve during sessions of the General Assembly and at such time prior to the convening
 29 of, and subsequent to adjournment or recess of, sessions as may be authorized by the
 30 Legislative Services Commission. The reading clerks shall serve during sessions only."

31 (f) Section 30(a) of Chapter 752, Session Laws of 1989, reads as rewritten:

32 "(a) The annual salaries, payable monthly, for specified judicial branch officials
 33 ~~for following fiscal years~~ the following fiscal biennium are:

34	Judicial Branch Officials	1989- 90 <u>91</u>	1990-91
35	Chief Justice, Supreme Court	\$ 86,232	\$91,416
36	Associate Justice, Supreme Court	84,456	89,532
37	Chief Judge, Court of Appeals	81,756	86,664
38	Judge, Court of Appeals	79,968	84,768
39	Judge, Senior Regular Resident		
40	Superior Court	73,332	77,736
41	Judge, Superior Court	70,992	75,252
42	Chief Judge, District Court	62,628	66,396
43	Judge, District Court	60,240	63,864
44	District Attorney	66,060	70,032

1	Assistant District Attorney - an		
2	average of	42,732	45,300
3	Administrative Officer of the Courts	73,332	77,736
4	Assistant Administrative Officer		
5	of the Courts	59,772	63,360
6	Public Defender	66,060	70,032
7	Assistant Public Defender - an		
8	average of	42,732	45,300.

9 If an acting senior regular resident superior court judge is appointed under the
 10 provisions of G.S. 7A-41, he shall receive the salary for Judge, Senior Regular Resident,
 11 Superior Court, until his temporary appointment is vacated, and the judge he replaces
 12 shall receive the salary indicated for Judge, Superior Court.

13 The district attorney or public defender of a judicial district, with the approval of the
 14 Administrative Officer of the Courts, shall set the salaries of assistant district attorneys
 15 or assistant public defenders, respectively, in that district such that the average salaries
 16 of assistant district attorneys or assistant public defenders in that district do not exceed
 17 forty-two thousand seven hundred thirty-two dollars (\$42,732) effective July 1, 1989;
 18 ~~and forty-five thousand three hundred dollars (\$45,300) effective July 1, 1990,~~ and the
 19 minimum salary of any assistant district attorney or assistant public defender is at least
 20 twenty-one thousand five hundred seventy-six dollars (\$21,576) effective July 1, 1989;
 21 ~~and twenty-two thousand eight hundred seventy-two dollars (\$22,872) effective July 1,~~
 22 1990."

23 (g) G.S. 7A-101(a) reads as rewritten:

24 "(a)The clerk of superior court is a full-time employee of the State and shall receive
 25 an annual salary, payable in equal monthly installments, based on the population of the
 26 county, as determined by the population projections of the Office of State Budget and
 27 Management for the year preceding the first year of each biennial budget, according to
 28 the following schedule:

29	Population	Annual Salary	
30	1989-90 1990-91		
31	Less than 30,000	\$ 38,472	40,788
32	30,000 to 99,999	44,256	46,920
33	100,000 to 199,999	50,016	53,028
34	200,000 and above	57,072	60,504

35
 36 When a county changes from one population group to another, the salary of the clerk
 37 shall be changed to the salary appropriate for the new population group on July 1 of the
 38 first year of each biennial budget, except that the salary of an incumbent clerk shall not
 39 be decreased by any change in population group during his continuance in office."

40 (h) G.S. 7A-102(c) reads as rewritten:

41 "(c) Notwithstanding the provisions of subsection (a), the Administrative Officer
 42 of the Courts shall establish an incremental salary plan for assistant clerks and for
 43 deputy clerks based on a series of salary steps corresponding to the steps contained in
 44 the Salary Plan for State Employees adopted by the Office of State Personnel, subject to

1 a minimum and a maximum annual salary as set forth below. On and after July 1, 1985,
 2 each assistant clerk and each deputy clerk shall be eligible for an annual step increase in
 3 his salary plan based on satisfactory job performance as determined by each clerk.
 4 Notwithstanding the foregoing, if an assistant or deputy clerk's years of service in the
 5 office of superior court clerk would warrant an annual salary greater than the salary first
 6 established under this section, that assistant or deputy clerk shall be eligible on and after
 7 July 1, 1984, for an annual step increase in his salary plan. Furthermore, on and after
 8 July 1, 1985, that assistant or deputy clerk shall be eligible for an increase of two steps
 9 in his salary plan, and shall remain eligible for a two-step increase each year as
 10 recommended by each clerk until that assistant or deputy clerk's annual salary
 11 corresponds to his number of years of service. A full-time assistant clerk or a full-time
 12 deputy clerk shall be paid an annual salary subject to the following minimum and
 13 maximum rates:

Assistant Clerks	Annual Salary	
	1989-90	1990-91
Minimum \$ 19,536	20,712	
Maximum	32,772	34,740

Deputy Clerks	Annual Salary	
	1989-90	1990-91
Minimum \$ 15,312	16,236	
Maximum	25,128	26,640"

