

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2023

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HOUSE BILL 1020

Short Title: Retirement Admin. Changes Act of 2024. (Public)

Sponsors: Representative Carson Smith.

For a complete list of sponsors, refer to the North Carolina General Assembly web site.

Referred to: Pensions and Retirement, if favorable, Rules, Calendar, and Operations of the House

May 6, 2024

A BILL TO BE ENTITLED

AN ACT MAKING ADMINISTRATIVE AND CONFORMING CHANGES TO THE LAWS GOVERNING THE TEACHERS' AND STATE EMPLOYEES' RETIREMENT SYSTEM, THE LOCAL GOVERNMENTAL EMPLOYEES' RETIREMENT SYSTEM, THE CONSOLIDATED JUDICIAL RETIREMENT SYSTEM, THE LEGISLATIVE RETIREMENT SYSTEM, AND RELATED STATUTES.

The General Assembly of North Carolina enacts:

PART I. CLARIFY EFFECT OF ELECTING THE OPTIONAL RETIREMENT PROGRAM OR SIMILAR BENEFIT PLAN OFFERED BY THE UNIVERSITY OF NORTH CAROLINA HEALTH CARE SYSTEM ON THE RECEIPT OF A RETIREMENT ALLOWANCE UNDER THE TEACHERS' AND STATE EMPLOYEES' RETIREMENT SYSTEM

SECTION 1. G.S. 135-3(a)(8) is amended by adding a new sub-subdivision to read:

"h. If a beneficiary who retired on an early or service retirement allowance under this Article is reemployed by an employer with an option to elect to participate in either the Optional Retirement Program or a similar benefit to the Optional Retirement Program offered pursuant to G.S. 116-350.30 or G.S. 116-360.15 and that beneficiary does elect to participate in either program, then that beneficiary's retirement allowance shall be suspended as of the first day of the month following the month in which the beneficiary was reemployed. The beneficiary's retirement allowance shall be reinstated as of the first day of the month following the month in which the beneficiary ceases contributing employment in the Optional Retirement Program or a similar benefit to the Optional Retirement Program offered pursuant to G.S. 116-350.30 or G.S. 116-360.15."

PART II. CHANGES ADDRESSING SEVERANCE PAY

SECTION 2.(a) G.S. 135-5 is amended by adding a new subsection to read:

"(a4) Effect of Severance Pay. – Notwithstanding any provision of this section to the contrary, a member in receipt of severance pay from an employer is not eligible to receive a retirement allowance under this Article while in receipt of that severance pay. If a member is entitled to receive a lump sum severance payment based on a certain period of time, such as a



1 number of weeks or months, then the member is not eligible to receive a retirement allowance
 2 under this Article for any month, beginning immediately after the member's separation from
 3 service to that employer, that includes the time period used to determine the lump sum severance
 4 payment."

5 **SECTION 2.(b)** G.S. 128-27 is amended by adding a new subsection to read:

6 "(a4) Effect of Severance Pay. – Notwithstanding any provision of this section to the
 7 contrary, a member in receipt of severance pay from an employer is not eligible to receive a
 8 retirement allowance under this Article while in receipt of that severance pay. If a member is
 9 entitled to receive a lump sum severance payment based on a certain period of time, such as a
 10 number of weeks or months, then the member is not eligible to receive a retirement allowance
 11 under this Article for any month, beginning immediately after the member's separation from
 12 service to that employer, that includes the time period used to determine the lump sum severance
 13 payment."

14 **SECTION 2.(c)** G.S. 135-58 is amended by adding a new subsection to read:

15 "(f) Notwithstanding any provision of this section or G.S. 135-57 to the contrary, a
 16 member in receipt of severance pay from an employer is not eligible to receive a retirement
 17 allowance under this Article while in receipt of that severance pay. If, as severance, the member
 18 is entitled to receive a lump sum payment based on a certain period of time, such as a number of
 19 weeks or months, then the member is not eligible to receive a retirement allowance under this
 20 Article for any month, beginning immediately after the member's separation from service to that
 21 employer, that includes the time period used to determine the lump sum payment."

