

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1999

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HOUSE BILL 39

Short Title: Study D/C Pension Plan.

(Public)

Sponsors: Representative Baker.

Referred to: Rules, Calendar and Operations of the House.

February 8, 1999

A BILL TO BE ENTITLED

AN ACT TO ESTABLISH THE DEFINED CONTRIBUTION PENSION PLAN
STUDY COMMISSION.

The General Assembly of North Carolina enacts:

Section 1. The Defined Contribution Pension Plan Study Commission is created. The Commission shall consist of 17 voting members as follows:

- (1) Five members of the House of Representatives to be appointed by the Speaker of the House of Representatives;
- (2) Five members of the Senate to be appointed by the President Pro Tempore of the Senate;
- (3) The State Treasurer or the State Treasurer's designee;
- (4) Two members who are not employees of the State, one of whom is or has been an executive officer of an insurance company, and one of whom is a certified public accountant, to be appointed by the Speaker of the House of Representatives;
- (5) Two members who are not employees of the State, one of whom is or has been an executive officer of a bank doing business in this State, and one of whom is a practicing actuary, to be appointed by the President Pro Tempore of the Senate;

- 1 (6) Two members one of whom is currently employed as a public school
2 teacher in the state, and one of whom is a state employee, to be
3 appointed by the Governor.

4 The Speaker of the House of Representatives and the President Pro Tempore of
5 the Senate shall each designate a cochair from the General Assembly membership serving
6 on the Commission. The Commission shall meet upon the call of the cochairs. A
7 majority of the Commission shall constitute a quorum for the transaction of business.

8 Section 2. The Commission shall examine the feasibility and desirability of
9 establishing a defined contribution pension plan to provide portable retirement benefits
10 for teachers and State employees. The Commission shall work cooperatively with the
11 Retirement System Division of the Department of State Treasurer to determine whether a
12 defined contribution plan should replace or be provided as an alternative to the existing
13 defined benefit plan. In the course of its study and in making any recommendations, the
14 Commission shall consider:

- 15 (1) The costs and other fiscal implications for the State in creating a defined
16 contribution plan;
17 (2) The costs and benefits to teachers and State employees, as compared to
18 the existing plan;
19 (3) How and by whom such a plan would be administered;
20 (4) The extent to which the current plan is contractually guaranteed and the
21 nature of any contract which might be created by a new plan.

22 Section 3. The Commission may contract for consultant services as provided
23 by G.S. 120-32.02. Upon approval of the Legislative Services Commission, the
24 Legislative Services Officer shall assign professional and clerical staff to assist in the
25 work of the Commission. Clerical staff shall be furnished to the Commission through the
26 offices of the House of Representatives and Senate Supervisors of Clerks. The
27 Commission may meet in the Legislative Building or the Legislative Office Building
28 upon the approval of the Legislative Services Commission. The Commission, while in
29 the discharge of official duties, may exercise all the powers provided under the provisions
30 of G.S. 120-19 through G.S. 120-19.4, including the power to request all officers, agents,
31 agencies, and departments of the State to provide any information, data, or documents
32 within their possession, ascertainable from their records, or otherwise available to them,
33 and the power to subpoena witnesses.

34 Members of the Commission shall receive per diem, subsistence, and travel
35 allowances as follows:

- 36 (1) Commission members who are members of the General Assembly at the
37 rate established in G.S. 120-3.1;
38 (2) Commission members who are officials or employees of the State or of
39 local government agencies at the rate established in G.S. 138-6; and
40 (3) All other Commission members at the rate established in G.S. 138-5.

41 Section 4. There is appropriated the sum of fifty thousand dollars (\$50,000)
42 for the 1999-2000 fiscal year to the Defined Contribution Pension Plan Study
43 Commission to complete the study authorized by this act.

1 Section 5. The Commission shall report the results of its study and its
2 recommendations to the 1999 General Assembly, 2000 Regular Session. The
3 Commission shall terminate upon filing its report.

4 Section 6. This act is effective when it becomes law.