

- 1 1. The service retirement allowance payable under G.S.
2 135-5(b18)(1)a. reduced by one-third of one percent ($1/3$
3 of 1%) thereof for each month by which his retirement
4 date precedes the first day of the month coincident with
5 or next following the month the member would have
6 attained his 55th birthday; or
 - 7 2. The service retirement allowance as computed under
8 G.S. 135-5(b18)(1)a. reduced by five percent (5%) times
9 the difference between 30 years and his creditable
10 service at retirement.
- 11 (2) A member who is not a law enforcement officer or an eligible former
12 law enforcement officer shall receive a service retirement allowance
13 computed as follows:
- 14 a. If the member's service retirement date occurs on or after his
15 65th birthday upon the completion of five years of membership
16 service or after the completion of 30 years of creditable service
17 or on or after his 60th birthday upon the completion of 25 years
18 of creditable service, the allowance shall be equal to one and
19 eighty-one hundredths percent (1.81%) of his average final
20 compensation, multiplied by the number of years of creditable
21 service.
 - 22 b. If the member's service retirement date occurs after his 60th
23 birthday and before his 65th birthday and prior to his
24 completion of 25 years or more of creditable service, his
25 retirement allowance shall be computed as in G.S.
26 135-5(b18)(2)a. but shall be reduced by one-quarter of one
27 percent ($1/4$ of 1%) thereof for each month by which his
28 retirement date precedes the first day of the month coincident
29 with or next following his 65th birthday.
 - 30 c. If the member's early service retirement date occurs on or after
31 his 50th birthday and before his 60th birthday and after
32 completion of 20 years of creditable service but prior to the
33 completion of 30 years of creditable service, his early service
34 retirement allowance shall be equal to the greater of:
 - 35 1. The service retirement allowance as computed under
36 G.S. 135-5(b18)(2)a. but reduced by the sum of
37 five-twelfths of one percent ($5/12$ of 1%) thereof for
38 each month by which his retirement date precedes the
39 first day of the month coincident with or next following
40 the month the member would have attained his 60th
41 birthday, plus one-quarter of one percent ($1/4$ of 1%)
42 thereof for each month by which his 60th birthday
43 precedes the first day of the month coincident with or
44 next following his 65th birthday; or

- 1 2. The service retirement allowance as computed under
2 G.S. 135-5(b18)(2)a. reduced by five percent (5%) times
3 the difference between 30 years and his creditable
4 service at retirement; or
5 3. If the member's creditable service commenced prior to
6 July 1, 1994, the service retirement allowance equal to
7 the actuarial equivalent of the allowance payable at the
8 age of 60 years as computed in G.S. 135-5(b18)b.
9 d. Notwithstanding the foregoing provisions, any member whose
10 creditable service commenced prior to July 1, 1963, shall not
11 receive less than the benefit provided by G.S. 135-5(b)."

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

13 "(b19) Service Retirement Allowance of Members Retiring on or After July 1, 2001.
14 – Upon retirement from service in accordance with subsection (a) or (a1) above, on or
15 after July 1, 2001, a member shall receive the following service retirement allowance.

16 (1) A member who is a law enforcement officer or an eligible former law
17 enforcement officer shall receive a service retirement allowance
18 computed as follows:

19 a. If the member's service retirement date occurs on or after his
20 55th birthday, and completion of five years of creditable service
21 as a law enforcement officer, or after the completion of 30 years
22 of creditable service, the allowance shall be equal to one and
23 eighty-three hundredths percent (1.83%) of his average final
24 compensation, multiplied by the number of years of his
25 creditable service.

26 b. If the member's service retirement date occurs on or after his
27 50th birthday and before his 55th birthday with 15 or more
28 years of creditable service as a law enforcement officer and
29 prior to the completion of 30 years of creditable service, his
30 retirement allowance shall be equal to the greater of:

31 1. The service retirement allowance payable under G.S.
32 135-5(b19)(1)a. reduced by one-third of one percent (1/3
33 of 1%) thereof for each month by which his retirement
34 date precedes the first day of the month coincident with
35 or next following the month the member would have
36 attained his 55th birthday; or

37 2. The service retirement allowance as computed under
38 G.S. 135-5(b19)(1)a. reduced by five percent (5%) times
39 the difference between 30 years and his creditable
40 service at retirement.

