

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2021

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SENATE BILL DRS35195-MGap-57A

Short Title: 2% COLA for State Retirees. (Public)

Sponsors: Senators Woodard and Waddell (Primary Sponsors).

Referred to:

1 A BILL TO BE ENTITLED
2 AN ACT PROVIDING A COST-OF-LIVING ADJUSTMENT FOR RETIREES OF THE
3 TEACHERS' AND STATE EMPLOYEES' RETIREMENT SYSTEM, THE
4 CONSOLIDATED JUDICIAL RETIREMENT SYSTEM, AND THE LEGISLATIVE
5 RETIREMENT SYSTEM; AND APPROPRIATING FUNDS TO ENACT THESE
6 COST-OF-LIVING ADJUSTMENTS FOR STATE RETIREES.

7 The General Assembly of North Carolina enacts:

8 **SECTION 1.** G.S. 135-5 is amended by adding a new subsection to read:

9 "(xxx) From and after July 1, 2021, the retirement allowance to or on account of beneficiaries
10 whose retirement commenced on or before July 1, 2020, shall be increased by two percent (2%)
11 of the allowance payable on June 1, 2021, in accordance with G.S. 135-5(o). Furthermore, from
12 and after July 1, 2021, the retirement allowance to or on account of beneficiaries whose
13 retirement commenced after July 1, 2020, but before June 30, 2021, shall be increased by a
14 prorated amount of two percent (2%) of the allowance payable as determined by the Board of
15 Trustees based upon the number of months that a retirement allowance was paid between July 1,
16 2020, and June 30, 2021."

17 **SECTION 2.** G.S. 135-65 is amended by adding a new subsection to read:

18 "(ii) From and after July 1, 2021, the retirement allowance to or on account of beneficiaries
19 whose retirement commenced on or before July 1, 2020, shall be increased by two percent (2%)
20 of the allowance payable on June 1, 2021. Furthermore, from and after July 1, 2021, the
21 retirement allowance to or on account of beneficiaries whose retirement commenced after July
22 1, 2020, but before June 30, 2021, shall be increased by a prorated amount of two percent (2%)
23 of the allowance payable as determined by the Board of Trustees based upon the number of
24 months that a retirement allowance was paid between July 1, 2020, and June 30, 2021."

25 **SECTION 3.** G.S. 120-4.22A is amended by adding a new subsection to read:

26 "(cc) In accordance with subsection (a) of this section, from and after July 1, 2021, the
27 retirement allowance to or on account of beneficiaries whose retirement commenced on or before
28 January 1, 2021, shall be increased by two percent (2%) of the allowance payable on June 1,
29 2021. Furthermore, from and after July 1, 2021, the retirement allowance to or on account of
30 beneficiaries whose retirement commenced after January 1, 2021, but before June 30, 2021, shall
31 be increased by a prorated amount of two percent (2%) of the allowance payable as determined
32 by the Board of Trustees based upon the number of months that a retirement allowance was paid
33 between January 1, 2021, and June 30, 2021."

34 **SECTION 4.** There is appropriated from the General Fund to the Reserve for Retiree
35 Cost-of-Living Adjustments the sum of ninety-six million dollars (\$96,000,000) for the
36 2021-2022 fiscal year and the sum of ninety-six million dollars (\$96,000,000) for the 2022-2023



1 fiscal year to implement the cost-of-living adjustments authorized by Sections 1 through 3 of this
2 act.

3 **SECTION 5.** This act becomes effective July 1, 2021.