



HOUSE BILL 177: Extend Spiking Moratorium/LGERS Surety.

2021-2022 General Assembly

Committee:		Date:	July 29, 2022
Introduced by:		Prepared by:	Theresa Matula
Analysis of:	S.L. 2022-70		Legislative Analyst

OVERVIEW: *S.L. 2022-70 extends the pension-spiking moratorium enacted in S.L. 2021-72 from June 30, 2022, to June 30, 2023, and requires the Local Governmental Employees' Retirement System's (LGERS) Board of Trustees to adopt rules for eligible employers that do not have taxing authority in order to cover a withdrawal liability should they cease participation in the Retirement System.*

This act became effective June 30, 2022.

BILL ANALYSIS:

Section 1 extends the pension-spiking moratorium contained in Section 3.2 of S.L. 2021-72 from June 30, 2022, to June 30, 2023, and extends the deadline that the Department of State Treasurer and the North Carolina School Boards Association can report findings and recommendations from a working group from April 1, 2022, to December 15, 2022.

Section 2 amends the Local Governmental Employees' Retirement System to require that any eligible employer that is not a taxing authority and is not a participating employer on September 1, 2023, must obtain a surety in accordance with rules adopted by the Board of Trustees. The rules adopted by the Board must address how an eligible employer that is not a taxing authority will cover a withdrawal liability that could be incurred if the employer ceases participation in the LGERS. The rules must be adopted by the Board by August 1, 2023.

EFFECTIVE DATE: This act became effective June 30, 2022.

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