§ 135-154. North Carolina Teachers' and State Employees' Benefit Trust.

(a) Benefit Trust. – A trust fund, the North Carolina Teachers' and State Employees' Benefit Trust, is created as a master trust to which all receipts, transfers, appropriations, contributions, investment earnings, and other income belonging to participating plans shall be deposited, and from which all benefits and expenses against those participating plans shall be disbursed. It is the intent of the General Assembly that this master trust fund provide an irrevocable source of funding to be used, to the extent the fund's assets are sufficient, only for benefits payable to the members, participants, and beneficiaries of the participating plans and reasonable expenses for the administration of the participating plans. The Boards of Trustees of the Teachers' and State Employees' Retirement System and the Local Governmental Employees' Retirement System shall be the trustee of the Benefit Trust.

(b) No Commingling of Funds. – Within the Benefit Trust, the funds of each of the participating plans shall be accounted for separately and not commingled.

(c) Assets. – Assets of one participating plan cannot be used to pay for liabilities of another participating plan within the Benefit Trust. The assets of the Benefit Trust shall be used only for the exclusive benefit of persons who are or may be entitled to benefits under the participating plans. In no event, including dissolution, shall any assets of the Benefit Trust be distributed to any entity that is not a state, a political subdivision of a state, or another entity the income of which is excludable from its gross income by application of section 115(1) of the Internal Revenue Code. The assets of the Benefit Trust are not subject to the claims of creditors of any of the following:

(1) An employer or nonemployer making contributions to the Benefit Trust.
(2) A trustee or administrator of the Benefit Trust.
(3) A member.
(4) Participants or beneficiaries of any participating plan.

(d) Contributions. – Employer and nonemployer contributions to the Benefit Trust and earnings on those contributions are irrevocable.

(e) Separate Fund for Line of Duty Death Benefits. – The Board of Trustees may make additional funding available to the Department of State Treasurer to ensure the timely payment of death benefits awarded by the Industrial Commission under the Public Safety Employees' Death Benefits Act, Article 12A of Chapter 143 of the General Statutes, by depositing a percentage of the State's employer contribution rate established for the benefits provided under G.S. 135-165 into a separate fund from the Benefits Trust. This percentage shall not exceed four hundredths percent (0.04%) in any given fiscal year. The Department of State Treasurer is authorized to use the funds deposited into this separate fund for the sole purpose of paying for death benefits awarded by the Industrial Commission under the Public Safety Employees' Death Benefits Act and may do so only if all other State funds appropriated to the Department for the fiscal year for the payment of those death benefits have been fully expended. Any funds deposited by the Department of State Treasurer into a separate fund in accordance with this subsection that remain unspent as of June 30 of the same fiscal year shall be transferred to the Benefit Fund as an additional employer contribution. (2025-11, ss. 1(a)-(g), 3, 16(a); 2025-25, s. 42.1.)