



MEMORANDUM ADDENDUM

TO: Boards of Trustees (Boards) of the Teachers' and State Employees' Retirement System (TSERS) and the Local Governmental Employees' Retirement System (LGERS)

FROM: Patrick Kinlaw, Retirement Systems Division (RSD) Director of Policy, Planning, and Compliance;
Taylor Matyi, RSD Policy Development Analyst

DATE: January 29, 2026

RE: Addendum to the Report on 2025 State Legislative Actions Affecting Retirement and Health Benefits

On October 30, 2025, the "Report on 2025 State Legislative Actions Affecting Retirement and Health Benefits" was provided to the Boards of Trustees which details legislative actions made by the N.C. legislature from January 1 through October 19, 2025. Since October 19, 2025, when the report was completed, the legislature has enacted one additional bill whose proposed provisions had public policy implications for the Retirement Systems:

Session Law 2025-97 (SB 449)

Continuing Budget Operations Part IV.

- Section 6.10: ORBIT System
Provides funding for the transition of retirement system data from on-premises servers to cloud-based storage not to exceed \$1,022,000 in recurring funds beginning in the 2025-2026 fiscal year and an additional \$1,260,000 in nonrecurring funds during the 2025-2026 fiscal year.
- Section 7.2: Modify DIT Procurement Exemptions
Exempted the Department of State Treasurer, including the Retirement Systems Division, from Article 15 (Department of Information Technology) of G.S. 143B (the Executive Organization Act). RSD may elect to participate in the information technology programs, services, or contracts offered by the Department of Information Technology, including information technology procurement, in accordance with the statutes, policies, and rules of the Department of Information Technology.

Throughout 2025, the General Assembly also extended provisions originally set forth in Session Law 2024-51 the Disaster Recovery Act of 2024 that allowed retirees to return to employment in positions needed due to the state of emergency related to Hurricane Helene or associated Hurricane Helene recovery efforts. The provisions included a shorter waiting period for



members who retired prior to Hurricane Helene and exemptions from earnings restrictions that would normally require the member to suspend their monthly retirement benefit. The expiration date of these provisions is based on the statewide declaration of emergency under Executive Order 315. The statewide declaration of emergency was extended by Section 3.1 of Session Law 2024-51, Section 3.1 of Session Law 2025-2, and Section 3.1 of Session Law 2025-26 to October 1, 2025.

Please note that some parts of this report are extracted almost verbatim from publicly available documents created by our colleagues at the Department and from the work of legislative staff members. It is not intended to be presented as entirely original work as it is merely a compilation for convenience for users of this document.

The Session

The 2025 “long session” or “first regular session” of the North Carolina General Assembly (General Assembly) initially convened on January 8, 2025 and adjourned the same day to be reconvened on January 29, 2025 (SJR 2, Res 2025-1). The session reconvened on January 29, 2025, and adjourned on April 17, 2025. The session reconvened on April 28, 2025, and adjourned on July 31, 2025. The session reconvened on August 26, 2025, and adjourned on August 28, 2025. The session reconvened on September 22, 2025, and adjourned on September 25, 2025. The session reconvened on October 20, 2025, and adjourned on October 23, 2025. The session reconvened on November 17, 2025, and adjourned on November 20, 2025. The session reconvened on December 15, 2025, and adjourned on December 18, 2025.

During the 2025 long session, 1016 House bills or resolutions and 778 Senate bills or resolutions have been introduced, for a total of 1,794 introductions. The legislature has enacted 97 of these bills or resolutions.

During the 2025 session, 33 bills whose proposed provisions had public policy implications for the Retirement Systems or the SHP have received a hearing in at least one of the pension committees or other action by the General Assembly. (G.S. 120-111.3 requires that “every bill, which creates or modifies any provision for the retirement of public officers or public employees or for the payment of retirement benefits or of pensions to public officers or public employees, shall, upon introduction in either house of the General Assembly, be referred to the Committee on Pensions and Retirement of each house.”)