(i) G.S. 7A-171.1(a)(1) reads as rewritten:

"(1) A full-time magistrate, so designated by the Administrative Officer of the Courts, shall be paid the annual salary indicated in the table below according to the number of years he has served as a magistrate. The salary steps shall take effect on the anniversary of the date the magistrate was originally appointed:

TABLE OF SALARIES OF FULL-TIME MAGISTRATES

Number of Prior Years of Service	Annual Salary	
	1989-90	1990-91
Less than 1	\$ 15,600	\$16,536
1 or more but less than 3	16,416	17,412
3 or more but less than 5	18,084	19,176
5 or more but less than 7	19,920	21,120
7 or more but less than 9	21,972	23,292
9 or more but less than 11	24,204	25,656
11 or more	26,628	28,236

A 'Full-time magistrate' is a magistrate who is assigned to work an average of not less than 40 hours a week during his term of office.

Notwithstanding any other provision of this subdivision, a full-time magistrate, who was serving as a magistrate on December 31, 1978, and who was receiving an annual salary in excess of that which would

ordinarily be allowed under the provisions of this subdivision, shall not have the salary, which he was receiving reduced during any subsequent term as a full-time magistrate. That magistrate's salary shall be fixed at the salary level from the table above which is nearest and higher than the latest annual salary he was receiving on December 31, 1978, and, thereafter, shall advance in accordance with the schedule in the table above."

(j) Section 39(a) of Chapter 752, Session Laws of 1989, reads as rewritten:

"(a) The annual salaries, payable monthly, for the following fiscal years ~~biennium~~ for the following executive branch officials are:

Executive Branch Officials	Annual Salary	
	1989-90 <u>91</u>	1990-91
Chairman, Alcoholic Beverage Control Commission	\$ 68,304	\$ 72,408
State Controller	110,772	117,420
Commissioner of Motor Vehicles	68,304	72,408
Commissioner of Banks	68,304	72,408
Chairman, Employment Security Commission	68,304	72,408
State Personnel Director	70,992	75,252
Chairman, Parole Commission	62,328	66,072
Members of the Parole Commission	57,504	60,960
Chairman, Industrial Commission	61,320	65,004
Members of the Industrial Commission	59,808	63,408
Executive Director, Agency for Public Telecommunications	57,504	60,960
General Manager, Ports Railway Commission	51,876	54,996
Director, Museum of Art	70,008	74,208
Director, State Ports Authority	79,392	84,156
Executive Director, Wildlife Resources Commission	58,884	62,424
Executive Director, North Carolina Housing Finance Agency	84,648	89,736
Executive Director, North Carolina Technological Development Authority	45,156	47,868
Executive Director, North Carolina Agricultural Finance Authority	66,468	70,464
Director, Office of Administrative Hearings	60,240	63,864. "

(k) Section 42(c) of Chapter 752 of the 1989 Session Laws, as amended by Section 3.7 of Chapter 792 of the 1989 Session Laws, reads as rewritten:

"(c) The State's employer contribution rates budgeted for retirement and related benefits as a percentage of covered salaries for the 1990-91 fiscal year are (i) eleven and seventy-four hundredths percent (11.74%) - ~~Teachers and State Employees - Public School~~

1 Teachers; (ii) seventeen and fourteen hundredths percent (17.14%) - Other Teachers and
2 State Employees; ~~(ii) - (iii) sixteen - twenty-two and seventy-four - fourteen hundredths~~
3 percent ~~(16.74%) - (22.14%)~~ - State Law Enforcement Officers; ~~(iii) eight and twenty-seven~~
4 ~~(iv) thirteen and seventy-seven hundredths percent ~~(8.27%) - (13.77%)~~ - University~~
5 Employees' Optional Retirement Program; ~~(iv) thirty-one and thirty-six - (v) thirty-six and~~
6 ~~seventy-six hundredths percent ~~(31.36%) - (36.76%)~~ - Consolidated Judicial Retirement~~
7 System; and ~~(v) thirty-eight and eighty-five - (vi) forty-seven and twenty-five hundredths~~
8 percent ~~(38.85%) - (47.25%)~~ - Legislative Retirement System. Each of the foregoing
9 contribution rates includes one and sixty-five hundredths percent (1.65%) for hospital
10 and medical benefits. The rate for State Law Enforcement Officers includes five
11 percent (5%) for the Supplemental Retirement Income Plan. The rates for ~~Teachers and~~
12 ~~State Employees, Public School Teachers, Other Teachers and State Employees, State~~
13 Law Enforcement Officers, and for the University Employees' Optional Retirement
14 Program includes fifty-two hundredths percent (0.52%) for the Disability Income Plan.
15 As used in this subsection, the term 'Public School Teachers' means those employees
16 employed by city or county boards of education in accordance with Article 20 of
17 Chapter 115C of the General Statutes."

18 Sec. 5. This act shall become effective July 1, 1990, unless otherwise
19 specified, and applies to salaries earned on and after that date.