A BILL TO BE ENTITLED
AN ACT TO REQUIRE STRESS TESTING FOR THE TEACHERS' AND STATE
EMPLOYEES' RETIREMENT SYSTEM, AS RECOMMENDED BY THE PEW
FOUNDATION; TO MAKE AMENDMENTS RELATED TO THE PENSION
SOLVENCY FUND; AND TO MAKE TECHNICAL CORRECTIONS TO THE LAWS
PERTAINING TO THE TEACHERS' AND STATE EMPLOYEES' RETIREMENT
SYSTEM, THE LOCAL GOVERNMENTAL EMPLOYEES' RETIREMENT SYSTEM,
THE CONSOLIDATED JUDICIAL RETIREMENT SYSTEM, THE NORTH CAROLINA
NATIONAL GUARD PENSION FUND, NORTH CAROLINA PUBLIC SCHOOL
TEACHERS' AND PROFESSIONAL EDUCATORS' INVESTMENT PLAN, AND THE
NORTH CAROLINA STATE HEALTH PLAN FOR TEACHERS AND STATE
EMPLOYEES.

The General Assembly of North Carolina enacts:

PART I. REQUIRE STRESS TESTING OF THE RETIREMENT SYSTEM AS
RECOMMENDED BY THE PEW FOUNDATION

SECTION 1.(a) G.S. 135-6(n) reads as rewritten:
"(n) In 1943, and at least once in each five-year period thereafter, the actuary shall make
complete an actuarial investigation into experience review of the mortality, service and
compensation experience of the members and beneficiaries of the Retirement System, and shall
make a valuation of the assets and liabilities of the funds of the System, and taking into account
the result of such investigation and valuation, the Board of Trustees shall:

(1) Adopt for the Retirement System such mortality, service and other tables as
shall be deemed necessary.

(2) Certify the rates of contributions payable by the State of North Carolina on
account of new entrants at various ages."

SECTION 1.(b) G.S. 135-6 is amended by adding two new subsections to read:
"(n1) Prior to undertaking each quinquennial actuarial experience review, as required by
this section, the Board of Trustees shall provide the General Assembly and the Governor a report
that includes all of the following, as these items apply to the Retirement System:

(1) A description of, and the process used to determine, the investment return
assumption utilized by the Board of Trustees when determining the
contribution rates.

(1a) An estimate of the range of likely employer contributions over 20 years based
on analysis that simulates the volatility of annual investment returns above
and below the expected rate, applying methodology determined by the
actuary.

(2) Projections of assets, liabilities, pension debt, service costs, employee
contributions, employer contributions, net amortization, benefit payments,
payroll, and funded ratio for the Retirement System for each of the next 30
years based upon the then-current actuarial assumptions, including the
assumed rate of return.

(3) Projections of assets, liabilities, pension debt, service costs, employee
contributions, employer contributions, net amortization, benefit payments,
payroll, and funded ratio for the Retirement System assuming that investment
returns are two and four percentage points lower than the assumed rate of
return and that the State makes employer contributions meeting all of the
following:

a. The contributions are based upon the then-current funding policy for
   the Retirement System.

b. The contributions are held constant at the levels calculated for
   subdivision (2) of this subsection.

c. The contributions never exceed fifteen percent (15%) of projected total
   revenue available for appropriation by the General Assembly.

(4) Estimates for assets, liabilities, pension debt, service costs, employee
contributions, employer contributions, net amortization, benefit payments,
payroll, and funded ratio for the Retirement System, if there is a one-year loss
on planned investments of twenty percent (20%) followed by a 20-year period
of investment returns two percentage points below plan assumptions, with the
following assumptions regarding contributions:

a. The contributions are based upon the then-current funding policy for
   the Retirement System.

b. The contributions are held constant at the levels calculated for
   subdivision (2) of this subsection.

c. The contributions never exceed fifteen percent (15%) of projected total
   revenue available for appropriation by the General Assembly.

