



1 range. Part-time State employees shall receive Appreciation Increases on a prorated and equitable  
2 basis.

3 **SECTION 2.(b)** Appropriations. – Effective July 1, 2024, there is appropriated to  
4 the Appreciation Reserve the sum of seven hundred sixty-six million eight hundred seventy-eight  
5 thousand three hundred thirty-one dollars (\$766,878,331) in recurring funds for the 2024-2025  
6 fiscal year and the sum of four hundred forty-three million sixty-nine thousand six hundred eighty  
7 dollars (\$443,069,680) in nonrecurring funds for the 2024-2025 fiscal year, to be funded as  
8 follows:

- 9 (1) The State Controller shall transfer to the Appreciation Reserve from the  
10 unappropriated balance remaining in the General Fund for the 2024-2025  
11 fiscal year the sum of two hundred twenty-one million five hundred three  
12 dollars (\$221,000,503).
- 13 (2) The State Controller shall transfer to the Appreciation Reserve, for the  
14 2024-2025 fiscal year, the sum of:
- 15 a. One hundred twenty-five million dollars (\$125,000,000) from the  
16 Savings Reserve.
- 17 b. Eight hundred sixty-three million nine hundred forty-seven thousand  
18 five hundred eight dollars (\$863,947,508) from the State Capital and  
19 Infrastructure Fund.

20 Funds in the Appreciation Reserve are not subject to G.S. 143C-1-2(b) and will  
21 remain available for Phase II payments in the 2025-2026 fiscal year. The Appreciation Reserve  
22 shall be eliminated when the funds are fully expended.

23 **SECTION 3.(a)** G.S. 135-5 is amended by adding a new subsection to read:

24 "(aaa) Effective July 4, 2024, the retirement allowance payable to, or on account of,  
25 beneficiaries whose retirement commenced on or before July 1, 2023, is increased by two percent  
26 (2%) of the allowance payable on June 1, 2023, in accordance with subsection (o) of this section.  
27 Effective July 4, 2024, the retirement allowance payable to, or on account of, beneficiaries whose  
28 retirement commenced after July 1, 2023, but before June 30, 2024, is increased by a prorated  
29 amount of two percent (2%), as determined by the Board of Trustees based upon the number of  
30 months that a retirement allowance was paid between July 1, 2023, and June 30, 2024."

31 **SECTION 3.(b)** G.S. 135-65 is amended by adding a new subsection to read:

32 "(jj) Effective July 4, 2024, the retirement allowance payable to, or on account of,  
33 beneficiaries whose retirement commenced on or before July 1, 2023, is increased by two percent  
34 (2%) of the allowance payable on June 1, 2023. Effective July 4, 2024, the retirement allowance  
35 payable to, or on account of, beneficiaries whose retirement commenced after July 1, 2023, but  
36 before June 30, 2024, is increased by a prorated amount of two percent (2%), as determined by  
37 the Board of Trustees based upon the number of months that a retirement allowance was paid  
38 between July 1, 2023, and June 30, 2024."

39 **SECTION 3.(c)** G.S. 120-4.22A is amended by adding a new subsection to read:

40 "(ff) In accordance with subsection (a) of this section, effective July 4, 2024, the retirement  
41 allowance payable to, or on account of, beneficiaries whose retirement commenced on or before  
42 January 1, 2024, is increased by two percent (2%) of the allowance payable on June 1, 2024.  
43 Effective July 4, 2024, the retirement allowance payable to, or on account of, beneficiaries whose  
44 retirement commenced after January 1, 2024, but before June 30, 2024, is increased by a prorated  
45 amount of two percent (2%), as determined by the Board of Trustees based upon the number of  
46 months that a retirement allowance was paid between January 1, 2024, and June 30, 2024."

47 **SECTION 3.(d)** Effective July 1, 2024, there is appropriated from the General Fund  
48 to the Reserve for Retiree Cost-of-Living Adjustments the sum of one hundred million dollars  
49 (\$100,000,000) in recurring funds for the 2024-2025 fiscal year to implement this section.

50 **SECTION 4.** Except as otherwise provided, this act becomes effective July 1, 2024.