41 (2) A member who is not a law enforcement officer or an eligible former
42 law enforcement officer shall receive a service retirement allowance
43 computed as follows:

- 1 a. If the member's service retirement date occurs on or after his
2 65th birthday upon the completion of five years of membership
3 service or after the completion of 30 years of creditable service
4 or on or after his 60th birthday upon the completion of 25 years
5 of creditable service, the allowance shall be equal to one and
6 eighty-three hundredths percent (1.83%) of his average final
7 compensation, multiplied by the number of years of creditable
8 service.
- 9 b. If the member's service retirement date occurs after his 60th
10 birthday and before his 65th birthday and prior to his
11 completion of 25 years or more of creditable service, his
12 retirement allowance shall be computed as in G.S. 135-
13 5(b19)(2)a. but shall be reduced by one-quarter of one percent
14 (1/4 of 1%) thereof for each month by which his retirement date
15 precedes the first day of the month coincident with or next
16 following his 65th birthday.
- 17 c. If the member's early service retirement date occurs on or after
18 his 50th birthday and before his 60th birthday and after
19 completion of 20 years of creditable service but prior to the
20 completion of 30 years of creditable service, his early service
21 retirement allowance shall be equal to the greater of:
- 22 1. The service retirement allowance as computed under
23 G.S. 135-5(b19)(2)a. but reduced by the sum of five-
24 twelfths of one percent (5/12 of 1%) thereof for each
25 month by which his retirement date precedes the first day
26 of the month coincident with or next following the
27 month the member would have attained his 60th
28 birthday, plus one-quarter of one percent (1/4 of 1%)
29 thereof for each month by which his 60th birthday
30 precedes the first day of the month coincident with or
31 next following his 65th birthday; or
- 32 2. The service retirement allowance as computed under
33 G.S. 135-5(b19)(2)a. reduced by five percent (5%) times
34 the difference between 30 years and his creditable
35 service at retirement; or
- 36 3. If the member's creditable service commenced prior to
37 July 1, 1994, the service retirement allowance equal to
38 the actuarial equivalent of the allowance payable at the
39 age of 60 years as computed in G.S. 135-5(b19)b.
- 40 d. Notwithstanding the foregoing provisions, any member whose
41 creditable service commenced prior to July 1, 1963, shall not
42 receive less than the benefit provided by G.S. 135-5(b)."

43 **SECTION 3.** G.S. 135-5 is amended by adding two new subsections to read:

1 "(iii) Increase in Allowance as to Persons on Retirement Rolls as of June 1, 2001. –
2 From and after July 1, 2001, the retirement allowance to or on account of beneficiaries
3 on the retirement rolls as of June 1, 2001, shall be increased by one and one-tenth
4 percent (1.1%) of the allowance payable on June 1, 2001. This allowance shall be
5 calculated on the allowance payable and in effect on June 30, 2001, so as not to be
6 compounded on any other increase granted by act of the 2001 General Assembly.

7 (jjj) From and after July 1, 2001, the retirement allowance to or on account of
8 beneficiaries whose retirement commenced on or before July 1, 2001, shall be increased
9 by three and five-tenths percent (3.5%) of the allowance payable on June 1, 2001, in
10 accordance with G.S. 135-5(o). Furthermore, from and after July 1, 2001, the retirement
11 allowance to or on account of beneficiaries whose retirement commenced after July 1,
12 2000, but before June 30, 2001, shall be increased by a prorated amount of three and
13 five-tenths percent (3.5%) of the allowance payable as determined by the Board of
14 Trustees based upon the number of months that a retirement allowance was paid
15 between July 1, 2000, and June 30, 2001."

16 **SECTION 4.** G.S. 135-5(m) reads as rewritten:

17 "(m) Survivor's Alternate Benefit. – Upon the death of a member in service, the
18 principal beneficiary designated to receive a return of accumulated contributions shall
19 have the right to elect to receive in lieu thereof the reduced retirement allowance
20 provided by Option 2 of subsection (g) above computed by assuming that the member
21 had retired on the first day of the month following the date of his death, provided that
22 the following conditions apply:

- 23 (1) a. The member had attained such age and/or creditable service to
24 be eligible to commence retirement with an early or service
25 retirement allowance, or
26 b. The member had obtained 20 years of creditable service in
27 which case the retirement allowance shall be computed in
28 accordance with ~~G.S. 135-5(b18)(1)b. or G.S. 135-5(b18)(2)c.,~~
29 G.S. 135-5(b19)(1)b. or G.S. 135-5(b19)(2)c., notwithstanding
30 the requirement of obtaining age 50.
31 (2) The member had designated as the principal beneficiary to receive a
32 return of his accumulated contributions one and only one person who
33 was living at the time of his death.
34 (3) The member had not instructed the Board of Trustees in writing that he
35 did not wish the provisions of this subsection to apply.