(5) The estimated actuarially accrued liability, the total plan normal cost for all
benefit tiers if multiple tiers exist, and the employer normal cost for all benefit
tiers if multiple tiers exist, calculated using all of the following:

a. A discount rate equal to the assumed rate of return. If the discount rate
   used by the Retirement System is different from the investment return
   assumption, then the report shall provide a calculation of actuarially
   accrued liability based upon a discount rate that is two percent (2%)
   and four percent (4%) above and below the long-term rate of return
   actually used by the Board of Trustees.

b. The 10-year average of the yield of 30-year treasury notes.

(6) A description of the amortization period for any unfunded liabilities utilized
by the Board of Trustees when determining the contribution rates.

(7) A calculation of the contribution rates based on an amortization period equal
to the estimated average remaining service periods of employees covered by
the contributions.

(8) A description of the interest assumption rate utilized by the Board of Trustees
for reporting liabilities and the process used to determine that assumption.

(9) The market value of the assets controlled by the Board of Trustees and an
explanation of how the actuarial value assigned to those assets differs from
the market value of those assets.
(10) An assessment of how the changes of assumptions adopted by the Board of Trustees in the experience review affect any of the other results in the report.

(11) Any additional information deemed useful by the Board of Trustees or the Investment Advisory Committee under G.S. 147-69.2 to evaluate or adjust the investment policy statement or to evaluate adherence to or risk associated with statutory constraints on investments.

(12) Any additional information deemed useful by the Board to evaluate current or prospective funding or contribution policies.

(n2) With regards to payment for the administration of subsections (n), (n1), and (o) of this section, the Retirement Systems Division of the Department of State Treasurer may increase receipts from the retirement assets of the corresponding retirement system or may pay the costs directly from the retirement assets."

PART II. AMENDMENTS RELATED TO THE PENSION SOLVENCY FUND

SECTION 2.(a) G.S. 143C-4-10(c) is amended by adding a new subdivision to read:

"(3) Any funds, in an amount directed by the State Treasurer to be transferred, that meet all of the following criteria:

a. The funds are the result of rebates received by the Department of State Treasurer from a company administering supplemental voluntary insurance benefits authorized under G.S. 120-4.32(b), 128-38.3(b), 135-18.8(b), or 135-75(b).

b. The funds are not owed to a company administering, or individuals participating in, supplemental voluntary insurance benefits.

c. As determined by the Board of Trustees of the Retirement System, the funds are not to be needed to pay future administrative costs of the supplemental voluntary insurance benefits."

SECTION 2.(b) G.S. 135-48.5(a) reads as rewritten:

"(a) There are hereby established two health benefit trust funds, to be known as the Public Employee Health Benefit Fund and the Health Benefit Reserve Fund for the payment of hospital and medical benefits. As used in this section, the term "health benefit trust funds" refers to the fund type described under G.S. 143C-1-3(a)(10).

All premiums, fees, charges, rebates, refunds or any other receipts including, but not limited to, earnings on investments, occurring or arising in connection with health benefits programs established by this Article, shall be deposited into the Public Employee Health Benefit Fund. Disbursements from the Fund shall include any and all amounts required to pay the benefits and administrative costs of such programs as may be determined by the Executive Administrator and Board of Trustees.

Any unencumbered balance in excess of prepaid premiums or charges in the Public Employee Health Benefit Fund at the end of each fiscal year shall be used first, in the following order:

(1) First, to provide an actuarially determined Health Benefit Reserve Fund for incurred but unpresented claims, second, claims.

(2) Second, an amount determined by the State Treasurer, subject to approval by the Board of Trustees, that does not exceed twenty-five percent (25%) of any unencumbered balance remaining after providing for incurred but unpresented claims may be transferred to the Retiree Health Benefit Fund, established under G.S. 135-7(f). Upon the direction and approval of, and in the amount specified by, the State Treasurer, the Office of State Budget Management shall transfer the amount in accordance with this subdivision.

