

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2003

S

1

SENATE BILL 371

Short Title: Retirement Contribution Rates.-AB

(Public)

Sponsors: Senators Reeves; and Moore.

Referred to: Pensions & Retirement and Aging.

March 12, 2003

1 A BILL TO BE ENTITLED
2 AN ACT TO PROVIDE FOR BIENNIAL APPROPRIATIONS TO COVER THE
3 RATE OF NORMAL CONTRIBUTION AND ANY RATE OF ACCRUED
4 LIABILITY CONTRIBUTION, AS DETERMINED BY THE BOARD OF
5 TRUSTEES OF THE TEACHERS' AND STATE EMPLOYEES' RETIREMENT
6 SYSTEM.

7 The General Assembly of North Carolina enacts:

8 **SECTION 1.** G.S. 135-6 is amended by adding a new subsection to read:

9 "(o1) Based upon the actuarial investigation and valuation made pursuant to
10 subsections (n) and (o) of this section, the Board of Trustees shall determine annually:

11 (1) The rate of normal employer contribution;

12 (2) The unfunded accrued liability of the funds;

13 (3) The amortization period in which the unfunded accrued liability will
14 be liquidated, not to exceed 30 years; and

15 (4) The rates of contribution for the State expressed as a percentage of
16 compensation of members, to include:

17 a. The rate of normal employer contribution; and

18 b. The rate of accrued liability contribution, if any, necessary to
19 liquidate the unfunded accrued liability over the period
20 established by the Board."

21 **SECTION 2.** Chapter 135 of the General Statutes is amended by adding a
22 new section to read:

23 **"§ 135-8.1. Biennial appropriations.**

24 (a) Each biennial General Assembly shall appropriate funds sufficient to cover
25 the sum of the following:

26 (1) The rate of normal employer contribution; and

27 (2) The rate of accrued liability contribution, if any.

28 (b) The Board of Trustees shall submit the request for these funds to the Office of
29 State Budget and Management. The Board shall provide the Office of State Budget and

1 Management with the actuarial investigation and valuation made pursuant to G.S. 135-6
2 and any other actuarial information to support the request.

3 (c) The biennial appropriation specified in subsection (a) of this section shall be
4 paid monthly as a percentage of compensation of members.

5 (d) The biennial appropriation required by this section shall be deposited in the
6 pension accumulation fund and used only as provided in this Chapter."

7 **SECTION 3.** This act becomes effective July 1, 2003.