



HOUSE BILL 1042: Increase In-Service Death Benefit/LRS.

2019-2020 General Assembly

Committee:	House Pensions and Retirement. If favorable, re-refer to Rules, Calendar, and Operations of the House	Date:	April 28, 2020
Introduced by:	Reps. Howard, Jackson, Moore, Carney	Prepared by:	Tawanda F. Artis Committee Counsel
Analysis of:	First Edition		

OVERVIEW: *House Bill 1042 increases the death benefit for members of the Legislative Retirement System who die while in service and makes technical changes to reorganize the Legislative Retirement System Death Benefit Statute.*

CURRENT LAW: G.S. 120-4.27 provides a death benefit for members who die while in service and retired members of the General Assembly. The benefit is paid to the designated beneficiary of a member who dies while in service after completing one year of creditable service and to the designated beneficiary of a retired member after two years of required contributions.

BILL ANALYSIS:

Section 1 increases the death benefit of a member while in service to \$50,000 after one year of creditable service. "In service" means currently serving as a member of the North Carolina General Assembly.

This section also makes technical and conforming changes to the provisions governing the death benefit for retired members of the General Assembly and reorganizes the statute.

Section 1 is retroactively effective to January 1, 2020, and applies to eligible deaths occurring on or after that date.

Section 2 makes conforming changes to the State's employer contribution rates budgeted for retirement and related benefits in Section 3.15 of S.L. 2019-209.

This section also appropriates \$10,679 in recurring funds for the 2019-2020 fiscal year and \$21,358 in recurring funds for the 2020-2021 fiscal year for the purpose of paying the salary related contributions related to the Legislative Retirement System death benefit in Section 1.

EFFECTIVE DATE: Except as otherwise provided, this bill is effective when it becomes law.

Karen Cochrane-Brown
Director



Legislative Analysis
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