(3) Third, to reduce the premiums required in providing the benefits of the health benefits programs, and third programs.
Fourth, to improve the plan, as may be provided by the General Assembly, State Treasurer, subject to approval by the Board of Trustees.

The balance in the Health Benefits Reserve Fund may be transferred from time to time to the Public Employee Health Benefit Fund to provide for any deficiency occurring therein. The Public Employee Health Benefit Fund and the Health Benefit Reserve Fund shall be deposited with the State Treasurer and invested as provided in G.S. 147-69.2 and 147-69.3. G.S. 147-69.3.

SECTION 2.(c) G.S. 143C-4-10 is amended by adding a new subsection to read:

"(g) Funds Do Not Revert. – No portion of the Fund shall be transferred to the General Fund, and any appropriation made to the Fund shall not revert."

SECTION 2.(d) This section becomes effective July 1, 2019.

PART III. TECHNICAL CHANGES

SECTION 3.(a) G.S. 135-48.8(a) reads as rewritten:

"(a) The State of North Carolina deems it to be in the public interest for individual North Carolina firefighters, rescue squad workers, and members of the National Guard, and certain of their dependents, who are not eligible for any other type of comprehensive group health insurance or other comprehensive group health benefits, and who have been without any form of group health insurance or other comprehensive group health benefit coverage for at least six consecutive months, to be given the opportunity to participate in the benefits provided by the State Health Plan for Teachers and State Employees. Coverage under the Plan shall be voluntary for eligible firefighters, rescue squad workers, and members of the National Guard who elect participation in the Plan for themselves and their eligible dependents."

SECTION 3.(b) G.S. 135-48.40(d)(13) reads as rewritten:

"(13) The following persons, their eligible spouses, and eligible dependent children, provided that the person seeking coverage as a subscriber (i) is not eligible for another comprehensive group health benefit plan and (ii) has been without coverage under a comprehensive group health benefit plan for at least six consecutive months:

a. Firefighters.
b. Rescue squad workers.
c. Persons receiving a pension from the North Carolina Firefighters' and Rescue Squad Workers' Pension Fund.
d. Members of the North Carolina National Guard.
e. Retirees of the North Carolina National Guard with 20 years of service.

For the purposes of this subdivision, Medicare benefits, Civilian Health and Medical Program of the Uniformed Services (CHAMPUS) benefits, and other Uniformed Services benefits shall be considered comprehensive group health benefit plans. The Plan may require certification of persons seeking coverage under this subdivision. Nothing in this section shall be construed to either (i) permit a person to enroll or (ii) require the Plan to enroll a person in the Plan when that enrollment may jeopardize the Plan's preferential tax exempt status as a governmental plan under the Internal Revenue Code."

SECTION 4. G.S. 135-66 reads as rewritten:

"§ 135-66. Administration; management of funds; method of financing."

(a) The State Treasurer shall be the custodian of the assets of this Retirement System and shall invest them in accordance with the provisions of G.S. 147-69.2 and 147-69.3, G.S. 147-69.3.

(b) The assets of this Retirement System shall include employers' contributions held in the Pension Accumulation Fund established under G.S. 135-8 and employees' contributions held in the Annuity Savings Fund similarly established under G.S. 135-8.
The Board of Trustees shall have performed an annual actuarial valuation of the System and shall have the financial responsibility for maintaining the System on a generally accepted actuarial basis.

An actuarially determined employer contribution shall be calculated annually by the actuary using assumptions and a cost method approved by the Actuarial Standards Board of the American Academy of Actuaries and selected by the Board of Trustees.

Notwithstanding Chapter 150B of the General Statutes, the Board of Trustees may adopt a contribution policy that would recommend a contribution not less than the actuarially determined employer contribution.

The recommended employer contribution rate by the Board of Trustees each year shall not be less than the actuarially determined employer contribution.