36 For the purpose of this benefit, a member is considered to be in service at the date of
37 his death if his death occurs within 180 days from the last day of his actual service. The
38 last day of actual service shall be determined as provided in subsection (l) of this
39 section. Upon the death of a member in service, the surviving spouse may make all
40 purchases for creditable service as provided for under this Chapter for which the
41 member had made application in writing prior to the date of death, provided that the
42 date of death occurred prior to or within 60 days after notification of the cost to make
43 the purchase. The term "in service" as used in this subsection includes a member in

1 receipt of a benefit under the Disability Income Plan as provided in Article 6 of this
2 Chapter."

3 **SECTION 5.** G.S. 135-65 is amended by adding a new subsection to read:

4 "(v) From and after July 1, 2001, the retirement allowance to or on account of
5 beneficiaries whose retirement commenced on or before July 1, 2000, shall be increased
6 by three and five-tenths percent (3.5%) of the allowance payable on June 1, 2001.
7 Furthermore, from and after July 1, 2001, the retirement allowance to or on account of
8 beneficiaries whose retirement commenced after July 1, 2000, but before June 30, 2001,
9 shall be increased by a prorated amount of three and five-tenths percent (3.5%) of the
10 allowance payable as determined by the Board of Trustees based upon the number of
11 months that a retirement allowance was paid between July 1, 2000, and June 30, 2001."

12 **SECTION 6.** G.S. 120-4.22A is amended by adding a new subsection to
13 read:

14 "(p) In accordance with subsection (a) of this section, from and after July 1, 2001,
15 the retirement allowance to or on account of beneficiaries whose retirement commenced
16 on or before January 1, 2001, shall be increased by three and five-tenths percent (3.5%)
17 of the allowance payable on June 1, 2001. Furthermore, from and after July 1, 2001, the
18 retirement allowance to or on account of beneficiaries whose retirement commenced
19 after January 1, 2001, but before June 30, 2001, shall be increased by a prorated amount
20 of three and five-tenths percent (3.5%) of the allowance payable as determined by the
21 Board of Trustees based upon the number of months that a retirement allowance was
22 paid between January 1, 2001, and June 30, 2001."

23 **SECTION 7.** G.S. 128-27(b18) reads as rewritten:

24 "(b18) Service Retirement Allowance of Member Retiring on or After July 1, ~~2000~~
25 2000, but Before July 1, 2001. – Upon retirement from service in accordance with
26 subsection (a) or (a1) above, on or after July 1, 2000, but before July 1, 2001, a member
27 shall receive the following service retirement allowance:

28 (1) A member who is a law enforcement officer or an eligible former law
29 enforcement officer shall receive a service retirement allowance
30 computed as follows:

31 a. If the member's service retirement date occurs on or after his
32 55th birthday and completion of five years of creditable service
33 as a law enforcement officer, or after the completion of 30 years
34 of creditable service, the allowance shall be equal to one and
35 seventy-eight hundredths percent (1.78%) of his average final
36 compensation, multiplied by the number of years of his
37 creditable service.

38 b. If the member's service retirement date occurs on or after his
39 50th birthday and before his 55th birthday with 15 or more
40 years of creditable service as a law enforcement officer and
41 prior to the completion of 30 years of creditable service, his
42 retirement allowance shall be equal to the greater of:

43 1. The service retirement allowance payable under G.S.
44 128-27(b18)(1)a. reduced by one-third of one percent