22 **SECTION 2.(d)** This section is effective January 1, 2025, and applies to members
 23 in receipt of severance pay that begins on or after that date and to members entitled to receive a
 24 lump sum payment based on a certain period of time that begins on or after that date.
 25

26 **PART III. CHANGES RELATED TO EMPLOYER REPORTING REQUIREMENTS**
 27 **FOR THE TEACHERS' AND STATE EMPLOYEES' RETIREMENT SYSTEM AND**
 28 **THE LOCAL GOVERNMENTAL EMPLOYEES' RETIREMENT SYSTEM**

29 **SECTION 3.(a)** G.S. 135-8(f) reads as rewritten:

30 "(f) Collection of Contributions. – The following shall apply to the collection of
 31 contributions:

- 32 ...
- 33 (3) ~~In the event~~ If the employee or employer contributions required under this
 34 section-section, including the information to be submitted in conjunction with
 35 those contributions under subdivision (4) of this subsection, are not received
 36 by the date set by the Board of Trustees and ~~provided that~~ a one-time exception
 37 has not been agreed upon in advance due to exigent circumstances, ~~then the~~
 38 Board shall assess the employer with a penalty, in lieu of interest, of 1% per
 39 month with a minimum penalty of twenty-five dollars (\$25.00). The Board
 40 may waive one penalty per employer every five years if the Board finds that
 41 the employer has consistently demonstrated good-faith efforts to comply with
 42 the set deadline. If within 90 days after request ~~therefor~~ for the contributions
 43 or the required information by the Board any employer shall not have provided
 44 the System with the required records and other ~~information required hereunder~~
 45 information, or if the full accrued amount of the contributions provided for
 46 under this section due from members employed by an employer or from an
 47 employer other than the State shall not have been received by the System from
 48 the chief fiscal officer of ~~such the~~ employer within 30 days after the last due
 49 date as ~~herein provided, date,~~ then, notwithstanding anything ~~herein in this~~
 50 section or in the provisions of any other provision of law to the contrary, upon
 51 notification of the employer's default by the Board to the State Treasurer as to

~~the default of such employer as herein provided, Treasurer,~~ any distributions which might otherwise be made to ~~such the~~ employer from any funds of the State shall be withheld from ~~such the~~ employer until notice from the Board to the State Treasurer that ~~such the~~ employer is no longer in default.

In the event that an employer fails to submit payment of any required contributions or payments to the Retirement Systems Division, other than the one percent (1%) payment provided for in the first paragraph of this subdivision, within 90 days after the date set by the Board of Trustees, the Board shall notify the State Treasurer of its intent to collect the delinquent contributions and other payments due to the Retirement Systems Division and request an interception of State appropriations due to the participating employer.

Except as provided in this subdivision, upon notification by the Board of Trustees to the State Treasurer and the Office of State Budget and Management as to the default of the employer, the Office of State Budget and Management shall withhold from any State appropriation due to that employer an amount equal to the sum of all delinquent contributions and other debts due to the Retirement Systems Division and shall transmit that amount to the Retirement Systems Division. For the purposes of this subsection, the date set by the Board of Trustees for payment of the contribution-based benefit cap liability shall be 12 months after the member's effective date of retirement, or the first day of the month coincident with or next following six months after the date of the invoice, whichever is later.

(4) In conjunction with the employee and employer contributions required under this section, the Board of Trustees shall direct employers to submit ~~such~~ information on a monthly basis ~~as that~~ is necessary for proper administration of the Retirement System, actuarial valuation, and reporting under accounting standards set forth by the Governmental Accounting Standards Board of the Financial Accounting Foundation. This required information shall be considered part of the employee and employer contributions required under this section. The employee and employer contributions are not considered received until the required information is submitted to the Retirement System. Submission of ~~such this~~ information by an employer to the Retirement System constitutes a certification of its accuracy.