SECTION 5.(a) G.S. 127A-40(f) reads as rewritten:

"(f) The Board of Trustees of the Teachers' and State Employees' Retirement System shall administer the provisions of this section. The Secretary of Public Safety shall determine the eligibility of North Carolina National Guard members for the benefits provided in this section and shall certify those eligible to the Board of Trustees. In addition, the Department of Public Safety shall, on and after July 1, 1983, provide the Board of Trustees with an annual census population, by age and the number of years of creditable service, for all former members of the North Carolina National Guard in receipt of a pension as well as for all active members of the North Carolina National Guard who are not in receipt of a pension and who have seven and more years of creditable service. The Department of Public Safety shall also provide the Board of Trustees an annual census population of all former members of the North Carolina National Guard who are not in receipt of a pension and who have 15 and more years of creditable service. The Department of State Treasurer shall make pension payments to those persons certified from the North Carolina National Guard Pension Fund, which shall include general fund appropriations made to the Department of State Treasurer. The Board of Trustees shall have performed an annual actuarial valuation of the fund and shall have the financial responsibility for maintaining the fund on a generally accepted actuarial basis. The Department of Public Safety shall provide the Department of State Treasurer with whatever assistance is required by the State Treasurer in carrying out the State Treasurer's and the Board of Trustees' financial responsibilities."

SECTION 5.(b) Article 3 of Chapter 127 of the General Statutes is amended by adding a new section to read:


(a) As used in this section, the term "Board of Trustees" means the Board of Trustees of the Teachers' and State Employees' Retirement System.

(b) The North Carolina National Guard Pension Fund shall include general fund appropriations made to the Department of State Treasurer and held with the Pension Accumulation Fund of the Teachers' and State Employees' Retirement System.

(c) The Board of Trustees shall have performed an annual actuarial valuation of the Fund and shall have the financial responsibility for maintaining the Fund on a generally accepted actuarial basis.

(d) An actuarially determined employer contribution shall be calculated annually by the actuary using assumptions and a cost method approved by the Actuarial Standards Board of the American Academy of Actuaries and selected by the Board of Trustees.

(e) Notwithstanding Chapter 150B of the General Statutes, the Board of Trustees may adopt a contribution policy that would recommend a contribution not less than the actuarially determined employer contribution.

(f) The recommended employer contribution rate by the Board of Trustees each year shall not be less than the actuarially determined employer contribution.
(g) The Department of Public Safety shall provide the Department of State Treasurer with any assistance required by the State Treasurer in carrying out the financial responsibilities of the State Treasurer or the Board of Trustees.

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

"(fl) Felony Forfeiture Impact on Contribution-Based Benefit Cap. – If an employer made contributions on account of a retiree subject to the contribution-based benefit cap under G.S. 135-8(f)(2)f. and that retiree later forfeits retirement benefits under G.S. 128-38.4, 128-38.3A, 135-18.10A, 135-18.30, 135-75.1, or 135-75.1A, then the Retirement Systems Division may provide a credit to the employer. This credit shall be calculated in an amount reflecting the impact of the forfeiture on the amount due under G.S. 135-4(jj)."

SECTION 6.(b) G.S. 128-30 is amended by adding a new subsection to read:

"(g1) Felony Forfeiture Impact on Contribution-Based Benefit Cap. – If an employer made contributions on account of a retiree subject to the contribution-based benefit cap under G.S. 135-8(f)(2)f. and that retiree later forfeits retirement benefits under G.S. 128-38.4, 128-38.3A, 135-18.10A, 135-18.30, 135-75.1, or 135-75.1A, then the Retirement Systems Division may provide a credit to the employer. This credit shall be calculated in an amount reflecting the impact of the forfeiture on the amount due under G.S. 128-26(y)."

SECTION 7.(a) Article 1 of Chapter 135 of the General Statutes is amended by adding a new section to read:

"§ 135-5.5. Inactive employers.

(a) An employer shall be considered an inactive employer if all of the following criteria are met:

(1) The employer has no employees that qualify for membership in any System under this Chapter.

