

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2019

H.B. 1115
May 14, 2020
HOUSE PRINCIPAL CLERK

H

D

HOUSE BILL DRH10785-MRp-121B

Short Title: Retirement Allowance Beneficiary Flexibility.

(Public)

Sponsors: Representative Fisher.

Referred to:

1 A BILL TO BE ENTITLED
2 AN ACT TO ALLOW FOR THE REVOCATION OF A RETIREMENT ALLOWANCE
3 BENEFICIARY AND A NEW NOMINATION TO BE MADE AT ANY TIME.

4 The General Assembly of North Carolina enacts:

5 SECTION 1. G.S. 135-5(g) reads as rewritten:

6 "(g) Election of Optional Allowance. – ~~With the provision that until the first payment on~~
7 ~~account of any benefit becomes normally due, or the member's first retirement check has been~~
8 ~~eashed, any A~~ member may elect to receive his or her benefits in a retirement allowance payable
9 throughout life, or the member may elect to receive the actuarial equivalent of such retirement
10 allowance, including any special retirement allowance, in a reduced allowance payable
11 throughout life under the provisions of one of the options set forth ~~below~~ in this subsection.
12 Except as provided in this subsection, the member may not change the member's retirement
13 benefit option after the member has cashed the first retirement check or after the 25th day of the
14 month following the month in which the first check is mailed, whichever comes first. The
15 following shall apply to the election of a retirement benefit option and the nomination of a person
16 under certain retirement benefit options:

17 (1) The election of Option 2, 3, or ~~6 or 6~~, or the nomination of the person
18 ~~thereunder~~ under Option 2, 3, or 6 shall be automatically revoked if such the
19 person nominated dies prior to the date the first payment becomes normally
20 due or until before the member's first retirement check has been eashed. Such
21 election may be revoked by the member prior to the date the first payment
22 becomes normally due or until the member's first retirement check has been
23 eashed. Provided, however, in the event cashed or before the 25th day of the
24 month following the month in which the first check is mailed, whichever
25 comes first.

26 (2) Within 10 years of the member's date of retirement, the nomination of a person
27 under Option 2, 3, 5, or 6 may be revoked by the member and a new
28 nomination made. A new nomination under this subdivision shall be effective
29 on the first day of the month in which it is made and shall provide for a
30 retirement allowance computed to be the actuarial equivalent of the retirement
31 allowance in effect immediately prior to the effective date of the new
32 nomination.

33 (3) If a member has elected Option 2, 3, or 5 and nominated his or her spouse at
34 the time of nomination to receive a retirement allowance upon the member's
35 death, and the death and that spouse predeceases the member after the first
36 payment becomes normally due or the first retirement check has been eashed,



* D R H 1 0 7 8 5 - M R P - 1 2 1 B *

1 ~~and~~ if the member ~~remarries he or she remarries~~, then, within 90 days of the
2 ~~remarriage, the member~~ may request to nominate a ~~the~~ new spouse to receive
3 the retirement allowance under the previously elected ~~option, within 90 days~~
4 ~~of the remarriage, option~~ and may nominate a ~~the~~ new spouse to receive the
5 retirement allowance under the previously elected option by written
6 designation duly acknowledged and filed with the Board of Trustees within
7 120 days of the remarriage. The new nomination shall be effective on the first
8 day of the month in which it is made and shall provide for a retirement
9 allowance computed to be the actuarial equivalent of the retirement allowance
10 in effect immediately prior to the effective date of the new nomination.

11 (4) ~~Any~~ If a member ~~having has~~ elected Option 2, 3, 5, or 6 and nominated his or
12 her spouse at the time of nomination to receive a retirement allowance upon
13 the member's ~~death death~~, and the member is now divorced from that spouse,
14 then the member may, after divorce from ~~his or her that~~ spouse, revoke the
15 nomination and elect a new option, effective on the first day of the month in
16 which the new option is elected, providing for a retirement allowance
17 computed to be the actuarial equivalent of the retirement allowance in effect
18 immediately prior to the effective date of the new option. ~~Except as provided~~
19 ~~in this section, the member may not change the member's retirement benefit~~
20 ~~option or the member's designated beneficiary for survivor benefits, if any,~~
21 ~~after the member has cashed the first retirement check or after the 25th day of~~
22 ~~the month following the month in which the first check is mailed, whichever~~
23 ~~comes first.~~

24"

25 **SECTION 2.** This act is effective when it becomes law and applies to all benefit
26 option elections or nominations made on and after that date, including benefit option change
27 requests and nomination change requests made by members already receiving retirement
28 allowances that are received on or after that date.