Short Title:	Mandatory Cost-of-Living Increases/Retirees.	(Public)

Sponsors:	Representatives B. Allen, Womble, Lucas (Primary Sponsors); Adams, Bell, Bordsen, Cleveland, Coleman, Cunningham, Dollar, Faison, Farmer-Butterfield, Glazier, Goodwin, Hackney, Haire, Harrison, Holliman, Jeffus, Jones, Ed Jones, Justus, Luebke, McAllister, McLawhorn, Moore, Pierce, Ross, Sauls, Setzer, Sutton, Tolson, Tucker, Underhill, Wainwright, Walker, Warren, Weiss, Wiley, and Wright.

Referred to:	Pensions and Retirement.

May 24, 2006

1   A BILL TO BE ENTITLED
2 AN ACT TO PROVIDE MANDATORY COST-OF-LIVING INCREASES TO
3   RETIREES OF THE TEACHERS' AND STATE EMPLOYEES' RETIREMENT
4   SYSTEM EQUAL TO THE COST-OF-LIVING PAY INCREASE GIVEN TO
5   STATE EMPLOYEES.
6 The General Assembly of North Carolina enacts:
7   **SECTION 1.** G.S. 135-5 is amended by adding a new subsection to read:
8   "(ooo) Effective July 1, 2006, and each July 1 thereafter, the retirement allowance to
9 or on account of beneficiaries whose retirement commenced on or before July 1 of the
10 previous year shall be increased by the same percentage as the cost-of-living salary
11 increase provided to State employees for the fiscal year commencing on July 1 of the
12 current year. Furthermore, from and after July 1, 2006, and each July 1 thereafter, the
13 retirement allowance to or on account of beneficiaries whose retirement commenced
14 after July 1 of the previous year but before June 30 of the current year shall be increased
15 by a prorated amount of the same percentage as the cost-of-living salary increase
16 provided to State employees for the fiscal year commencing on July 1 of the current
17 year, payable as determined by the Board of Trustees based upon the number of months
18 that a retirement allowance was paid between July 1 of the previous year and June 30 of
19 the current year."
20   **SECTION 2.** This act becomes effective July 1, 2006.