



# SENATE BILL 886: Retirement Amendments.

2016-2017 General Assembly

<b>Committee:</b>		<b>Date:</b>	June 27, 2016
<b>Introduced by:</b>	Sens. Wells, Apodaca	<b>Prepared by:</b>	Theresa Matula
<b>Analysis of:</b>	Second Edition		Committee Staff

**SUMMARY:** *Senate Bill 886 does the following: 1) adds language providing survivorship benefits for a member killed in the line of duty for the NC Firefighters' and Rescue Squad Workers' Pension Fund; 2) clarifies the retirement information that is subject to the Public Records Law; 3) allows certain forms to be transmitted electronically to Teachers' and State Employees' Retirement System (TSERS) members and Local Governmental Employees' Retirement System (LGERS) members; 4) allows letters of credit issued by a Federal Home Loan Bank to be used to collateralize deposits; and 5) requires the LGERS Board of Trustees to develop a State Contribution Rate Stabilization Policy for the NC Firefighters' and Rescue Squad Workers' Pension Fund.*

## BILL ANALYSIS:

**Section 1** amends the NC Firefighters' and Rescue Squad Workers' Pension Fund. Section 1(a) provides that, "killed in the line of duty" has the same meaning as in the Law-Enforcement Officers', Firemen's, Rescue Squad Workers' and Civil Air Patrol Members' Death Benefits Act. Section 1(b) adds G.S. 58-86-55 to outline the manner in which benefits are paid when a member is killed in the line of duty. Section 1(c) amends the law pertaining to order of payments when a firefighter or rescue squad worker dies, but is not killed in the line of duty. Section 1(d) provides that Section 1 becomes effective July 1, 2018, and applies to benefits paid when a member is killed in the line of duty on or after that date.

**Section 2** clarifies the retirement information is subject to the Public Records Law. **Section 2(a)** provides information on an Attorney General's Advisory Opinion of February 5, 2008, that concluded information about retirement benefits was intended to be a record maintained for public inspection and that Department of the State Treasurer should make the information available for public inspection. The remainder of Section 2 creates and consolidates the laws pertaining to public records for the TSERS and LGERS.

**Section 2(b)** adds a new section, G.S. 135-6.1, to Article 1 of Chapter 135 for the TSERS pertaining to confidentiality of member information. Various elements of the newly created G.S. 135-6.1 are as follows: Subsection (a) defines employment-related information, personal information, retirement file and retirement-related information. Subsection (b) provides that member retirement files are not subject to public inspection and examination, except to notify members and beneficiaries of their rights and accruals of benefits and as stated in subsections (c), (d), and (e) below. Subsection (c) provides that following member information is public: name; age; the dates of membership in the retirement system, the dates of first service, enrollment and employment, and the date of retirement; the terms of any contract by which a member was employed; job title; compensation; changes in employment; current assignment; record of benefits paid; and purchases of educational leave. Subsection (d) requires custodians of retirement file information to permit inspection and examination of that information by the public during regular business hours. Any person denied access to retirement file information may seek appropriate relief in a court of competent jurisdiction. Subsection (e) allows the Retirement Systems

Karen Cochrane-Brown  
Director



Legislative Analysis  
Division  
919-733-2578

# Senate Bill 886

Page 2

Division to disclose the names and mailing addresses of former State employees, former public school employees, or former community college employees to domiciled, nonprofit organizations representing 10,000 or more retired State government, local government, or public school employees. Subsection (f) states any retirement file information not specified in subsection (c) is confidential and not open for inspection except by the member, the member's authorized agent, a member of the General Assembly under authority of G.S. 120-19, and an individual with a proper court order authorizing inspection. Subsection (g) makes it a Class 3 misdemeanor, punishable by a fine no greater than \$500, for a public official or employee to knowingly and willfully permit an unauthorized person to have access, custody, or possession of confidential information in a retirement file. Subsection (h) makes it a Class 3 misdemeanor, punishable by a fine no greater than \$500, for any person not authorized to have access to confidential retirement file information to knowingly and willfully examine, remove, or copy any portion of a confidential retirement file.

Section 2(c) adds a new section to Article 3 of Chapter 128 of the General Statutes pertaining to LGERS. The content is similar to that contained in Section 2(b) for TSERS.

Section 2(d) makes a conforming change to G.S. 126-22 which pertains to personnel files not subject to inspection under the public records law (G.S. 132-6).

Sections 2(e)-(h) repeal statutes authorizing disclosure of the names and mailing addresses of former public school employees, former community college employees, and former state and local government employees to domiciled, nonprofit organizations representing 10,000 or more retired State government, local government, or public school employees because similar provisions are found in Sections 2(b) and 2(c) of the bill.

Section 3 amends G.S. 135-10.1 and 128-32.1 to require members in TSERS and LGERS, respectively, to respond within 120 days of transmission of Form 6-E or Form 7-E to them. Under current law, the Forms must be mailed to members. The change allows electronic transmission.

Section 4 amends G.S. 147-79 to allow letters of credit issued by a Federal Home Loan Bank to be used to collateralize deposits.

Section 5 requires the LGERS Board of Trustees to develop a State Contribution Rate Stabilization Policy for the NC Firefighters' and Rescue Squad Workers' Pension Fund and to report to the Office of State Budget and Management and the Fiscal Research Division on or before March 1, 2017.

Section 6 contains a severability clause.

**EFFECTIVE DATE:** Except as otherwise specified, the act is effective when it becomes law.