...."

SECTION 3.(b) G.S. 128-30(g) reads as rewritten:

"(g) Collection of Contributions. – The following shall apply to the collection of contributions:

...

(3) ~~In the event~~ If the employee or employer contributions required under this section-section, including the information to be submitted in conjunction with those contributions under subdivision (4) of this subsection, are not received by the date set by the Board of Trustees and provided that a one-time exception has not been agreed upon in advance due to exigent circumstances, then the Board shall assess the employer with a penalty, in lieu of interest, of 1% per month with a minimum penalty of twenty-five dollars (\$25.00). The Board may waive one penalty per employer every five years if the Board finds that the employer has consistently demonstrated good-faith efforts to comply with the set deadline. If within 90 days after request therefor for the contributions or the required information by the Board any employer shall not have provided the System with the required records and other information required hereunder

1 information, or if the full accrued amount of the contributions provided for
 2 under this section due from members employed by an employer or from an
 3 employer shall not have been received by the System from the chief fiscal
 4 officer of ~~such the~~ employer within 30 days after the last due ~~date as herein~~
 5 ~~provided, date,~~ then, notwithstanding anything ~~herein in this section or in the~~
 6 ~~provisions of any other provision of law to the contrary,~~ upon notification of
 7 the employer's default by the Board to the State ~~Treasurer as to the default of~~
 8 ~~such employer as herein provided, Treasurer,~~ any distributions which might
 9 otherwise be made to ~~such the~~ employer, or the municipality or county of
 10 which ~~such the~~ employer is an integral part, from any funds of the State or any
 11 funds collected by the State shall be withheld from ~~such the~~ employer until
 12 notice from the Board to the State Treasurer that ~~such the~~ employer is no
 13 longer in default.

14 In the event that an employer fails to submit payment of any required
 15 contributions or payments to the Retirement Systems Division, other than the
 16 one percent (1%) payment provided for in the first paragraph of this
 17 subdivision, within 90 days after the date set by the Board of Trustees, the
 18 Board shall notify the State Treasurer of its intent to collect the delinquent
 19 contributions and other payments due to the Retirement Systems Division and
 20 request an interception of State appropriations due to the participating
 21 employer.

22 Except as provided in this subdivision, upon notification by the Board of
 23 Trustees to the State Treasurer and the Office of State Budget and
 24 Management as to the default of the employer, the Office of State Budget and
 25 Management shall withhold from any State appropriation due to that employer
 26 an amount equal to the sum of all delinquent contributions and other debts due
 27 to the Retirement Systems Division and shall transmit that amount to the
 28 Retirement Systems Division. For the purposes of this subsection, the date set
 29 by the Board of Trustees for payment of the contribution-based benefit cap
 30 liability shall be 12 months after the member's effective date of retirement, or
 31 the first day of the month coincident with or next following six months after
 32 the date of the invoice, whichever is later.

- 33 (4) In conjunction with the employee and employer contributions required under
 34 this section, the Board of Trustees shall direct employers to submit ~~such~~
 35 information on a monthly basis ~~as that~~ is necessary for proper administration
 36 of the Retirement System, actuarial valuation, and reporting under accounting
 37 standards set forth by the Governmental Accounting Standards Board of the
 38 Financial Accounting Foundation. This required information shall be
 39 considered part of the employee and employer contributions required under
 40 this section. The employee and employer contributions are not considered
 41 received until the required information is submitted to the Retirement System.
 42 Submission of ~~such this~~ information by an employer to the Retirement System
 43 constitutes a certification of its accuracy."

44 **SECTION 3.(c)** This section is effective January 1, 2025, and applies to employee
 45 and employer contributions, and the information to be submitted in conjunction with those
 46 contributions, required on or after that date.

