

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1989

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SENATE BILL 975

Short Title: Retirees' Guaranteed Returns.

(Public)

Sponsors: Senators Speed; Barker, Basnight, Block, Ezzell, Guy, Harris, Hunt of Durham, Hunt of Moore, Martin of Guilford, Parnell, Rauch, Richardson, and Soles.

Referred to: Pensions and Retirement.

April 19, 1989

A BILL TO BE ENTITLED

AN ACT TO PROVIDE CERTAIN MINIMUM RETURNS TO ALL RETIREES OF ALL STATE-ADMINISTERED RETIREMENT SYSTEMS.

The General Assembly of North Carolina enacts:

Section 1. Chapter 120 of the General Statutes is amended by adding a new section to read:

"§ 120-21.26A. Retirees' guaranteed return.

In the event of the death of a former member while in receipt of a retirement allowance under the provisions of this Article, if such former member is not survived by a beneficiary to whom a retirement allowance is payable under the provisions of this Article, there shall be paid to such person as the member shall have nominated by written designation duly acknowledged and filed with the Board of Trustees, if such person is living at the time of the member's death, otherwise to the member's legal representatives, a death benefit equal to the excess, if any, of the accumulated contributions of the member at his date of retirement over the total of the retirement allowances paid to him prior to his death. Provided that, in the event that a retirement allowance becomes payable to the beneficiary of a former member under the provisions of this Article before the total of the retirement allowances paid to the former member and his spouse combined equals the amount of the member's contributions at his date of retirement, the excess of such contributions over the total of the retirement allowances paid to the former member and his spouse combined shall be paid in a lump sum to such person as the member shall have nominated by written designation duly

1 acknowledged and filed with the Board of Trustees, if such person is living at the time
2 such payment falls due, otherwise to the former member's legal representatives."

3 Sec. 2. G.S. 128-27 is amended by inserting a new subsection to read:

4 "(g1) In the event of the death of a former member while in receipt of a retirement
5 allowance under the provisions of this Article, if such former member is not survived by
6 a beneficiary to whom a retirement allowance is payable under the provisions of this
7 Article, there shall be paid to such person as the member shall have nominated by
8 written designation duly acknowledged and filed with the Board of Trustees, if such
9 person is living at the time of the member's death, otherwise to the member's legal
10 representatives, a death benefit equal to the excess, if any, of the accumulated
11 contributions of the member at his date of retirement over the total of the retirement
12 allowances paid to him prior to his death. Provided that, in the event that a retirement
13 allowance becomes payable to the beneficiary of a former member under the provisions
14 of this Article before the total of the retirement allowances paid to the former member
15 and his spouse combined equals the amount of the member's contributions at his date of
16 retirement, the excess of such contributions over the total of the retirement allowances
17 paid to the former member and his spouse combined shall be paid in a lump sum to
18 such person as the member shall have nominated by written designation duly
19 acknowledged and filed with the Board of Trustees, if such person is living at the time
20 such payment falls due, otherwise to the former member's legal representatives."

21 Sec. 3. G.S. 135-5 is amended by inserting a new subsection to read:

22 "(g1) In the event of the death of a former member while in receipt of a retirement
23 allowance under the provisions of this Article, if such former member is not survived by
24 a beneficiary to whom a retirement allowance is payable under the provisions of this
25 Article, there shall be paid to such person as the member shall have nominated by
26 written designation duly acknowledged and filed with the Board of Trustees, if such
27 person is living at the time of the member's death, otherwise to the member's legal
28 representatives, a death benefit equal to the excess, if any, of the accumulated
29 contributions of the member at his date of retirement over the total of the retirement
30 allowances paid to him prior to his death. Provided that, in the event that a retirement
31 allowance becomes payable to the beneficiary of a former member under the provisions
32 of this Article before the total of the retirement allowances paid to the former member
33 and his spouse combined equals the amount of the member's contributions at his date of
34 retirement, the excess of such contributions over the total of the retirement allowances
35 paid to the former member and his spouse combined shall be paid in a lump sum to
36 such person as the member shall have nominated by written designation duly
37 acknowledged and filed with the Board of Trustees, if such person is living at the time
38 such payment falls due, otherwise to the former member's legal representatives."

39 Sec. 4. In order to fund the provisions of this act, the Board of Trustees of the
40 Teachers' and State Employees' Retirement System, with the advice of its consulting
41 actuary, shall apply unencumbered actuarial gain remaining after application of this gain
42 to cost-of-living increases for retired members and any other increases in retirement
43 benefits contained in the 1989-90 Current Operations Appropriations Act, and shall
44 allocate the percentage of payroll contribution rates for employers among the normal

1 and accrued liability contributions to the Retirement System without an increase in the
2 total employer contribution rate and without an increase in the scheduled amortization
3 period for liquidation of unfunded accrued liabilities in the Retirement System.

4 Sec. 5. This act shall become effective July 1, 1989.