(2) The employer has made no employer contributions for at least one month.

(3) The employer makes a request in writing to the Retirement Systems Division of the Department of State Treasurer to be made inactive.

(4) The Retirement Systems Division of the State Treasurer has reviewed the employer request to become inactive and has granted that request. The Retirement Systems Division shall provide written notification to the requesting employer of any decisions made under this section.

(b) Not later than April 30 of each calendar year, the Retirement Systems Division of the Department of State Treasurer shall make a report to the Board on all employers who were determined to be inactive employers in that preceding calendar year.”

SECTION 7.(b) Article 3 of Chapter 128 of the General Statutes is amended by adding a new section to read:

"§ 128-23.1. Inactive employers.

(a) An employer shall be considered an inactive employer if all of the following criteria are met:

(1) The employer has no employees that qualify for membership in the Retirement System.

(2) The employer has made no employer contributions for at least one month.

(3) The employer makes a request in writing to the Retirement Systems Division of the Department of State Treasurer to be made inactive.

(4) The Retirement Systems Division of the State Treasurer has reviewed the employer request to become inactive and has granted that request. The Retirement Systems Division shall provide written notification to the requesting employer of any decisions made under this section.

(b) Not later than April 30 of each calendar year, the Retirement Systems Division of the Department of State Treasurer shall make a report to the Board on all employers who were determined to be inactive employers in that preceding calendar year.”
SECTION 8.(a) G.S.

"§ 159-33.1. Semiannual reports of financial information.

The finance officer of each unit and public authority shall submit to the secretary on January 1 and July 1 of each year (or such year, or other dates as the secretary may prescribe) prescribe, a statement of financial information concerning the unit or public authority. The secretary may prescribe the information to be included in the statement and may prescribe the form of the statement; provided, however, the secretary shall prescribe that the finance officer of each city and county shall include in the statement the total revenues received from building inspections, by type, source, and the total expenditures paid from all revenues received, by type, object."

SECTION 8.(b) This section is effective June 30, 2019.

SECTION 9. G.S. 135-18.1(a) reads as rewritten:

"(a) Any person who is a member of the Teachers' and State Employees' Retirement System of North Carolina on July 1, 1951, and who was previously a member of the North Carolina Governmental Employees' Retirement System, hereafter in this section referred to as the local system, shall be entitled to transfer to this Retirement System his credits for membership and prior service in the local system as of the date of termination of membership in the local system, notwithstanding that his membership in the local system may have been terminated prior to July 1, 1951. Provided, such member shall deposit in this Retirement System prior to January 1, 1952, the full amount of any accumulated contributions standing to his credit in, or previously withdrawn from, the local system and shall apply to the Board of Trustees of this Retirement System for a transfer of credit from the local system. Any person who was a member of the North Carolina Governmental Employees' Retirement System and who becomes a member of this Retirement System on or after July 1, 1951, shall be entitled prior to his retirement to transfer to this Retirement System his or her credits for membership and prior service in the local system; provided, the actual transfer of employment is made while his account in the local system is active and such person shall request the local system to transfer his accumulated contributions, interest, and service credits to this Retirement System; provided further, with respect to any person who becomes a member of this Retirement System after July 1, 1969, the local system agrees to transfer to this Retirement System the amount of reserve held in the local system as a result of previous contributions of the employer on behalf of the transferring employee. For the purposes of this section, the term "local system" means the North Carolina Governmental Employees' Retirement System."
be provided for retirement members of the Teachers' and State Employees' Retirement System under the provisions of this Article.

(b) Upon the enrollment of the employees in the Teachers' and State Employees' Retirement System, the purported private retirement plan and trust agreement hereinabove referred to shall be dissolved and terminated.