47
 48 **PART IV. EFFECT OF THE DEATH OF A MEMBER OF THE LEGISLATIVE**
 49 **RETIREMENT SYSTEM OCCURRING WHILE APPLYING FOR A RETIREMENT**
 50 **ALLOWANCE**

51 **SECTION 4.(a)** G.S. 120-4.26 reads as rewritten:

1 **"§ 120-4.26. Benefit payment options.**

2 (a) Any member may elect to receive ~~their~~ benefits in a retirement allowance payable
3 throughout life, or the member may elect to receive the actuarial equivalent of the retirement
4 allowance in a reduced allowance payable throughout life under the provisions of one of the
5 options set forth ~~below~~ in this section. No election may be made after the first payment becomes
6 normally due and the first payment date has occurred, nor may an election be revoked or a
7 nomination ~~changed~~ changed, except as provided for by this section.

8 (b) If a member dies after the effective date of retirement for which the member has been
9 approved, then one of the following shall apply:

10 (1) If the Board of Trustees has received an election of benefits under this section
11 that is properly filed and acknowledged by the member and the member dies
12 before the date when the first payment on account of any benefit normally
13 becomes due and the first benefit payment has occurred, then the retirement
14 benefit shall be payable as provided for by the member's election of benefits.

15 (2) If the member dies prior to the receipt by the Board of Trustees of an election
16 of benefits under this section that is properly filed and acknowledged by the
17 member, then one of the following shall apply:

18 a. If the member has no designated beneficiary for a return of
19 accumulated contributions, then the administrator or executor of the
20 member's estate shall elect an option under this section and name the
21 beneficiary or beneficiaries.

22 b. If the member has only one designated beneficiary for a return of
23 accumulated contributions, then that beneficiary may elect to receive
24 the benefit.

25 c. If the member has more than one designated beneficiary for a return
26 of accumulated contributions, then the administrator or executor of the
27 member's estate shall elect an option under this section and name the
28 beneficiary or beneficiaries.

29 (c) The election of Option 2 or Option 3 or the nomination of the person ~~thereunder~~ under
30 either of those options shall be revoked if the person nominated dies prior to the date the first
31 payment becomes normally due and the first payment date has occurred. The election may be
32 revoked by the member prior to the date the first payment becomes normally due and the first
33 payment date has occurred. ~~Provided, however, in the event~~

34 (d) If a member has elected Option 2 or Option 3 and nominated his or her spouse to
35 receive a retirement allowance upon the member's death, and the spouse predeceases the member
36 after the first payment becomes normally due or the first payment date has occurred, if occurred
37 and the member remarries he or she remarries, then, within 90 days of the remarriage, the member
38 may nominate a new spouse to receive the retirement allowance under the previously elected
39 option, within 90 days of the remarriage. option. The new nomination shall be effective on the
40 first day of the month in which it is made and shall provide for a retirement allowance computed
41 to be the actuarial equivalent of the retirement allowance in effect immediately prior to the
42 effective date of the new nomination.

43 (e) Any member having elected Options 2 or 3 and nominated his or her spouse to receive
44 a retirement allowance upon the member's death may, after divorce from ~~his or her~~ that spouse,
45 revoke the nomination and elect a new option, effective on the first day of the month in which
46 the new option is elected, providing for a retirement allowance computed to be the actuarial
47 equivalent to the retirement allowance in effect immediately prior to the effective date of the new
48 option.

49 (f) The benefit payment options under this section are as follows:

50 (1) Option 1. For Members Retiring Prior to July 1, 1993. – If a member dies
51 within 10 years from his ~~the member's~~ retirement date, an amount equal to ~~his~~

1 the member's accumulated contributions at retirement, less one-one hundred
2 twentieth (1/120) for each month for which ~~he~~ the member has received a
3 retirement allowance payment, shall be paid to ~~his~~ the member's legal
4 representative or to the person ~~he~~ the member nominates by written
5 designation acknowledged and filed with the Board of ~~Trustees;~~ Trustees.

