



# SENATE BILL 719: Retirement Protection Act.

2019-2020 General Assembly

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<b>Committee:</b>	Senate Pensions and Retirement and Aging. If favorable, re-refer to Rules and Operations of the Senate	<b>Date:</b>	May 20, 2020
<b>Introduced by:</b>	Sens. Wells, Edwards, Perry	<b>Prepared by:</b>	Tawanda F. Artis
<b>Analysis of:</b>	First Edition		Committee Counsel

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**OVERVIEW:** *Senate Bill 719 amends existing law on rulemaking and amends the felony forfeiture provisions in the Teachers' and State Employees' Retirement System (TSERS), the Local Governmental Employees' Retirement System (LGRS), the Consolidated Judicial Retirement System (CJRS), and the Legislative Retirement System (LRS).*

## BILL ANALYSIS:

**Section 1.1 (a) and 1.1(b)** amends current law in TSERS and LGERS on the duties of the actuary to add the contribution based benefit cap factor to the materials, such as experience studies, actuarial calculations, assumptions used by the actuary, including mortality tables, interest rates, annuity factors, and other similar materials, that are not subject to rule-making. Also, provides that materials are effective the first day of the month following adoption unless a different date is specified. The effective date does not retroactively affect a contribution rate.

**Section 1.1(c)** amends the current law on rulemaking to exempt specified actuarial tables, assumptions, methods, and factors from rulemaking.

**Section 1.1 (d)** makes this section effective when it becomes law, and subsection (c) applicable to actuarial tables, assumptions, and contribution-based benefit cap factors adopted or changed on or after that date.

**Section 1.2 (a) through 1.2(d)** amends TSERS and LGERS to add the adoption of any necessary contribution-based benefit cap factors to the Board of Trustees duties after the actuarial investigation and valuation after each five-year period. To pay for the administration costs of these sections, the Retirement Systems Division may increase receipts from the retirement assets of system or may pay costs directly from the retirement assets.

**Section 1.2(e)** makes this section effective when it becomes law and applicable to actuarial investigations and calculations made on or after that date.

**Section 2.1(a)** amends the felony forfeiture law in TSERS to repeal a requirement that the forfeiture applies to felony convictions where the court finds that the member's conduct is directly related to the member's office or employment.

**Section 2.1(b)** amends the felony forfeiture law in LGERS to repeal a requirement that the forfeiture applies to felony convictions where the court finds that the member's conduct is directly related to the member's office or employment.

Karen Cochrane-Brown  
Director



Legislative Analysis  
Division  
919-733-2578

# Senate Bill 719

Page 2

**Section 2.1(c)** amends the felony forfeiture law in CJRS to repeal a requirement that the forfeiture applies to felony convictions where the court finds that the member's conduct is directly related to the member's office or employment.

**Section 2.1(d)** amends the felony forfeiture law in LRS to repeal a requirement that the forfeiture applies to felony convictions where the court finds that the member's conduct is directly related to the member's office or employment.

**Section 3.1(a) and 3.1 (b)** amends TSERS to clarify the current law on felony forfeiture of pensions for elected officials and members applies regardless of whether the creditable service was earned by membership in the System, accrued by conversion of sick leave at the point of the member's retirement, accrued by transfer of service from another retirement system, purchased by the member, or accrued by any other means. Further clarifies creditable service attributable to the conversion of sick leave accrues in this System on the date of retirement, service transferred to this System from another system accrues in this System on the effective date of the transfer, and purchased service accrues in this System on the date of the purchase.

**Section 3.1(c) and 3.1(d)** amends LGERS to clarify the current law on felony forfeiture of pensions for elected officials and members applies regardless of whether the creditable service was earned by membership in the System, accrued by conversion of sick leave at the point of the member's retirement, accrued by transfer of service from another retirement system, purchased by the member, or accrued by any other means. Further clarifies creditable service attributable to the conversion of sick leave accrues in this System on the date of retirement, service transferred to this System from another system accrues in this System on the effective date of the transfer, and purchased service accrues in this System on the date of the purchase.

**Section 3.1(e) and 3.1(f)** amends CJRS to clarify the current law on felony forfeiture of pensions for elected officials and members applies regardless of whether the creditable service was earned by membership in the System, accrued by conversion of sick leave at the point of the member's retirement, accrued by transfer of service from another retirement system, purchased by the member, or accrued by any other means. Further clarifies creditable service attributable to the conversion of sick leave accrues in this System on the date of retirement, service transferred to this System from another system accrues in this System on the effective date of the transfer, and purchased service accrues in this System on the date of the purchase.

**Section 3.1 (g) and 3.1(h)** amends LRS to clarify the current law on felony forfeiture of pensions for elected officials and members applies regardless of whether the creditable service was earned by membership in the System, accrued by conversion of sick leave at the point of the member's retirement, accrued by transfer of service from another retirement system, purchased by the member, or accrued by any other means. Further clarifies creditable service attributable to the conversion of sick leave accrues in this System on the date of retirement, service transferred to this System from another system accrues in this System on the effective date of the transfer, and purchased service accrues in this System on the date of the purchase.

**Section 3.2(a)** clarifies in TSERS that members are prohibited from subsequently purchasing or repurchasing either forfeited benefits or any creditable membership service associated with those forfeited benefits, and service may not be used for the purposes of eligibility for benefits in any retirement system that provides reciprocal benefits.

**Section 3.2(b)** clarifies in LGERS that members are prohibited from subsequently purchasing or repurchasing either forfeited benefits or any creditable membership service associated with those forfeited

# Senate Bill 719

*Page 3*

benefits, and service may not be used for the purposes of eligibility for benefits in any retirement system that provides reciprocal benefits.

**Section 3.2(c)** clarifies in CJRS that members are prohibited from subsequently purchasing or repurchasing either forfeited benefits or any creditable membership service associated with those forfeited benefits, and service may not be used for the purposes of eligibility for benefits in any retirement system that provides reciprocal benefits.

**Section 3.2(d)** clarifies in LRS that members are prohibited from subsequently purchasing or repurchasing either forfeited benefits or any creditable membership service associated with those forfeited benefits, and service may not be used for the purposes of eligibility for benefits in any retirement system that provides reciprocal benefits.

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