(e) Notwithstanding the foregoing, blind persons licensed by the State and operating vending facilities under contract with the Department of Health and Human Services, Division of Services for the Blind and its successors, hereinafter referred to as licensed vendors, so who are licensed on and after October 1, 1983, shall not be members of the Retirement System. All licensed vendors in service or who are members of the Retirement System before October 1, 1983, shall make an irrevocable election to do one of the following:

(1) Continue contributing membership service as if an employee under the same conditions and requirements as are otherwise provided, and have the rights of a member to all benefits and a retirement allowance;

(2) Receive a return of accumulated contributions with cessation of contributing membership service, under G.S. 135-5(f), and in any event with regular interest regardless of membership service; or

(3) Terminate contributing membership service and be entitled alternatively to the benefits and allowances provided under G.S. 135-3(8) or 135-5(a).

SECTION 12. G.S. 128-23(b) reads as rewritten:

"(b) Pursuant to the favorable vote of a majority of the employees of the county, the board of commissioners of any county may, by resolution legally adopted and approved by the Board of Trustees, elect to have its employees become eligible to participate in the Retirement System. Each county is authorized to make appropriations for these purposes and to fund them by levy of property taxes pursuant to G.S. 153-65 as authorized by Article 7 of Chapter 153A of the General Statutes and by the allocation of other revenues whose use is not otherwise restricted by law."

SECTION 13. G.S. 115D-25.4 is amended by adding a new subsection to read:

"(c) The administrative costs of the North Carolina Public School Teachers' and Professional Educators' Investment Plan may be charged to members or deducted from members' accounts in accordance with nondiscriminatory procedures established by the Department of State Treasurer and Board of Trustees."

SECTION 14.(a) G.S. 135-6.1 is amended by adding a new subsection to read:

"(e1) The Retirement Systems Division of the Department of State Treasurer may disclose to employers and former employers that made a contribution for an employee or former employee to the Retirement System any information that is not public under this Section regarding that employee necessary to conduct the business of the Retirement System. Employers and former employers in receipt of this information shall treat the information as confidential and this information shall not be a public record."

SECTION 14.(b) G.S. 135-8(f)(2)f. reads as rewritten:

"f. Each employer shall transmit to the Retirement System on account of each member who retires on or after January 1, 2015, having earned his or her last month of membership service as an employee of that employer the lump sum payment, as calculated under G.S. 135 4(jj) for inclusion in the Pension Accumulation Fund, that would have been necessary in order for the retirement system to restore the member's retirement allowance to the pre cap amount. Employers are not required to make contributions on account of any retiree who became a member on or after January 1, 2015, and who earned at least five years of membership service in the Retirement System after January 1, 2015. The retirement allowance of a member with a final average compensation of more than one hundred thousand dollars ($100,000),
as hereinafter indexed, shall not be subject to the contribution based benefit cap if the compensation was earned from multiple simultaneous employers, unless an employer's share of the average final compensation exceeds one hundred thousand dollars ($100,000). An employer is not required to make contributions on account of any retiree whose final average compensation exceeds one hundred thousand dollars ($100,000), as hereinafter indexed, based upon compensation earned from multiple simultaneous employers, unless that employer's share of the average final compensation exceeds one hundred thousand dollars ($100,000), as provided and indexed under G.S. 135 5(a3).

Under such rules as the Board of Trustees shall adopt, the Retirement System shall report monthly to each employer a list of those members for whom the employer made a contribution to the Retirement System in the preceding month that are most likely to require an additional employer contribution should they elect to retire in the following 12 months, if applicable. Reports received under this section shall not be public records. Employers or former employers in receipt of a report under this section shall treat the report, and the information contained within that report, as confidential and as though it were still held by the Retirement System under G.S. 135-6.1."

