

**NORTH CAROLINA GENERAL ASSEMBLY  
LEGISLATIVE ACTUARIAL NOTE**

**BILL NUMBER:** Senate Bill 1464

**SHORT TITLE:** Increase Retiree Death Benefit

**SPONSOR(S):** Senator Jenkins

**SYSTEM AFFECTED:** The Retirees' Contributory Death Benefit Plan

**BILL SUMMARY:** Increases the contributory death benefit from \$5,000 to \$6,000 for retirees of the Teachers' and State Employees' Retirement System, the Consolidated Judicial Retirement System, the Legislative Retirement System and Local Governmental Employees' Retirement System that elect to pay for this coverage.

**EFFECTIVE DATE:** January 1, 1999

**ESTIMATED IMPACT** The actuaries agree that the reserves and the contributory rates by retirees for the death benefit are sufficient to increase the death benefit.

**ASSUMPTIONS AND METHODOLOGY:**

**The Retirees' Contributory Death Benefit Plan:** The actuarial valuation of the Retirees' Contributory Death Benefit Plan as of December 31, 1996 shows that the Plan has liabilities of \$50,870,914. The Plan has assets of \$44,542,462. Prospective contributions of participants eligible for benefits (those with two or more years of coverage) have a value of \$42,596,825. The total present and prospective assets amount to \$87,139,287, which exceeds the liability of \$50,870,914 by \$36,268,373. On the basis of the calculation, the present contribution rates appear to be sufficient support the benefits of the Plan, and the necessary reserves are being accumulated.

**SOURCES OF DATA:** : Retirement System Actuary - Buck Consultant, Inc.  
General Assembly Actuary - Hartman & Associates, LLC

**FISCAL RESEARCH DIVISION:** The above information is provided in accordance with North Carolina General Statute 120-114 and applicable Rules of the North Carolina Senate and House of Representatives.

**(919) 733-4910**

**PREPARED BY:** Stanley Moore

**APPROVED BY:** Tom Covington

**DATE:** June 8, 1998



**Signed Copy Located in the NCGA Principal Clerk's Offices**