- 1 (1/3 of 1%) thereof for each month by which his
2 retirement date precedes the first day of the month
3 coincident with or next following the month the member
4 would have attained his 55th birthday;
- 5 2. The service retirement allowance as computed under
6 G.S. 128-27(b18)(1)a. reduced by five percent (5%)
7 times the difference between 30 years and his creditable
8 service at retirement.
- 9 (2) A member who is not a law enforcement officer or an eligible former
10 law enforcement officer shall receive a service retirement allowance
11 computed as follows:
- 12 a. If the member's service retirement date occurs on or after his
13 65th birthday upon the completion of five years of creditable
14 service or after the completion of 30 years of creditable service
15 or on or after his 60th birthday upon the completion of 25 years
16 of creditable service, the allowance shall be equal to one and
17 seventy-eight hundredths percent (1.78%) of average final
18 compensation, multiplied by the number of years of creditable
19 service.
- 20 b. If the member's service retirement date occurs after his 60th
21 birthday and before his 65th birthday and prior to his
22 completion of 25 years or more of creditable service, his
23 retirement allowance shall be computed as in G.S.
24 128-27(b18)(2)a. but shall be reduced by one-quarter of one
25 percent (1/4 of 1%) thereof for each month by which his
26 retirement date precedes the first day of the month coincident
27 with or next following his 65th birthday.
- 28 c. If the member's early service retirement date occurs on or after
29 his 50th birthday and before his 60th birthday and after
30 completion of 20 years of creditable service but prior to the
31 completion of 30 years of creditable service, his early service
32 retirement allowance shall be equal to the greater of:
- 33 1. The service retirement allowance as computed under
34 G.S. 128-27(b18)(2)a. but reduced by the sum of
35 five-twelfths of one percent (5/12 of 1%) thereof for
36 each month by which his retirement date precedes the
37 first day of the month coincident with or next following
38 the month the member would have attained his 60th
39 birthday, plus one-quarter of one percent (1/4 of 1%)
40 thereof for each month by which his 60th birthday
41 precedes the first day of the month coincident with or
42 next following his 65th birthday; or
- 43 2. The service retirement allowance as computed under
44 G.S. 128-27(b18)(2)a. reduced by five percent (5%)

1 times the difference between 30 years and his creditable
2 service at retirement; or

3 3. If the member's creditable service commenced prior to
4 July 1, 1995, the service retirement allowance equal to
5 the actuarial equivalent of the allowance payable at the
6 age of 60 years as computed in G.S. 128-27(b18)(2)b.

7 d. Notwithstanding the foregoing provisions, any member whose
8 creditable service commenced prior to July 1, 1965, shall not
9 receive less than the benefit provided by G.S. 128-27(b)."

10 **SECTION 8.** G.S. 128-27 is amended by adding a new subsection to read:

11 "(b19) Service Retirement Allowance of Member Retiring on or After July 1, 2001.
12 – Upon retirement from service in accordance with subsection (a) or (a1) above, on or
13 after July 1, 2001, a member shall receive the following service retirement allowance:

14 (1) A member who is a law enforcement officer or an eligible former law
15 enforcement officer shall receive a service retirement allowance
16 computed as follows:

17 a. If the member's service retirement date occurs on or after his
18 55th birthday and completion of five years of creditable service
19 as a law enforcement officer, or after the completion of 30 years
20 of creditable service, the allowance shall be equal to one and
21 eighty-three hundredths percent (1.83%) of his average final
22 compensation, multiplied by the number of years of his
23 creditable service.

24 b. If the member's service retirement date occurs on or after his
25 50th birthday and before his 55th birthday with 15 or more
26 years of creditable service as a law enforcement officer and
27 prior to the completion of 30 years of creditable service, his
28 retirement allowance shall be equal to the greater of:

29 1. The service retirement allowance payable under G.S.
30 128-27(b19)(1)a. reduced by one-third of one percent
31 (1/3 of 1%) thereof for each month by which his
32 retirement date precedes the first day of the month
33 coincident with or next following the month the member
34 would have attained his 55th birthday;

35 2. The service retirement allowance as computed under
36 G.S. 128-27(b19)(1)a. reduced by five percent (5%)
37 times the difference between 30 years and his creditable
38 service at retirement.

39 (2) A member who is not a law enforcement officer or an eligible former
40 law enforcement officer shall receive a service retirement allowance
41 computed as follows:

42 a. If the member's service retirement date occurs on or after his
43 65th birthday upon the completion of five years of creditable
44 service or after the completion of 30 years of creditable service

1 or on or after his 60th birthday upon the completion of 25 years
2 of creditable service, the allowance shall be equal to one and
3 eighty-three hundredths percent (1.83%) of average final
4 compensation, multiplied by the number of years of creditable
5 service.

6 b. If the member's service retirement date occurs after his 60th
7 birthday and before his 65th birthday and prior to his
8 completion of 25 years or more of creditable service, his
9 retirement allowance shall be computed as in G.S. 128-
10 27(b19)(2)a. but shall be reduced by one-quarter of one percent
11 (1/4 of 1%) thereof for each month by which his retirement date
12 precedes the first day of the month coincident with or next
13 following his 65th birthday.

