



NORTH CAROLINA

OFFICE OF THE TREASURER

JANET COWELL, TREASURER

Retirement Governance Changes Act of 2013 - AB

Primary Sponsors: Reps. Moffitt, Howard, W Brawley, Collins
Relevant Statutes 120, 127A, 135, 161

The Department seeks to increase citizen oversight and improve the efficiency and transparency of State Personnel Retirement Systems by ensuring that all Public Employee Retirement Systems are overseen by a Board of Trustees.

SECTION 1: Clarify Role of the Supplemental Retirement Board of Trustees

This section clarifies that the Supplemental Retirement Board of Trustees has authority over all State-sponsored defined contribution plans. This clarification does not change the existing structure; it simply consolidates the statutory governance provisions into one location. This section also allows the Supplemental Retirement Plans to hire investment managers without issuing requests for proposals under state purchase contract law. Currently the bypass of procurement procedures is only allowed for managing the pension fund; this provision would now extend to Supplemental Retirement Plans.

SECTION 2: Governance of the Register of Deeds Pension Fund

The Register of Deeds' Supplemental Pension Fund provides supplemental benefits to county Register of Deeds who are retired from the Local Governmental Employees' Retirement System. Currently, the statute gives administrative authority for the Register of Deeds' Supplemental Pension Fund to the Department of State Treasurer, and the Department wishes to promote transparency by transferring oversight of the plan to the Board of Trustees of the Local Governmental Employees' Retirement System.

SECTION 3: Governance of the National Guard Pension Fund

The National Guard Pension Fund provides a pension to members of the North Carolina National Guard. Currently, the statute gives administrative authority for the National Guard Pension Fund to the Department of State Treasurer. The Department wishes to promote transparency by transferring oversight of the plan to the Board of Trustees of the Teachers' and State Employees' Retirement System.

SECTION 4: Governance of the Firemen's and Rescue Squad Workers' Pension Fund

The Firemen's and Rescue Squad Workers' Pension Fund provides pension allowances and other benefits to paid and volunteer firefighters and rescue squad workers who elect to become members of the fund. Currently, governance oversight rests with the Board of Trustees of the North Carolina Firemen's and Rescue Squad Workers' Pension Fund. However, another piece of requested agency legislation (House 327, Senate 304) eliminates the Board of Trustees, and transfers governance oversight to the Board of Trustees for the Local Governmental Employees' Retirement System.



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This section provides an option for the Governor, the President Pro-Tem, or the Speaker of the House to appoint a firefighter or rescue squad worker as one or more of the public members of the Board of Trustees of the Teachers' and State Employees' Retirement System, who would also serve on the Board of Trustees of the Local Governmental Employees' Retirement System. It also provides an option for the Governor, the President Pro-Tem, or the Speaker of the House to appoint a member of the National Guard as one or more of the public members of the Board of Trustees of the Teachers' and State Employees' Retirement System.

SECTION 5: Immunity from Civil Liability for the Supplemental Retirement Board of Trustees

This section provides personal immunity from civil liabilities for fiduciary decisions made by members of the Supplemental Retirement Board of Trustees. Currently, protections from personal liabilities have made it difficult for the Department of State Treasurer to identify individuals who will agree to serve on this board.

SECTION 6: Governance of the Legislative Retirement System

This section would establish a clear line of oversight for the Legislative Retirement System to increase transparency and promote the efficient implementation of the new Governmental Accounting Standards Board pension standards.