

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2005**

H

2

**HOUSE BILL 1653
Committee Substitute Favorable 7/13/05**

Short Title: Study Commission on Mandatory COLA for TSERS. (Public)

Sponsors:

Referred to:

May 12, 2005

A BILL TO BE ENTITLED

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

5 The General Assembly of North Carolina enacts:

6 **SECTION 1.(a)** There is established the Legislative Study Commission on a
7 Mandatory Cost-of-Living Increase for Retirees of the Teachers' and State Employees'
8 Retirement System. The Study Commission shall study the cost and feasibility of an
9 automatic annual retirement allowance increase that equals the prior year ratio of the
10 unadjusted 12-month (December to December) Consumer Price Index for All Urban
11 Consumers. The Study Commission shall consider the benefit to retirees, the cost and
12 actuarial soundness of a mandatory increase, and shall determine whether a mandatory
13 increase adheres to sound retirement and pension policy. In conducting the study, the
14 Commission shall obtain an actuarial analysis and appropriate input from the
15 Retirement Systems Division of the Department of State Treasurer.

16 **SECTION 1.(b)** The Study Commission shall consist of 10 members
17 appointed as follows:

- 18 (1) Five members appointed by the President Pro Tempore of the Senate.
19 All five shall be members of the Senate at the time of appointment.
20 One member shall have served within the last two years as a chair,
21 cochair, or vice-chair of the Senate Committee on Pensions and
22 Retirement and Aging.
- 23 (2) Five members appointed by the Speaker of the House of
24 Representatives. All five shall be members of the House of
25 Representatives at the time of appointment. One member shall have
26 served within the last two years as a chair, cochair, or vice-chair of the
27 House of Representatives Committee on Pensions and Retirement.

1 **SECTION 1.(c)** The President Pro Tempore of the Senate and the Speaker
2 of the House of Representatives shall each designate a cochair of the Study Commission
3 from their appointees.

4 **SECTION 1.(d)** With the prior approval of the Legislative Services
5 Commission, the Legislative Services Officer shall assign professional staff to assist in
6 the work of the Legislative Study Commission on a Mandatory Cost-of-Living Increase
7 for Retirees of the Teachers' and State Employees' Retirement System. With the prior
8 approval of the Legislative Services Commission, the Study Commission may hold its
9 meeting in the State Legislative Building or the Legislative Office Building.

10 **SECTION 1.(e)** The Study Commission shall submit a final written report of
11 its findings and recommendations on or before the convening of the 2006 Regular
12 Session of the 2005 General Assembly. All reports shall be filed with the President Pro
13 Tempore of the Senate, the Speaker of the House of Representatives, and the Legislative
14 Librarian. Upon filing its final report, the Study Commission shall terminate.

15 **SECTION 1.(f)** Members of the Study Commission shall be paid per diem,
16 subsistence, and travel allowances at the rate established in G.S. 120-3.1.

17 **SECTION 1.(g)** All State departments and agencies shall cooperate with the
18 Study Commission and, upon request, shall furnish to the Study Commission and its
19 staff any information in their possession or available to them.

20 **SECTION 2.** From funds appropriated to the General Assembly for the
21 2005-2007 fiscal biennium, the Legislative Services Commission shall allocate funds
22 for the expenses of the Legislative Study Commission on a Mandatory Cost-of-Living
23 Increase for Retirees of the Teachers' and State Employees' Retirement System.

24 **SECTION 3.** This act is effective when it becomes law.