

ADOPTED



NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
Senate Bill 599

AMENDMENT NO. A2
(to be filled in by
Principal Clerk)

S599-AMR-45 [v.7]

Page 1 of 3

Amends Title [YES]
Fourth Edition

Date _____, 2025

Representative Pare

moves to amend the bill on page 1, line 5, by deleting the phrase "OFFICERS." and substituting the phrase "OFFICERS AND RETIREES OF THE TEACHERS' AND STATE EMPLOYEES' RETIREMENT SYSTEM, THE CONSOLIDATED JUDICIAL RETIREMENT SYSTEM, AND THE LEGISLATIVE RETIREMENT SYSTEM.";

and on page 23, lines 43-44, by inserting the following between the lines:

"ONE-TIME, COST-OF-LIVING SUPPLEMENT PAYMENT FOR RETIREES OF THE TEACHERS' AND STATE EMPLOYEES' RETIREMENT SYSTEM, THE CONSOLIDATED JUDICIAL RETIREMENT SYSTEM, AND THE LEGISLATIVE RETIREMENT SYSTEM

SECTION 3.24.(a) G.S. 135-5 is amended by adding the following new subsection to read:

"(aaaa) After October 1, 2025, but on or before November 30, 2025, a one-time, cost-of-living supplement payment shall be made to, or on account of, beneficiaries who are living as of October 1, 2025, and whose retirement commenced on or before October 1, 2025. The payment shall be one percent (1%) of the beneficiary's annual retirement allowance payable as of October 1, 2025, and shall not be prorated for date of retirement commencement. If the beneficiary dies before the payment is made, then the payment shall be payable to the member's legal representative. No beneficiary shall have a vested right to any future supplemental payments under this Article.

(bbbb) After September 1, 2026, but on or before October 31, 2026, a one-time, cost-of-living supplement payment shall be made to, or on account of, beneficiaries who are living as of September 1, 2026, and whose retirement commenced on or before September 1, 2026. The payment shall be two percent (2%) of the beneficiary's annual retirement allowance payable as of September 1, 2026, and shall not be prorated for date of retirement commencement. If the beneficiary dies before the payment is made, then the payment shall be payable to the member's legal representative. No beneficiary shall have a vested right to any future supplemental payments under this Article."

SECTION 3.24.(b) G.S. 135-65 is amended by adding the following new subsection to read:

"(ll) After October 1, 2025, but on or before November 30, 2025, a one-time, cost-of-living supplement payment shall be made to, or on account of, beneficiaries who are living as of



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S599-AMR-45 [v.7]

Page 2 of 3

1 October 1, 2025, and whose retirement commenced on or before October 1, 2025. The payment
2 shall be one percent (1%) of the beneficiary's annual retirement allowance payable as of
3 October 1, 2025, and shall not be prorated for date of retirement commencement. If the
4 beneficiary dies before the payment is made, then the payment shall be payable to the member's
5 legal representative. No beneficiary shall have a vested right to any future supplemental payments
6 under this Article.

7 (mm) After September 1, 2026, but on or before October 31, 2026, a one-time,
8 cost-of-living supplement payment shall be made to, or on account of, beneficiaries who are
9 living as of September 1, 2026, and whose retirement commenced on or before September 1,
10 2026. The payment shall be two percent (2%) of the beneficiary's annual retirement allowance
11 payable as of September 1, 2026, and shall not be prorated for date of retirement commencement.
12 If the beneficiary dies before the payment is made, then the payment shall be payable to the
13 member's legal representative. No beneficiary shall have a vested right to any future
14 supplemental payments under this Article."

15 **SECTION 3.24.(c)** G.S. 120-4.22A is amended by adding the following new
16 subsection to read:

17 "(ff) In accordance with subsection (a) of this section, after October 1, 2025, but on or
18 before November 30, 2025, a one-time, cost-of-living supplement payment shall be made to, or
19 on account of, beneficiaries who are living as of October 1, 2025, and whose retirement
20 commenced on or before October 1, 2025. The payment shall be one percent (1%) of the
21 beneficiary's annual retirement allowance payable as of October 1, 2025, and shall not be
22 prorated for date of retirement commencement. If the beneficiary dies before the payment is
23 made, then the payment shall be payable to the member's legal representative. No beneficiary
24 shall have a vested right to any future supplemental payments under this Article.

25 (gg) In accordance with subsection (a) of this section, after September 1, 2026, but on or
26 before October 31, 2026, a one-time, cost-of-living supplement payment shall be made to, or on
27 account of, beneficiaries who are living as of September 1, 2026, and whose retirement
28 commenced on or before September 1, 2026. The payment shall be two percent (2%) of the
29 beneficiary's annual retirement allowance payable as of September 1, 2026, and shall not be
30 prorated for date of retirement commencement. If the beneficiary dies before the payment is
31 made, then the payment shall be payable to the member's legal representative. No beneficiary
32 shall have a vested right to any future supplemental payments under this Article."

33 **SECTION 3.24.(d)** There is appropriated from the General Fund to the Retiree
34 Supplement Reserve in the Office of State Budget and Management the sum of forty-one million
35 thirty-eight thousand seven hundred eighty-three dollars (\$41,038,783) in nonrecurring funds for
36 the 2025-2026 fiscal year and the sum of eighty-two million seventy-seven thousand five hundred
37 sixty-six dollars (\$82,077,566) in nonrecurring funds for the 2026-2027 fiscal year to be
38 distributed accordingly to implement this section.

40 **UPDATES TO SALARY-RELATED CONTRIBUTIONS**

41 **SECTION 3.25.(a)** Section 3.6(b) of S.L. 2025-89 reads as rewritten:

42 **"SECTION 3.6.(b)** Effective July 1, 2025, the State's employer contribution rates budgeted
43 for retirement, health, and related benefits as a percentage of covered salaries for the 2025-2026

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Page 3 of 3

fiscal year for teachers and State employees, State law enforcement officers (LEOs), the University and Community Colleges Optional Retirement Programs (ORPs), the Consolidated Judicial Retirement System (CJRS), and the Legislative Retirement System (LRS) are as set forth below:

	Teachers and State Employees	State LEOs	ORPs	CJRS	LRS
Retirement	17.14% 17.44%	17.14% 17.44%	6.84%	37.73% 38.36%	18.26% 18.90%
Health	7.33%	7.33%	7.33%	7.33%	7.33%
Disability	0.07%	0.07%	0.07%	0.00%	0.00%
Death	0.13%	0.13%	0.00%	0.00%	0.00%
NC 401(k)	0.00%	5.00%	0.00%	0.00%	0.00%

Total Contribution

Rate ~~24.67%~~24.97%~~29.67%~~29.97%14.24% ~~45.06%~~45.69%~~25.59%~~26.23%

The rate for health includes two and four-tenths percent (2.40%) for the Public Employee Health Benefit Fund and four and ninety-three hundredths percent (4.93%) for the Retiree Health Benefit Fund."

SECTION 3.25.(b) When setting the salary-related contribution rates for the 2026-2027 fiscal year, it is the intent of the General Assembly to incorporate the appropriate contribution rate for the one-time supplement provided for that fiscal year under this section."

SIGNED _____
Amendment Sponsor

SIGNED _____
Committee Chair if Senate Committee Amendment

ADOPTED _____ FAILED _____ TABLED _____

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and vote information, is available in the
House Principal Clerk's Office**