14 c. If the member's early service retirement date occurs on or after
15 his 50th birthday and before his 60th birthday and after
16 completion of 20 years of creditable service but prior to the
17 completion of 30 years of creditable service, his early service
18 retirement allowance shall be equal to the greater of:

19 1. The service retirement allowance as computed under
20 G.S. 128-27(b19)(2)a. but reduced by the sum of five-
21 twelfths of one percent (5/12 of 1%) thereof for each
22 month by which his retirement date precedes the first day
23 of the month coincident with or next following the
24 month the member would have attained his 60th
25 birthday, plus one-quarter of one percent (1/4 of 1%)
26 thereof for each month by which his 60th birthday
27 precedes the first day of the month coincident with or
28 next following his 65th birthday; or

29 2. The service retirement allowance as computed under
30 G.S. 128-27(b19)(2)a. reduced by five percent (5%)
31 times the difference between 30 years and his creditable
32 service at retirement; or

33 3. If the member's creditable service commenced prior to
34 July 1, 1995, the service retirement allowance equal to
35 the actuarial equivalent of the allowance payable at the
36 age of 60 years as computed in G.S. 128-27(b19)(2)b.

37 d. Notwithstanding the foregoing provisions, any member whose
38 creditable service commenced prior to July 1, 1965, shall not
39 receive less than the benefit provided by G.S. 128-27(b)."

40 **SECTION 9.** G.S. 128-27(m) reads as rewritten:

41 "(m) Survivor's Alternate Benefit. – Upon the death of a member in service, the
42 principal beneficiary designated to receive a return of accumulated contributions shall
43 have the right to elect to receive in lieu thereof the reduced retirement allowance
44 provided by Option two of subsection (g) above computed by assuming that the member

1 had retired on the first day of the month following the date of his death, provided that all
2 three of the following conditions apply:

- 3 (1) a. The member had attained such age and/or creditable service to
4 be eligible to commence retirement with an early or service
5 retirement allowance, or
6 b. The member had obtained 20 years of creditable service in
7 which case the retirement allowance shall be computed in
8 accordance with ~~G.S. 128-27(b18)(1)b.~~ or ~~G.S. 128-~~
9 ~~27(b18)(2)e.~~, G.S. 128-27(b19)(1)b. or G.S. 128-27(b19)(2)c.,
10 notwithstanding the requirement of obtaining age 50.
11 (2) The member had designated as the principal beneficiary to receive a
12 return of his accumulated contributions one and only one person who
13 is living at the time of his death.
14 (3) The member had not instructed the Board of Trustees in writing that he
15 did not wish the provisions of this subsection apply.

16 For the purpose of this benefit, a member is considered to be in service at the date of
17 his death if his death occurs within 180 days from the last day of his actual service. The
18 last day of actual service shall be determined as provided in subsection (l) of this
19 section. Upon the death of a member in service, the surviving spouse may make all
20 purchases for creditable service as provided for under this Chapter for which the
21 member had made application in writing prior to the date of death, provided that the
22 date of death occurred prior to or within 60 days after notification of the cost to make
23 the purchase."

24 **SECTION 10.** G.S. 128-27 is amended by adding two new subsections to
25 read:

26 "(zz) Increase in Allowance as to Persons on Retirement Rolls as of June 1, 2001. –
27 From and after July 1, 2001, the retirement allowance to or on account of beneficiaries
28 on the retirement rolls as of June 1, 2001, shall be increased by two and eight-tenths of
29 one percent (2.8%) of the allowance payable on June 1, 2001. This allowance shall be
30 calculated on the allowance payable and in effect on June 30, 2001, so as not to be
31 compounded on any other increase payable under subsection (k) of this section or
32 otherwise granted by act of the 2001 General Assembly.

33 (aaa) From and after July 1, 2001, the retirement allowance to or on account of
34 beneficiaries whose retirement commenced on or before July 1, 2000, shall be increased
35 by three and five-tenths percent (3.5%) of the allowance payable on June 1, 2001, in
36 accordance with subsection (k) of this section. Furthermore, from and after July 1, 2001,
37 the retirement allowance to or on account of beneficiaries whose retirement commenced
38 after July 1, 2000, but before June 30, 2001, shall be increased by a prorated amount of
39 three and five-tenths percent (3.5%) of the allowance payable as determined by the
40 Board of Trustees based upon the number of months that a retirement allowance was
41 paid between July 1, 2000, and June 30, 2001."

42 **SECTION 11.** This act becomes effective July 1, 2001.