6 (2) Option 2. – Upon ~~his~~ a member's death, ~~his~~ the member's reduced retirement
7 allowance shall be continued throughout the life of and paid to the person ~~he~~
8 the member nominates by written designation duly acknowledged and filed
9 with the Board of Trustees at the time of ~~his~~ the member's retirement. If the
10 person selected is other than ~~his~~ the member's spouse, then the reduced
11 retirement allowance payable to the member shall not be less than one half of
12 the retirement allowance without optional modification which would
13 otherwise be payable to ~~him;~~ or the member.

14 (3) Option 3. – Upon ~~his~~ a member's death, one half of ~~his~~ the member's reduced
15 retirement allowance shall be continued throughout the life of and paid to the
16 person ~~he~~ the member nominates by written designation duly acknowledged
17 and filed with the Board of Trustees at the time of ~~his~~ the member's
18 retirement."

19 **SECTION 4.(b)** This section is effective when it becomes law and applies to member
20 deaths occurring on or after that date.

21
22 **PART V. SUNSET ENTRY OF NEW DOMICILED EMPLOYEE OR RETIREE**
23 **ASSOCIATIONS ELIGIBLE TO RECEIVE PERIODIC DEDUCTIONS FROM**
24 **RETIREMENT BENEFITS**

25 **SECTION 5.(a)** G.S. 135-18.8(a) reads as rewritten:

26 "(a) Any beneficiary who is a member of a domiciled employees' or retirees' association
27 ~~that has at least 2,000 members, the majority of whom are active or retired employees of the State~~
28 ~~or public school employees, eligible under this subsection~~ may authorize, in writing, the periodic
29 deduction from the beneficiary's retirement benefits a designated lump sum to be paid to the
30 employees' or retirees' association. The authorization shall remain in effect until revoked by the
31 beneficiary. A plan of deductions pursuant to this section shall become void if the employees' or
32 retirees' association engages in collective bargaining with the State, any political subdivision of
33 the State, or any local school administrative unit. To be eligible for deductions under this
34 subsection, a domiciled employees' or retirees' association must meet both of the following
35 criteria:

36 (1) The association has at least 2,000 members, the majority of whom are active
37 or retired employees of the State or public school employees.

38 (2) The association had received a deduction as of December 31, 2024."

39 **SECTION 5.(b)** G.S. 128-38.3(a) reads as rewritten:

40 "(a) Any beneficiary who is a member of a domiciled employees' or retirees' association
41 ~~that has at least 2,000 members, the majority of whom are active or retired employees of~~
42 ~~employers as defined in G.S. 128-21(11), eligible under this subsection~~ may authorize, in writing,
43 the periodic deduction from the beneficiary's retirement benefits a designated lump sum to be
44 paid to the employees' or retirees' association. The authorization shall remain in effect until
45 revoked by the beneficiary. A plan of deductions pursuant to this section shall become void if the
46 employees' or retirees' association engages in collective bargaining with the State, any political
47 subdivision of the State, or any local school administrative unit. To be eligible for deductions
48 under this subsection, a domiciled employees' or retirees' association must meet both of the
49 following criteria:

50 (1) The association has at least 2,000 members, the majority of whom are active
51 or retired employees of employers, as defined under G.S. 128-21.

1 (2) The association had received a deduction as of December 31, 2024."

2 **SECTION 5.(c)** G.S. 135-75(a) reads as rewritten:

3 "(a) Any beneficiary who is a member of a domiciled employees' or retirees' association
4 ~~that has at least 2,000 members, the majority of whom are active or retired employees of the State~~
5 ~~or public school employees, eligible under this subsection~~ may authorize, in writing, the periodic
6 deduction from the beneficiary's retirement benefits a designated lump sum to be paid to the
7 employees' or retirees' association. The authorization shall remain in effect until revoked by the
8 beneficiary. A plan of deductions pursuant to this section shall become void if the employees' or
9 retirees' association engages in collective bargaining with the State, any political subdivision of
10 the State, or any local school administrative unit. To be eligible for deductions under this
11 subsection, a domiciled employees' or retirees' association must meet both of the following
12 criteria:

13 (1) The association has at least 2,000 members, the majority of whom are active
14 or retired employees of the State or public school employees.

