

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2017

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SENATE BILL 389

Short Title: Open Enrollment/Contributory Death Benefit. (Public)

Sponsors: Senator Randleman (Primary Sponsor).

Referred to: Rules and Operations of the Senate

March 27, 2017

A BILL TO BE ENTITLED

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2 AN ACT TO PROVIDE FOR AN OPEN ENROLLMENT PERIOD IN THE
3 CONTRIBUTORY DEATH BENEFIT FOR RETIRED MEMBERS OF THE
4 TEACHERS' AND STATE EMPLOYEES' RETIREMENT SYSTEM, THE
5 CONSOLIDATED JUDICIAL RETIREMENT SYSTEM, THE LEGISLATIVE
6 RETIREMENT SYSTEM, AND THE LOCAL GOVERNMENTAL EMPLOYEES'
7 RETIREMENT SYSTEM.

8 The General Assembly of North Carolina enacts:

9 **SECTION 1.(a)** Notwithstanding any section of law, or any rules and regulations
10 adopted by the Boards of Trustees, to the contrary, the Retirement Systems Division of the
11 Department of State Treasurer shall allow for an open enrollment period in the Contributory
12 Death Benefit for Retired Members of the Teachers' and State Employees' Retirement System,
13 the Consolidated Judicial Retirement System, the Legislative Retirement System, and the Local
14 Governmental Employees' Retirement System. This open enrollment period shall begin
15 September 1, 2017, and shall end December 1, 2017.

16 **SECTION 1.(b)** No later than September 1, 2017, the Retirement Systems
17 Division shall send notice by U.S. mail of the open enrollment period required under this act to
18 all retirees who elected not to be covered under this benefit or who failed to make any election
19 at the time of their retirement. The Retirement Systems Division shall send a second notice by
20 U.S. mail to any retiree who fails to make an election within 60 days of the mailing of
21 notification of the open enrollment period. Notice, at minimum, shall consist of notification of
22 the open enrollment period and the consequences of failure to respond within the specified time
23 frames, informational materials explaining the benefit program and the associated costs, and a
24 preprinted personalized enrollment application to facilitate the enrollment process indicating
25 each individual retiree's contribution rate.

26 **SECTION 1.(c)** The contribution rate for a retiree electing coverage during the
27 open enrollment period required under this act shall be the rate established for the retiree had
28 the retiree elected coverage upon retirement, increased by twelve percent (12%). For retirees
29 electing coverage during this open enrollment period, coverage shall become effective the first
30 day of the month following the month in which the election of coverage is received by the
31 Retirement Systems Division. Contribution rates for coverage shall be based upon the retiree's
32 nearest age as of the effective date of coverage and shall begin by deduction from the retiree's
33 net monthly retirement allowance in the month in which coverage becomes effective. Coverage
34 elected by retirees during this open enrollment period shall be subject to all other laws and rules
35 and regulations adopted by the Board of Trustees governing the Contributory Death Benefit for
36 Retired Members.



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SECTION 2. This act is effective when it becomes law.