SECTION 14.(c) G.S. 135-8(j) reads as rewritten:
"(j) Pension Spiking Report. – Upon receipt of a report from the Retirement System generated pursuant to G.S. 135-8(f)(2)f., containing a list of employees for whom the employer made a contribution to the North Carolina Teachers' and State Employees' Retirement System that is likely to require an additional employer contribution should the employee elect to retire in the following 12 months, the employer's chief financial officer shall transmit a copy of the report to the chief executive of the employer, as well as to the governing body of the employer, including any board which exercises financial oversight of the employer, if applicable. The employer has a governing body. Reports received under this section shall not be public records. Employers or former employers in receipt of this information shall treat the information as confidential and this information shall not be a public record."  

SECTION 14.(d) G.S. 128-33.1 is amended by adding a new subsection to read:
"(e1) The Retirement Systems Division of the Department of State Treasurer may disclose to employers or former employers that made a contribution for an employee or former employee to the Retirement System any information not public under this Section regarding that employee necessary to conduct the business of the Retirement System. Employers and former employers in receipt of this information shall treat the information as confidential and this information shall not be a public record."

SECTION 14.(e) G.S. 128-30(g)(2)b. reads as rewritten:
"b. Each employer shall transmit to the Retirement System on account of each member who retires on or after January 1, 2015, having earned his or her last month of membership service as an employee of that employer the lump sum payment, as calculated under G.S. 128-26(y) for inclusion in the Pension Accumulation Fund, that would have been necessary in order for the retirement system to restore the member's retirement allowance to the pre-cap amount. Employers are not required to make contributions on account of any retiree who became a member on or after January 1, 2015, and who earned at least five years of membership service in the Retirement System after January
The retirement allowance of a member with a final average compensation of more than one hundred thousand dollars ($100,000), as hereinafter indexed, shall not be subject to the contribution-based benefit cap if the compensation was earned from multiple simultaneous employers, unless an employer's share of the average final compensation exceeds one hundred thousand dollars ($100,000). An employer is not required to make contributions on account of any retiree whose final average compensation exceeds one hundred thousand dollars ($100,000), as hereinafter indexed, based upon compensation earned from multiple simultaneous employers, unless that employer's share of the average final compensation exceeds one hundred thousand dollars ($100,000), as provided and indexed under G.S. 128-27(a3).

Under such rules as the Board of Trustees shall adopt, the Retirement System shall report monthly to each employer a list of those members for whom the employer made a contribution to the Retirement System in the preceding month that are most likely to require an additional employer contribution should they elect to retire in the following 12 months, if applicable. Reports received under this section shall not be public records. Employers or former employers in receipt of a report under this section shall treat the report, and the information contained within that report, as confidential and as though it were still held by the Retirement System under G.S. 128-33.1.

SECTION 14.(f) G.S. 128-30(j) reads as rewritten:

"(j) Pension Spiking Report. – Upon receipt of a report from the Retirement System generated pursuant to G.S. 128-30(g)(2)b., containing a list of employees for whom the employer made a contribution to the North Carolina Local Governmental Employees' Retirement System that is likely to require an additional employer contribution should the employee elect to retire in the following 12 months, the employer's chief financial officer shall transmit a copy of the report to the governing body of the employer, if applicable. Reports received under this section shall not be public records. Employers and former employers in receipt of a report under this section shall treat the report, and the information contained within that report, as confidential and as though it were still held by the Retirement System under G.S. 128-33.1."

SECTION 15. G.S. 135-48.47 reads as rewritten:

"§ 135-48.47. Participation in State Health Plan by local government employees and dependents.

(d) Local governments participating in the Plan as of April 1, 2016, may elect to withdraw from participating in the Plan effective January 1, 2017. Notice of withdrawal must be given by the local government to the Plan no later than September 15, 2016.

(e) Except as permitted under subsection (d) of this section, a local government unit's election to participate in the Plan is irrevocable."

SECTION 16. G.S. 147-69.7(b)(1)f. reads as rewritten:

"f. With respect to the Retirement Systems defined in G.S. 147-69.2(d) and any other pension plans, the adequacy of funding for the Retirement Systems based on reasonable actuarial factors."

SECTION 17. Except as otherwise provided, this act is effective when it becomes law.