15 (2) The association had received a deduction as of December 31, 2024."

16 **SECTION 5.(d)** G.S. 120-4.32(a) reads as rewritten:

17 "(a) Any beneficiary who is a member of a domiciled employees' or retirees' association
18 ~~that has at least 2,000 members, the majority of whom are active or retired employees of the State~~
19 ~~or public school employees, eligible under this subsection~~ may authorize, in writing, the periodic
20 deduction from the beneficiary's retirement benefits a designated lump sum to be paid to the
21 employees' or retirees' association. The authorization shall remain in effect until revoked by the
22 beneficiary. A plan of deductions pursuant to this section shall become void if the employees' or
23 retirees' association engages in collective bargaining with the State, any political subdivision of
24 the State, or any local school administrative unit. To be eligible for deductions under this
25 subsection, a domiciled employees' or retirees' association must meet both of the following
26 criteria:

27 (1) The association has at least 2,000 members, the majority of whom are active
28 or retired employees of the State or public school employees.

29 (2) The association had received a deduction as of December 31, 2024."

30 **SECTION 5.(e)** G.S. 127A-40(h1) reads as rewritten:

31 "(h1) Any member or former member of the North Carolina National Guard who is
32 qualified for benefits under this section and who is a member of a domiciled employees' or
33 retirees' association ~~that has at least 2,000 members, the majority of whom are active or retired~~
34 ~~employees of the State or public school employees, eligible under this subsection~~ may authorize,
35 in writing, the periodic deduction from the member's retirement benefits a designated lump sum
36 to be paid to the employees' or retirees' association. The authorization shall remain in effect until
37 revoked by the member. A plan of deductions pursuant to this subsection shall become void if
38 the employees' or retirees' association engages in collective bargaining with the State, any
39 political subdivision of the State, or any local school administrative unit. To be eligible for
40 deductions under this subsection, a domiciled employees' or retirees' association must meet both
41 of the following criteria:

42 (1) The association has at least 2,000 members, the majority of whom are active
43 or retired employees of the State or public school employees.

44 (2) The association had received a deduction as of December 31, 2024."

45 **SECTION 5.(f)** This section is effective January 1, 2025.

46
47 **PART VI. LEGISLATIVE ENACTED IMPLEMENTATION ADJUSTMENT**
48 **FLEXIBILITY**

49 **SECTION 6.(a)** G.S. 135-7(h) reads as rewritten:

50 "(h) Legislative Enactment Implementation Arrangement. – The Legislative Enactment
51 ~~Implementation Arrangement (LEIA) Arrangement, or LEIA,~~ is established effective October 1,

2017, and placed under the management of the Board of Trustees. The purpose of the LEIA is to provide for timely administrative implementation of legislative provisions regarding the retirement of, or payment of retirement benefits to, public officers or public employees. The LEIA shall have the following parameters:

...
 (2) Funding of the LEIA. – In the event that the General Assembly creates or modifies any provision for the retirement of, or payment of retirement benefits to, public officers or public employees that has a cost savings as measured by actuarial note required by Article 15 of Chapter 120 of the General Statutes, the Board of Trustees may direct up to one hundredth percent (0.01%) of the required contributions to fund the LEIA. These funds must be deposited in a separate fund from the fund into which regular employer contributions are deposited for the Retirement System. The Board of Trustees shall not direct any employer contributions into the LEIA after ~~November 1, 2026~~January 1, 2035.

