



HOUSE BILL 477: Retirement Death Benefits Rewrite.

2025-2026 General Assembly

Committee:	House Rules, Calendar, and Operations of the House	Date:	April 28, 2025
Introduced by:	Reps. Carson Smith, Wheatley	Prepared by:	Brad Krehely Staff Attorney
Analysis of:	Third Edition		

OVERVIEW: House Bill 477 would (i) recodify and standardize the laws related to the Death Benefit Plan within the Teachers' and State Employees' Retirement System (TSERS), the Local Governmental Employees' Retirement System (LGERS), the Consolidated Judicial Retirement System (CJRS), and the Legislative Retirement System (LRS), (ii) amend the eligibility requirements for the survivor's alternative benefit under each retirement system, and (iii) create a separate fund for line of duty death benefits.

BILL ANALYSIS:

Death Benefits Statute Rewrite:

Part I of the bill would recodify and standardize the Death Benefit Plan for members of TSERS.

Part II of the bill would recodify and standardize the Death Benefit Plan for members of LGERS.

Part III of the bill would standardize the Death Benefit Plan for members of CJRS.

Part VI of the bill would standardize the Death Benefit Plan for members of LRS.

Part V would make further technical and conforming changes related to the recodification and standardization.

Parts I to Part V would not make substantive changes to the laws governing the Death Benefit Plan and would only provide technical changes.

Eligibility Requirement Changes to Survivor's Alternative Benefit:

Part VI would amend the survivor's alternative benefit in TSERS, LGERS, CJRS and LRS.

CURRENT LAW: Upon the death of a TSERS member in service, **G.S. 135-5(m)(1)** allows the beneficiary of a member who (i) obtained 20 years of creditable service or (ii) was a law enforcement officer who had obtained 15 years of service and was killed in the line of duty, to receive a survivor's alternative benefit.

Section 13(a) would sunset **G.S. 135-5(m)(1)** on June 30, 2025.

Section 13(b) would allow the beneficiary of a TSER member who has completed five years of membership service to be eligible for a survivor's alternate benefit effective July 1, 2025, and apply to member deaths occurring on or after that date.

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CURRENT LAW: Upon the death of a LGERS member in service, **G.S. 128-27(m)(1)** allows the beneficiary of a member who (i) obtained 20 years of creditable service, (ii) was a law enforcement officer who had obtained 15 years of service and was killed in the line of duty, or (iii) was a firefighter or rescue or rescue squad worker who had obtained 15 years of service and was killed in the line of duty, to receive a survivor's alternative benefit.

Section 14(a) would sunset **G.S. 128-27(m)(1)** on June 30, 2025.

Section 14(b) would allow the beneficiary of a LGERS member who has completed at least five years of membership service to be eligible for a survivor's alternate benefit effective July 1, 2025, and apply to member deaths occurring on or after that date.

CURRENT LAW: **G.S. 135-63(a)** allows the surviving spouse of a CJRS member who was age 50 or older with at least five years of membership service at the time of death to elect a survivor's alternative benefit.

Section 15(a) would allow the surviving spouse of a CJRS member who has completed five years of membership service to be eligible for a survivor's alternate benefit effective July 1, 2025, and apply to member deaths occurring on or after that date.

CURRENT LAW: **G.S. 120-4.28** allows the designated beneficiary of an LRS member who died in service (i) before retirement but after age 60 and after completing five years of creditable service or (ii) after completing 12 years of creditable service to be eligible to receive a survivor's alternative benefit.

Section 15(b) would allow the principal beneficiary of an LRS member who dies in service before retirement but after completing five years of creditable service to receive a survivor's alternative benefit. Section 15(b) also clarifies how the retirement allowance would be treated in cases of the death of the principal beneficiary, the death of a contingent beneficiary, or if there were no living beneficiaries. This section would be effective July 1, 2025, and apply to member deaths occurring on or after that date.

Section 15(d) would add an appropriation to the bill.

Funding for Line of Duty Death Benefits:

BACKGROUND: State employers currently contribute 0.13% of salaries toward the Death Benefit Fund.

Part VII would create a separate fund for line of duty death benefits.

Section 16(a) permits the Board of Trustees to deposit up to 0.04% of the State's employer contribution rate from the Death Benefit Fund into a separate fund to pay line of duty death benefits. The separate fund funds would only be used to pay line of duty death benefits, and only if appropriated funds for that purposes were fully expended. Unused funds within the separate fund would revert to the Death Benefit Fund at the end of the fiscal year.

This section would be effective July 1, 2025.

EFFECTIVE DATE: Except as otherwise provided, this act would be effective when it became law.

*Jessica Boney, Staff Attorney for the Legislative Analysis Division, contributed substantially to this summary.