



HOUSE BILL 1099: Judicial Retirement/Survivor Benefits Parity.

2021-2022 General Assembly

Committee:	House Pensions and Retirement. If favorable, re-refer to Rules, Calendar, and Operations of the House	Date:	June 1, 2022
Introduced by:	Reps. C. Smith, McNeill	Prepared by:	Jason Moran-Bates
Analysis of:	PCS to First Edition H1099-CSBPp-25		Jessica Boney Staff Attorney

OVERVIEW: *The Proposed Committee Substitute (PCS) to House Bill 1099 would change the death benefit structure of the Consolidated Judicial Retirement System to bring the structure in line with that of the Teachers' and State Employees' Retirement System and the Local Governmental Employees' Retirement System.*

CURRENT LAW: Under current law, if a member of the Consolidated Judicial Retirement System (Retirement System) dies before retiring, the member's designated beneficiary is entitled to the member's accumulated benefits and final compensation. If the designated beneficiary is a spouse, the spouse may elect to receive the final compensation and a monthly allowance instead. If a member dies after retiring, the member's spouse is entitled to a monthly allowance of half the member's monthly retirement payment. If the designated surviving beneficiary is not a spouse, the beneficiary is entitled to the difference between the member's accumulated contributions and the amount that has been paid as a retirement allowance to the member.

BILL ANALYSIS:

Section 1 would amend the benefits on death before retirement found in G.S. 135-63 to apply to a member who earned the first month of creditable service prior to July 1, 2023, and had not withdrawn contributions for such membership service in the Retirement System.

Section 1 would add new subsections to G.S. 135-63 to direct the designated beneficiary of a member who earned the first month of creditable service on or after July 1, 2023, and who died before retiring to receive either:

- The member's accumulated contributions.
- An alternative benefit described in Option 2 of G.S. 135-5(g). In order for the alternative benefit to be payable, all of the following must apply:
 - (i) the member must have been eligible for early retirement or have 16 years of creditable service; (ii) there is only one beneficiary; (iii) the member did not instruct the Board of Trustees that the alternate benefit would not apply; and (iv) the member had not received a retirement allowance.

If the designated beneficiary dies before receiving the member's accumulated contributions, a contingent beneficiary will receive them. In addition to the deceased member's accumulated contributions, the named beneficiary would also receive a one-time payment of \$50,000 if the member had completed at least one full calendar year of membership in the Retirement System.

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Legislative Analysis
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Section 2 would amend the benefits on death after retirement found in G.S. 135-64(a), (b), (c), (d) and (e) to apply to a member who earned the first month of creditable service prior to July 1, 2023, and had not withdrawn contributions for such membership service in the Retirement System.

Section 2 would create a new subsection of G.S. 135-64 to direct the designated beneficiary of a member who earned the first month of creditable service after July 1, 2023, and dies after retiring to receive the difference between the member's accumulated contributions and the amount that has been paid as a retirement allowance to the member. If the designated survivor chose the alternate benefit under G.S. 135-61 and dies before receiving the full amount the survivor is entitled to, the remainder will be paid to an individual designated by the retiree.

EFFECTIVE DATE: This bill would be effective July 1, 2022.