(3) Allocation of LEIA funds. – The Board of Trustees may allocate LEIA funds to (i) the implementation of legislative provisions regarding the retirement of, or payment for retirement benefits to, public officers or public employees, or (ii) be used for administrative or information technology purposes, subject to the following restrictions:

...
 e. The Board of Trustees shall identify the specific administrative or information technology purpose for which LEIA funds will be used. Any use of LEIA funds for administrative or information technology purposes requires a determination by the Board of Trustees that the use of funds is necessary to prevent an interruption to the normal operation of the Retirement System.

...
 (5) Reporting. – The Department of State Treasurer shall report to the Board of Trustees, the Joint Legislative Commission on Governmental Operations, and the Fiscal Research Division on or before August 1 of each year ~~on the (i) and~~ provide the following information related to the LEIA:

- a. The amounts and sources of funds collected by year pursuant to this section and (ii) the section.
- b. The amounts ~~expended, the~~ expended from the LEIA.
- c. The projects for which ~~those~~ funds were ~~expended,~~ expended and the current status of the projects.
- d. The administrative and information technology purposes for which funds were ~~expended~~ and the determination by the Board of Trustees of the necessity to expend funds for those purposes.

The Board of Trustees shall also post this report on its public ~~Web~~ website."

SECTION 6.(b) G.S. 128-29(g) reads as rewritten:

"(g) Legislative Enactment Implementation Arrangement. – The Legislative Enactment Implementation ~~Arrangement (LEIA) Arrangement~~, or LEIA, is established effective October 1, 2017, and placed under the management of the Board of Trustees. The purpose of the LEIA is to provide for timely administrative implementation of legislative provisions regarding the retirement of, or payment of retirement benefits to, public officers or public employees. The LEIA shall have the following parameters:

...

- 1 (2) Funding of the LEIA. – In the event that the General Assembly creates or
- 2 modifies any provision for the retirement of, or payment of retirement benefits
- 3 to, public officers or public employees that has a cost savings as measured by
- 4 actuarial note required by Article 15 of Chapter 120 of the General Statutes,
- 5 the Board of Trustees may direct up to one hundredth percent (0.01%) of the
- 6 required contributions to fund the LEIA. These funds must be deposited in a
- 7 separate fund from the fund into which regular employer contributions are
- 8 deposited for the Retirement System. The Board of Trustees shall not direct
- 9 any employer contributions into the LEIA after ~~November 1, 2026~~January 1,
- 10 2035.
- 11 (3) Allocation of LEIA funds. – The Board of Trustees may allocate LEIA funds
- 12 to (i) the implementation of legislative provisions regarding the retirement of,
- 13 or payment for retirement benefits to, public officers or public employees, or
- 14 (ii) be used for administrative or information technology purposes, subject to
- 15 the following restrictions:
- 16 ...
- 17 e. The Board of Trustees shall identify the specific administrative or
- 18 information technology purpose for which LEIA funds will be used.
- 19 Any use of LEIA funds for administrative or information technology
- 20 purposes requires a determination by the Board of Trustees that the
- 21 use of funds is necessary to prevent an interruption to the normal
- 22 operation of the Retirement System.
- 23 ...
- 24 (5) Reporting. – The Department of State Treasurer shall report to the Board of
- 25 Trustees, the Joint Legislative Commission on Governmental Operations, and
- 26 the Fiscal Research Division on or before August 1 of each year ~~on the (i) and~~
- 27 provide the following information related to the LEIA:
- 28 a. The amounts and sources of funds collected by year pursuant to this
- 29 section and (ii) the section.
- 30 b. The amounts ~~expended, the~~ expended from the LEIA.
- 31 c. The projects for which ~~those~~ funds were ~~expended,~~ expended and the
- 32 current status of the projects.
- 33 d. The administrative and information technology purposes for which
- 34 funds were expended and the determination by the Board of Trustees
- 35 of the necessity to expend funds for those purposes.
- 36 The Board of Trustees shall also post this report on its public ~~Web~~
- 37 site.

