

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2005

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HOUSE BILL 1653

Short Title: Mandatory COLA for TSERS Retirees. (Public)

Sponsors: Representatives B. Allen, Coleman, Farmer-Butterfield, Faison (Primary Sponsors); Dickson, Dollar, Eddins, Fisher, Glazier, Goodwin, Hackney, Holliman, Jones, Luebke, McAllister, Ross, Wainwright, Weiss, Williams, Womble, and Wray.

Referred to: Pensions and Retirement, if favorable, Appropriations.

May 12, 2005

A BILL TO BE ENTITLED

1 AN ACT TO PROVIDE A MANDATORY COST-OF-LIVING INCREASE FOR
2 RETIREES OF THE TEACHERS' AND STATE EMPLOYEES' RETIREMENT
3 SYSTEM.
4

5 The General Assembly of North Carolina enacts:

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

7 "(nnn) From and after July 1, 2005, the retirement allowance to or on account of
8 beneficiaries whose retirement commenced on or before July 1, 2004, shall be increased
9 by the ratio of the unadjusted 12-month (December to December) Consumer Price Index
10 for All Urban Consumers to that index one year earlier. Furthermore, from and after
11 July 1, 2005, the retirement allowance to or on account of beneficiaries whose
12 retirement commenced after July 1, 2004, but before June 30, 2005, shall be increased
13 by a prorated amount of the ratio of the unadjusted 12-month (December to December)
14 Consumer Price Index for All Urban Consumers to that index one year earlier, payable
15 as determined by the Board of Trustees based upon the number of months that a
16 retirement allowance was paid between July 1, 2004, and June 30, 2005. If the
17 Consumer Price Index for All Urban Consumers is renamed, the renamed index shall
18 continue to apply to this subsection. If the Consumer Price Index for All Urban
19 Consumers is discontinued, the Retirement Systems Division shall use the index that the
20 Board of Trustees finds is the most similar."

21 **SECTION 2.** This act becomes effective July 1, 2005.