

**GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2009**

**SESSION LAW 2009-378  
SENATE BILL 658**

AN ACT TO MODIFY THE MEMBERSHIP OF THE SUPPLEMENTAL RETIREMENT BOARD OF TRUSTEES AND TO PROVIDE THAT THE FURLOUGH OF A MEMBER OF THE LOCAL GOVERNMENTAL EMPLOYEES' RETIREMENT SYSTEM SHALL NOT DIMINISH THE EMPLOYEE'S STATUS IN THE RETIREMENT SYSTEM.

The General Assembly of North Carolina enacts:

**SECTION 1.** G.S. 135-96 reads as rewritten:

**"§ 135-96. Supplemental Retirement Board of Trustees.**

(a) The Supplemental Retirement Board of Trustees is established to administer the Supplemental Retirement Income Plan established under the provisions of this Article and the North Carolina Public Employee Deferred Compensation Plan established under G.S. 143B-426.24.

(b) The Board consists of nine voting members, as follows:

- (1) Six persons appointed by the Governor who have experience in finance and investments, one of whom shall be a State ~~employee~~; employee, and one of whom shall be a retired State or local governmental employee;
- (2) One person appointed by the General Assembly upon the recommendation of the Speaker of the House of Representatives;
- (3) One person appointed by the General Assembly upon the recommendation of the President Pro Tempore of the Senate; and
- (4) The State Treasurer, ex officio, who shall be the Chair.

(c) The initial appointments by the General Assembly and two of the Governor's initial appointments shall be for one-year terms. The remainder of the initial appointments shall be for two-year terms. At the expiration of these initial terms, appointments shall be for two years and shall be made by the appointing authorities designated in subsection (b) of this section. A member shall continue to serve until the member's successor is duly appointed, but a holdover under this provision does not affect the expiration date of the succeeding term. No member of the Board may serve more than three consecutive two-year terms.

(d) Other than ex officio members, members appointed by the Governor shall serve at the Governor's pleasure. An ex officio member may designate in writing, filed with the Board, any employee of the member's department to act at any meeting of the Board from which the member is absent, to the same extent that the member could act if present in person at such meeting."

**SECTION 2.** Notwithstanding any other provision of law and upon the one-time irrevocable election of the employer as defined in G.S. 128-21(11), a public employee on a furlough who is a member of the Local Governmental Employees' Retirement System administered by the Retirement Systems Division of the Department of State Treasurer shall be considered in active service during any period of furlough and shall be entitled to all of the same benefits to which the employee was entitled on the workday immediately preceding the furlough. The member shall suffer no diminution of retirement average final compensation based on being on furlough, and the retirement average final compensation shall be calculated



based on the undiminished compensation. During a furlough period, the employer who opts for this provision shall pay both employee and employer contributions to the Retirement Systems Division on behalf of the furloughed employee as though the employee were in active service. Notwithstanding the definition of "compensation" in G.S. 128-21(7a), any employer who elects to cover its furloughed employees through this provision shall be entitled to include earnings lost due to furloughs taken after January 1, 2009, and before July 1, 2009, in the reported compensation and contributions for either July or August, 2009. Any compensation and contributions lost due to furloughs must be reported to the Retirement Systems Division within 90 days of the beginning of the period in which the compensation and contributions will be included.

**SECTION 3.** Section 2 of this act is effective when it becomes law and applies to local government furloughs on and after January 1, 2009, and before July 1, 2010. The remainder of this act becomes effective July 1, 2009.

In the General Assembly read three times and ratified this the 23<sup>rd</sup> day of July, 2009.

s/ Walter H. Dalton  
President of the Senate

s/ William L. Wainwright  
Speaker Pro Tempore of the House of Representatives

s/ Beverly E. Perdue  
Governor

Approved 12:07 p.m. this 31<sup>st</sup> day of July, 2009