



HOUSE BILL 988: 2024 Retirement Technical Corrections.

2023-2024 General Assembly

Committee:	Senate Rules and Operations of the Senate	Date:	June 5, 2024
Introduced by:	Rep. Carson Smith	Prepared by:	Theresa Matula
Analysis of:	Second Edition		Committee Staff

OVERVIEW: House Bill 988 makes technical corrections to the statutes for the Teachers' and State Employees' Retirement System (TSERS), the Local Governmental Employees' Retirement System (LGERS), the Consolidated Judicial Retirement System (CJRS), the Legislative Retirement System (LRS) and the State Health Plan.

BILL ANALYSIS:

Part I. Correct the Title of the Executive Director of the Retirement Systems Division – Section 1(a) makes technical corrections/improvements to terminology, including changing "his" to "member" or "beneficiary," and correcting the reference to the "Director of the State Retirement System" to the "Executive Director of the Retirement Systems Division," in the TSERS statute (G.S. 135-5(e)). **Section 1(b)** makes similar changes to the LGERS statute (G.S. 128-27(e)). The statutes being amended pertain to the reexaminations of beneficiaries receiving a disability retirement allowance.

Section 1(c) changes the reference to "Director" to the "Executive Director" of the Retirement Systems Division in the TSERS statute (G.S. 135-6(r)) and **Section 1(d)** makes similar changes to the LGERS statutes (G.S. 128-28(s)), as they pertain to fraud investigative reports and work papers or compliance investigative reports and work papers.

Section 1(e) and **Section 1(f)** make changes similar to those above as it relates to the "Executive Director" and also makes technical changes to insert statutory subdivisions and to rearrange current language in an existing TSERS statute (G.S.135-10.1) and LGERS statute (G.S. 128-32.1) pertaining to the failure of a member to respond to paperwork.

Section 1(g) amends an LGERS statute (G.S. 128-27(l)) pertaining to the death benefit plan for law enforcement officers making the "Executive Director" change along with a few technical changes.

Sections 1(h) and (i) amends the statutes (G.S. 58-86-2 and G.S. 58-86-6) for the Firefighters' and Rescue Squad Workers' Pension Fund to make the "Executive Director" change.

Section 1(j) makes a technical change to the Optional Retirement Program statute (G.S. 135-107) to add the word "Division" so that it reads "Retirement Systems Division".

Part II. Correct References to Average Final Compensation – Section 2(a) amends a TSERS statute (G.S. 135-8(f)(2)f) and **Section 2(b)** amends a LGERS statute (G.S. 128-30(g)(2)b) to capitalize "Retirement System" and to make other technical changes, including changing the wording "final average" to "average final" compensation.

Part III. Conform Lump Sum Contribution Payment Criteria to Federal Law – Section 3(a) amends a TSERS statute (G.S. 135-5(m4)), **Section 3(b)** amends a LGERS statute (G.S. 128-27(m3)), **Section 3(c)** amends CJRS statute (G.S. 135-74(c1)), and **Section 3(d)** amends a LRS statute (G.S. 120-4.31(c1)) to replace

Jeffrey Hudson
Director



Legislative Analysis
Division
919-733-2578

House Bill 988

Page 2

the reference to age "72" with a reference to the applicable age as determined by the Internal Revenue Code (Section 401(a)(9)(C(v))). The Retirement Systems Division reports that this change is necessary to update the Required Minimum Distribution age to conform with the federal Secure Act 2.0.

Part IV. Miscellaneous Technical and Conforming Changes – **Section 4(a)** makes technical changes to provide clarification and remove redundant wording from the TSERS statutory (G.S. 135-1(25)) definition for "teacher."

Section 4(b) amends a LGERS statute (G.S. 128-23(h)) to clarify that any board of alcoholic control that ceases participation in the Retirement System as an inactive employer under G.S. 128-23.1 is not eligible to participate in the Retirement System.

Section 4(c) amends a LGERS statute (G.S. 128-26(y)(2)) with regard to the Contribution-Based Benefit Cap (CBBC) Purchase Provision, Option Two, to remove "beginning no less than 90 days after the retirement of the member and" which will conform this LGERS statute with the TSERS statute (G.S. 135-4(jj)(2)).

Section 4(d) amends a LGERS statute (G.S. 128-29(e)) to make a technical correction to a reference to the LGERS system in the statute and to make another technical wording change.

Section 4(e) amends a statute pertaining to the State Health Plan (G.S. 135-48.10(b)) to remove "and after" which is wording that erroneously appeared after the subdivision.

EFFECTIVE DATE: House Bill 988 would become effective when it becomes law.