

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1989

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SENATE BILL 975  
Second Edition Engrossed 5/25/89

Short Title: Retirees' Guaranteed Returns.

(Public)

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Sponsors: Senators Speed; Barker, Basnight, Block, Ezzell, Guy, Harris, Hunt of Durham, Hunt of Moore, Martin of Guilford, Parnell, Rauch, Richardson, and Soles.

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Referred to: Pensions and Retirement.

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April 19, 1989

A BILL TO BE ENTITLED

1 AN ACT TO PROVIDE CERTAIN MINIMUM RETURNS TO ALL RETIREES OF  
2 ALL STATE-ADMINISTERED RETIREMENT SYSTEMS.  
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4 The General Assembly of North Carolina enacts:

5 Section 1. Chapter 120 of the General Statutes is amended by adding a new  
6 section to read:

7 **"§ 120-21.26A. Retirees' guaranteed return.**

8 In the event of the death of a former member while in receipt of a retirement  
9 allowance under the provisions of this Article, if such former member is not survived by  
10 a beneficiary to whom a retirement allowance is payable under the provisions of this  
11 Article, there shall be paid to such person as the member shall have nominated by  
12 written designation duly acknowledged and filed with the Board of Trustees, if such  
13 person is living at the time of the member's death, otherwise to the member's legal  
14 representatives, a death benefit equal to the excess, if any, of the accumulated  
15 contributions of the member at his date of retirement over the total of the retirement  
16 allowances paid to him prior to his death. Provided that, in the event that a retirement  
17 allowance becomes payable to the beneficiary of a former member under the provisions  
18 of this Article before the total of the retirement allowances paid to the former member  
19 and his surviving beneficiary combined equals the amount of the member's  
20 contributions at his date of retirement, the excess of such contributions over the total of  
21 the retirement allowances paid to the former member and his surviving beneficiary  
22 combined shall be paid in a lump sum to such person as the member shall have

1 nominated by written designation duly acknowledged and filed with the Board of  
2 Trustees, if such person is living at the time such payment falls due, otherwise to the  
3 former member's legal representatives."

4       Sec. 2. G.S. 128-27 is amended by inserting a new subsection to read:

5       "(g1) In the event of the death of a former member while in receipt of a retirement  
6 allowance under the provisions of this Article, if such former member is not survived by  
7 a beneficiary to whom a retirement allowance is payable under the provisions of this  
8 Article, there shall be paid to such person as the member shall have nominated by  
9 written designation duly acknowledged and filed with the Board of Trustees, if such  
10 person is living at the time of the member's death, otherwise to the member's legal  
11 representatives, a death benefit equal to the excess, if any, of the accumulated  
12 contributions of the member at his date of retirement over the total of the retirement  
13 allowances paid to him prior to his death. Provided that, in the event that a retirement  
14 allowance becomes payable to the beneficiary of a former member under the provisions  
15 of this Article before the total of the retirement allowances paid to the former member  
16 and his surviving beneficiary combined equals the amount of the member's  
17 contributions at his date of retirement, the excess of such contributions over the total of  
18 the retirement allowances paid to the former member and his surviving beneficiary  
19 combined shall be paid in a lump sum to such person as the member shall have  
20 nominated by written designation duly acknowledged and filed with the Board of  
21 Trustees, if such person is living at the time such payment falls due, otherwise to the  
22 former member's legal representatives."

23       Sec. 3. G.S. 135-5 is amended by inserting a new subsection to read:

24       "(g1) In the event of the death of a former member while in receipt of a retirement  
25 allowance under the provisions of this Article, if such former member is not survived by  
26 a beneficiary to whom a retirement allowance is payable under the provisions of this  
27 Article, there shall be paid to such person as the member shall have nominated by  
28 written designation duly acknowledged and filed with the Board of Trustees, if such  
29 person is living at the time of the member's death, otherwise to the member's legal  
30 representatives, a death benefit equal to the excess, if any, of the accumulated  
31 contributions of the member at his date of retirement over the total of the retirement  
32 allowances paid to him prior to his death. Provided that, in the event that a retirement  
33 allowance becomes payable to the beneficiary of a former member under the provisions  
34 of this Article before the total of the retirement allowances paid to the former member  
35 and his surviving beneficiary combined equals the amount of the member's  
36 contributions at his date of retirement, the excess of such contributions over the total of  
37 the retirement allowances paid to the former member and his surviving beneficiary  
38 combined shall be paid in a lump sum to such person as the member shall have  
39 nominated by written designation duly acknowledged and filed with the Board of  
40 Trustees, if such person is living at the time such payment falls due, otherwise to the  
41 former member's legal representatives."

42       Sec. 4. In order to fund the provisions of this act, the Board of Trustees of the  
43 Teachers' and State Employees' Retirement System, with the advice of its consulting  
44 actuary, shall apply unencumbered actuarial gain remaining after application of this gain

1 to cost-of-living increases for retired members and any other increases in retirement  
2 benefits contained in the 1989-90 Current Operations Appropriations Act, and shall  
3 allocate the percentage of payroll contribution rates for employers among the normal  
4 and accrued liability contributions to the Retirement System without an increase in the  
5 total employer contribution rate and without an increase in the scheduled amortization  
6 period for liquidation of unfunded accrued liabilities in the Retirement System.

7           Sec. 5. This act shall become effective July 1, 1989.