

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1989

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SENATE BILL 1347

Short Title: Retirement Formula Increase.

(Public)

Sponsors: Senators Winner; Swain, Smith, Guy, and Raynor.

Referred to: Pensions and Retirement.

May 23, 1990

A BILL TO BE ENTITLED

AN ACT TO INCREASE THE RETIREMENT FORMULAE FOR MEMBERS OF
THE TEACHERS' AND STATE EMPLOYEES' RETIREMENT SYSTEM AND
THE LOCAL GOVERNMENTAL RETIREMENT SYSTEM.

The General Assembly of North Carolina enacts:

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

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

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

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

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

1 (2) A member who is not a law enforcement officer or an eligible former
2 law enforcement officer shall receive a service retirement allowance
3 computed as follows:

4 a. If the member's service retirement date occurs on or after his
5 65th birthday upon the completion of five years of creditable
6 service or after the completion of 30 years of creditable service
7 or on or after his 60th birthday upon the completion of 25 years
8 of creditable service, the allowance shall be equal to one and
9 sixty-three hundredths percent (1.63%) of his average final
10 compensation, multiplied by the number of years of creditable
11 service.

12 b. This allowance shall also be governed by the provisions of G.S.
13 135-5(b9)(2)b. c. and d."

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

15 "(b12) Service Retirement Allowance of Members Retiring on or after July 1,
16 1990. – Upon retirement from service in accordance with subsection (a) above, on or
17 after July 1, 1990, a member shall receive the following service retirement allowance:

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

21 a. If the member's service retirement date occurs on or after his
22 55th birthday, and completion of five years of creditable service
23 as a law enforcement officer, or after the completion of 30 years
24 of creditable service, the allowance shall be equal to one and
25 sixty-six hundredths percent (1.66%) of his average final
26 compensation, multiplied by the number of years of his
27 creditable service.

28 b. This allowance shall also be governed by the provisions of G.S.
29 135-5(b9)(1)b.

30 (2) A member who is not a law enforcement officer or an eligible former
31 law enforcement officer shall receive a service retirement allowance
32 computed as follows:

33 a. If the member's service retirement date occurs on or after his
34 65th birthday upon the completion of five years of creditable
35 service or after the completion of 30 years of creditable service
36 or on or after his 60th birthday upon the completion of 25 years
37 of creditable service, the allowance shall be equal to one and
38 sixty-six hundredths percent (1.66%) of his average final
39 compensation, multiplied by the number of years of creditable
40 service.

41 b. This allowance shall also be governed by the provisions of G.S.
42 135-5(b9)(2)b. c. and d."

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

1 "(rr) Increase in Allowance as to Persons on Retirement Rolls as of June 1, 1990.
2 From and after July 1, 1990, the retirement allowance to or on account of beneficiaries
3 on the retirement rolls as of June 1, 1990, shall be increased by one and eight-tenths
4 percent (1.8%) of the allowance payable on June 1, 1990. This allowance shall be
5 calculated on the basis of the allowance payable and in effect on June 30, 1990, so as
6 not to be compounded on any other increase granted by act of the 1989 Session of the
7 General Assembly (1990 Regular Session)."

8 Sec. 4. G.S. 128-27(b11) reads as rewritten:

9 "(b11) Service Retirement Allowance of Members Retiring on or after July 1,
10 ~~1989~~1989, but before July 1, 1990. – Upon retirement from service in accordance with
11 subsection (a) above, on or after July 1, 1989, but before July 1, 1990, a member shall
12 receive the following service retirement allowance:

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

16 a. If the member's service retirement date occurs on or after his
17 55th birthday, and completion of five years of creditable service
18 as a law enforcement officer, or after the completion of 30 years
19 of creditable service, the allowance shall be equal to one and
20 sixty-three hundredths percent (1.63%) of his average final
21 compensation, multiplied by the number of years of his
22 creditable service.

23 b. This allowance shall also be governed by the provisions of G.S.
24 128-27(b8)(2).

25 (2) A member who is not a law enforcement officer or an eligible former
26 law enforcement officer shall receive a service retirement allowance
27 computed as follows:

28 a. If the member's service retirement date occurs on or after his
29 65th birthday upon the completion of five years of creditable
30 service or after the completion of 30 years of creditable service
31 or on or after his 60th birthday upon the completion of 25 years
32 of creditable service, the allowance shall be equal to one and
33 sixty-three hundredths percent (1.63%) of his average final
34 compensation, multiplied by the number of years of creditable
35 service.

36 b. This allowance shall also be governed by the provisions of G.S.
37 128-27(b7)(2a) and (3)."

38 Sec. 5. G.S. 128-27 is amended by adding a new section to read:

39 "(b12) Service Retirement Allowance of Members Retiring on or after July 1,
40 1990. – Upon retirement from service in accordance with subsection (a) above, on or
41 after July 1, 1990, a member shall receive the following service retirement allowance:

42 (1) A member who is a law enforcement officer or an eligible former law
43 enforcement officer shall receive a service retirement allowance
44 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-six hundredths percent (1.66%) 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-six hundredths percent (1.66%) 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. 6. G.S. 128-27 is amended by adding a new section to read:

24 "(hh) Increase in Allowance as to Persons on Retirement Rolls as of June 1, 1990.
25 From and after July 1, 1990, the retirement allowance to or on account of beneficiaries
26 on the retirement rolls as of June 1, 1990, shall be increased by one and eight-tenths
27 percent (1.8%) of the allowance payable on June 1, 1990. This allowance shall be
28 calculated on the basis of the allowance payable and in effect on June 30, 1990, so as
29 not to be compounded on any other increase granted by act of the 1989 Session of the
30 General Assembly (1990 Regular Session)."

31 Sec. 7. This act shall become effective July 1, 1990.