



NORTH CAROLINA

OFFICE OF THE TREASURER

JANET COWELL, TREASURER

House Bill 358 Retirement Technical Corrections - AB

Primary Sponsors: Reps. Moffitt, Howard, W Brawley, Collins

Goal

This bill makes purely technical corrections to the General Statutes as needed conform to changes made in the code of the Internal Revenue Service and makes other technical and conforming changes to statutes affecting the North Carolina public employee retirement systems.

Explanation of Sections:

SECTION ONE: Remove Contribution Restrictions on Law Enforcement Officers that Conflict with Internal Revenue Code

This section allows members of the Supplemental Retirement Income Plan for State and Local Government Law-Enforcement Officers to make voluntary contributions to the Plan in excess of 10% of the member's compensation within any calendar year. Currently, the statute conflicts with the Internal Revenue Code.

SECTION TWO: USERRA Amendments

This section aims to conform and update the State's military service provisions to federal law with respect to the granting of service credit for periods of involuntary military service.

SECTION THREE: Define Membership Service

This section expands the definition of "membership service" in the State System and the Local System to include membership service transferred from a sister North Carolina retirement system. The correction in the definition section of these statutes is necessary to protect rights associated with purchases, health insurance coverage, and several other matters. This does not change current practice.

SECTION FOUR: Define Retirement

This section aligns the definition of retirement for the State, Local, and Judicial Retirement systems. It also closes a current technical hole in the definition of retirement that is needed to align properly with IRS regulations.

SECTION FIVE: Clarify ORP Enrollment may be Electronic

This section clarifies that enrollment for retirees from the Optional Retirement Program shall be in writing and filed with the Retirement System, with the filing permitted to be via electronic means.



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SECTION SIX: Clarification of Reimbursement for Health Coverage

This section clarifies the statute governing the Retirement System's responsibility to reimburse employers for health plan premiums. This does not change current practice.

SECTION SEVEN: Clarify Effective Date of Retirement for Conversion from Disability to Service

This section establishes the effective date of retirement as the first day of the month following the short-term disability period, should a member elect to receive an early retirement instead of a long-term disability benefit.

SECTION EIGHT: Improper Receipt of Decedent's Disability Income Plan Allowance

This section removes a cross-reference in the statute that is no longer necessary

SECTION NINE: Improper Receipt of Decedent's Disability Income Plan Allowance

This section repositions the law regarding improper receipt of a Disability Income Plan benefit and clarifies that the law applies to the fraudulent receipt of any retirement or disability benefit. Currently, the statute refers to a retiree, but within the confines of the Disability Income Plan, disability may be granted without a participant becoming retired. Therefore, not all benefit recipients are necessarily retirees. *This section does not change the policy already enacted by the General Assembly regarding the topic – it simply clarifies the meaning and moves the statute from one part of the lawbook to another.*

SECTION TEN: Eligibility Clarification for Line of Duty Death Benefit

This section ensures that other proposed legislation that includes a rewrite of the statutes governing the Firemen's and Rescue Squad Workers' Pension Fund will not inadvertently change the eligibility requirements for the line of duty death benefit for firefighters, rescue squad workers, members of the civil air patrol, and forestry employees.

SECTION ELEVEN: Felony Forfeiture Statutory Reference Correction

This section corrects a statutory reference in the Felony Forfeiture law passed in the last session.