PART VII. EXPAND ELIGIBILITY FOR PARTICIPATION IN THE NORTH CAROLINA 401(K) SUPPLEMENTAL RETIREMENT INCOME PLAN

SECTION 7.(a) G.S. 135-92(a) reads as rewritten:

"(a) The membership eligibility of the Supplemental Retirement Income Plan shall consist of any of the following individuals who voluntarily elect to enroll in the Plan:

- 44 ...
- 45 (10) Part-time and full-time employees of an employer that has one or more
- 46 employees eligible for the Plan pursuant to subdivisions (1) through (9) of this
- 47 subsection.
- 48 (11) Part-time and full-time employees of a State agency or institution, or any of
- 49 its political subdivisions, that, with the consent of the Board of Trustees, has
- 50 elected to allow its employees to enroll in the Plan."

SECTION 7.(b) G.S. 135-93(b) reads as rewritten:

"(b) The State and any of its political subdivisions may make contributions to the Supplemental Retirement Income Plan on behalf of any of its members, provided these contributions are nondiscriminatory in accordance with the Internal Revenue Code of 1954 as amended, and are duly appropriated by their governing bodies, and the contributions are held in the member's account. An employer may make contributions to the Plan on behalf of its members who are eligible for the Plan under subdivisions (1) through (8) of G.S. 135-92(a) without making the same, or any, contributions on behalf of members who are eligible under subdivisions (9) and (10) of G.S. 135-92(a) and doing so shall not be considered out of compliance with this subsection. Employer contributions to the Plan are declared expenditures for a public purpose."

SECTION 7.(c) This section is effective January 1, 2025.

PART VIII. ALLOW UNCLAIMED PROPERTY HOLDERS TO SUBMIT REQUESTS TO THE STATE TREASURER FOR A WAIVER OF DUE DILIGENCE IN SPECIAL CIRCUMSTANCES

SECTION 8.(a) G.S. 116B-59 reads as rewritten:

"§ 116B-59. Notice by holders to apparent owners.

...

(a1) A holder of property that is presumed abandoned and that is either (i) a security or other equity interest in a business association, including a security entitlement under Article 8 of Chapter 25 of the General Statutes, that is valued at twenty-five dollars (\$25.00) or more or (ii) property, other than a security or other equity interest in a business association, including a security entitlement under Article 8 of Chapter 25 of the General Statutes, that is valued at fifty dollars (\$50.00) or more shall send written notice by first-class mail to the apparent owner not more than 120 days or less than 60 days before filing the report required by ~~G.S. 116B-60.~~ this Article. The holder shall exercise reasonable care to ascertain that it is sending the written notice to the apparent owner's correct address. A holder may authorize a third party to perform the duties required by this subsection. Notwithstanding any third-party authorization, the holder bears responsibility for a failure to comply with this section.

...

(c) The written notice to apparent owners required under this section must contain all of the following:

- (1) A statement that, according to the records of the holder, property is being held to which the addressee appears entitled and the amount or description of the property.
- (2) The name, address, and contact information of the person holding the property and any necessary information regarding changes of name and address of the holder.
- (3) ~~A~~ The date the holder intends to submit the report required under this Article and a statement that, if satisfactory proof of claim is not presented by the owner to the holder by the following October 1 or, if the holder is an insurance company, by the following April 1, the ~~within 30 days of that date, then~~ property will be placed in the custody of the Treasurer, to whom all further claims shall be directed.
- (4) A statement that, once property is placed in the custody of the Treasurer, all interest, dividends, income, and gains earned on the property will remain with the Treasurer, even if the owner subsequently reclaims the property from the Treasurer.

(d) With the written consent of the Treasurer, this section may be waived, in whole or in part, for good cause shown and upon conditions and terms that are prescribed by the Treasurer."

SECTION 8.(b) This section is effective 30 days after this act becomes effective and applies to notices sent on or after that date.

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PART IX. EFFECTIVE DATE

SECTION 9. Except as otherwise provided, this act is effective when it becomes

law.