NORTH CAROLINA GENERAL ASSEMBLY
1975 SESSION

CHAPTER 634
HOUSE BILL 498

AN ACT REVISING BENEFITS OF THE TEACHERS' AND STATE EMPLOYEES' RETIREMENT SYSTEM WITHOUT REQUIRING ANY INCREASE IN THE EMPLOYER CONTRIBUTION RATE.

The General Assembly of North Carolina enacts:

Section 1. G.S. 135-5 is hereby amended by the addition of a new subsection (v) to read as follows:

"(v) Notwithstanding any other provision of this act, the increase in the allowance to each beneficiary on the retirement rolls as otherwise provided in G.S. 135-5(o) shall be the current maximum of four per centum (4%) plus an additional four per centum (4%) to a total of eight per centum (8%) on July 1, 1975, and July 1, 1976, provided the increases do not exceed the actual percentage increase in the cost of living as determined in G.S. 135-5(o). The provisions of this paragraph shall apply also to the allowance of a surviving annuitant of a beneficiary. The cost of these increases shall be borne from the funds of the Retirement System unless the 1975 Session of the General Assembly provides an appropriation to fund this provision."

Sec. 2. G.S. 135-5 is hereby amended by the addition of a new subsection (w) to read as follows:

"(w) Increases in benefits to those persons on disability retirement who were retired prior to July 1, 1971. From and after July 1, 1975, the monthly benefits to members who commenced receiving disability benefits prior to July 1, 1963, shall be increased one percent (1%) thereof for each year by which the member retired prior to age 65 years; the monthly benefits to members who commenced receiving disability benefits after June 30, 1963, and before July 1, 1971, shall be increased by five percent (5%) thereof. These increases shall be calculated before monthly retirement allowances as of June 30, 1975, have been increased to the extent provided in the preceding provisions of this Chapter."

Sec. 3. Notwithstanding any other provisions of Chapters 1311 and 1312 of the 1973 Session Laws, the total annual cost to the employer of the benefits provided in these Chapters shall be funded from July 1, 1975, to July 1, 1977, by an appropriate adjustment in the years required to fund the accrued liability of the system unless the 1975 Session of the General Assembly funds these Chapters for the years beginning July 1, 1975, and July 1, 1976.

Sec. 4. This act shall become effective on July 1, 1975.

In the General Assembly read three times and ratified, this the 17th day of June, 1975.