

**GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2001**

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**HOUSE BILL 59**

Short Title: Study D/C Pension Plan.

(Public)

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Sponsors: Representatives Baker; and Davis.

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

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February 7, 2001

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

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

**SECTION 2.** The Commission shall examine the feasibility and desirability of establishing a defined contribution pension plan to provide portable retirement

1 benefits for teachers and State employees. The Commission shall work cooperatively  
2 with the Retirement System Division of the Department of State Treasurer to determine  
3 whether a defined contribution plan should replace or be provided as an alternative to  
4 the existing defined benefit plan. In the course of its study and in making any  
5 recommendations, the Commission shall consider:

- 6 (1) The costs and other fiscal implications for the State in creating a  
7 defined contribution plan;
- 8 (2) The cost and benefit to teachers and State employees, as compared to  
9 the existing plan;
- 10 (3) How and by whom such a plan would be administered; and
- 11 (4) The extent to which the current plan is contractually guaranteed and  
12 the nature of any contract which might be created by a new plan.

13 **SECTION 3.** The Commission may contract for consultant services as  
14 provided by G.S. 120-32.02. Upon approval of the Legislative Services Commission,  
15 the Legislative Services Officer shall assign professional and clerical staff to assist in  
16 the work of the Commission. Clerical staff shall be furnished to the Commission  
17 through the offices of the House of Representatives and Senate Supervisors of Clerks.  
18 The Commission may meet in the Legislative Building or the Legislative Office  
19 Building upon the approval of the Legislative Services Commission. The Commission,  
20 while in the discharge of official duties, may exercise all the powers provided under the  
21 provisions of G.S. 120-19 through G.S. 120-19.4, including the power to request all  
22 officers, agents, agencies, and departments of the State to provide any information, data,  
23 or documents within their possession, ascertainable from their records, or otherwise  
24 available to them, and the power to subpoena witnesses. Members of the Commission  
25 shall receive per diem, subsistence, and travel allowances as follows:

- 26 (1) Commission members who are members of the General Assembly at  
27 the rate established in G.S. 120-3.1;
- 28 (2) Commission members who are officials or employees of the State or of  
29 local government agencies at the rate established in G.S. 138-6; and
- 30 (3) All other Commission members at the rate established in G.S. 138-5.

31 **SECTION 4.** There is appropriated from the General Fund to the General  
32 Assembly the sum of fifty thousand dollars (\$50,000) for the 2001-2002 fiscal year to  
33 fund the Defined Contribution Pension Plan Study Commission.

34 **SECTION 5.** The Commission shall report the results of its study and its  
35 recommendations to the 2002 Regular Session of the 2001 General Assembly. The  
36 Commission shall terminate upon filing its report.

37 **SECTION 6.** This act becomes effective July 1, 2001.