

NORTH CAROLINA GENERAL ASSEMBLY
1977 SESSION

CHAPTER 1240
SENATE BILL 999

AN ACT REVISING BENEFITS OF THE LOCAL GOVERNMENTAL EMPLOYEES'
RETIREMENT SYSTEM.

The General Assembly of North Carolina enacts:

Section 1. G.S. 128-27(b5), as it appears in the 1977 Cumulative Supplement to Replacement Volume 3B of the General Statutes, is amended by rewriting the first four lines to read as follows:

"(b5) Service retirement allowances of members retiring on or after July 1, 1976, but prior to July 1, 1978. Upon retirement from service, in accordance with subsection (a) above, on or after July 1, 1976, but prior to July 1, 1978, a member shall receive a service retirement allowance computed as follows:"

Sec. 2. G.S. 128-27, as it appears in the 1977 Cumulative Supplement to Replacement Volume 3B of the General Statutes, is further amended by the addition of a new subsection immediately after (b5) to read as follows:

"(b6) Service retirement allowances of members retiring on or after July 1, 1978. Upon retirement from service, in accordance with subsection (a) above, on or after July 1, 1978, 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-five one-hundredths percent (1.55%) of his average final compensation, multiplied by the number of years of his creditable service.
- (2a) If the member's service retirement date occurs after his 60th and before his 65th birthday and prior to his completion of 30 or more years of creditable service, his retirement allowance shall be computed as in (1) above, but shall be reduced by one quarter of one percent ($\frac{1}{4}$ of 1%) thereof for each month by which his retirement date precedes the first day of the month coincident with or next following his 65th birthday.
- (2b) If the member's service retirement date occurs before his 60th birthday and prior to his completion of 30 or more years of creditable service, his retirement allowance shall be the actuarial equivalent of the allowance payable at the age of 60 years as computed in (2a) above.
- (3) Notwithstanding the foregoing provisions, any member whose creditable service commenced prior to July 1, 1965, and uniformed policemen or firemen not covered under the Social Security Act employed thereafter, shall receive not less than the benefits provided by G.S. 128-27(b)."

Sec. 3. G.S. 128-27, as it appears in the 1977 Cumulative Supplement to Replacement Volume 3B of the General Statutes, is further amended by the addition of a new subsection (u) to read as follows:

"(u) Notwithstanding the foregoing provisions, the increase in allowance to each beneficiary on the retirement rolls as of July 1, 1977, which shall become payable on July 1, 1978, as otherwise provided in G.S. 128-27(k), shall be the current maximum four percent (4%)

plus an additional two and one-half percent (2 1/2%) for the year beginning July 1, 1978. The provisions of this subsection shall apply also to the allowance of a surviving annuitant of a beneficiary."

Sec. 4. G.S. 128-27, as it appears in the 1977 Cumulative Supplement to Replacement Volume 3B of the General Statutes, is further amended by the addition of a new subsection (v) to read as follows:

"(v) Increases in allowances paid beneficiaries retired prior to July 1, 1976. From and after July 1, 1978, the monthly allowances paid to or on account of beneficiaries who commenced receiving such allowances prior to July 1, 1976, shall be increased by seven percent (7%) thereof. This increase shall be calculated before monthly allowances, as of July 1, 1978, have been increased to the extent provided for in the preceding subsections (k) and (u). The provisions of this subsection shall apply also to the allowance of a surviving annuitant of a beneficiary."

Sec. 5. G.S. 128-27(1), as it appears in the 1974 Replacement Volume 3B of the General Statutes, is amended by: inserting, in line 22 after the word "death" and before the period, the words "or if his last day of actual service occurred not more than 366 days before the date of his death, on or after July 1, 1978, if such member during said one-year period had applied for and was entitled to receive a disability retirement allowance, provided said disability retirement allowance had not been discontinued or revoked during said one-year period"; and, removing the semicolon at the end of line 16 and inserting in lieu thereof a comma followed by the word "or" and adding a new subdivision (3) to read "(3). If the member had applied for and was entitled to receive a disability retirement allowance and such disability retirement allowance had not been discontinued or revoked within 366 days of his last date of actual service, the compensation on which contributions were made by the member during the 12-month period ending on the last day of the month preceding the month in which his last day of actual service occurred;".

Sec. 6. G.S. 128-27(1), as it appears in the 1974 Replacement Volume 3B of the General Statutes, is amended by: deleting in line 17 after the word "of" and before the period "fifteen thousand dollars (\$15,000)" and inserting in lieu thereof "twenty thousand dollars (\$20,000)"; and, deleting in lines 9 and 10 of subdivision (4) of the last paragraph after the word "exceed" and before the period "fifteen thousand dollars (\$15,000)" and inserting in lieu thereof "twenty thousand dollars (\$20,000)".

Sec. 7. G.S. 128-27(1), as it appears in the 1974 Replacement Volume 3B of the General Statutes, is amended by inserting a new paragraph, between the second and third paragraphs, to read as follows: "Notwithstanding the above provisions, the death benefit shall be payable on account of the death of any member who died or dies on or after January 1, 1974, after attaining age 65, if he had not yet attained age 66, was at the time of death completing the work year for those individuals under specific contract, or during the fiscal year for those individuals not under specific contract, in which he attained age 65, and otherwise met all conditions for payment of the death benefit."

Sec. 8. This act shall become effective July 1, 1978.

In the General Assembly read three times and ratified, this the 16th day of June, 1978.