

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2019

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HOUSE BILL 214

Short Title: Retirement Technical Corrections Act of 2019.-AB (Public)

Sponsors: Representatives C. Smith, Gill, and McNeill (Primary Sponsors).

For a complete list of sponsors, refer to the North Carolina General Assembly web site.

Referred to: Rules, Calendar, and Operations of the House

February 28, 2019

A BILL TO BE ENTITLED

1 AN ACT TO CONFIRM THAT THE NORTH CAROLINA STATE HEALTH PLAN FOR
2 TEACHERS AND STATE EMPLOYEES IS A GOVERNMENTAL PLAN AND
3 THEREFORE THE STATE HEALTH PLAN SHOULD DETERMINE WHETHER THE
4 COVERAGE OF AN EMPLOYEE OR EMPLOYER WOULD INCREASE THE RISK OF
5 AN ADVERSE TAX RULING FOR THE PLAN; TO UPDATE THE LANGUAGE OF
6 THE CONSOLIDATED JUDICIAL RETIREMENT SYSTEM AND THE NORTH
7 CAROLINA NATIONAL GUARD PENSION FUND TO BE CONSISTENT WITH THE
8 2017 CHANGES MADE TO THE TEACHERS' AND STATE EMPLOYEES'
9 RETIREMENT SYSTEM AND THE LOCAL GOVERNMENTAL EMPLOYEES'
10 RETIREMENT SYSTEM; TO CLARIFY THAT AN EMPLOYING AGENCY MAY
11 RECEIVE A CREDIT FOR PENSION-SPIKING PENALTIES MADE FOR AN
12 EMPLOYEE THAT FORFEITS HIS OR HER RETIREMENT BENEFIT SUBJECT TO A
13 FELONY FORFEITURE REQUIREMENT; TO DEFINE AN INACTIVE EMPLOYER IN
14 THE TEACHERS' AND STATE EMPLOYEES' RETIREMENT SYSTEM AND THE
15 LOCAL GOVERNMENTAL EMPLOYEES' RETIREMENT SYSTEM; TO CLARIFY
16 THAT BUILDING INSPECTION FEE REVENUES ARE TO BE REPORTED BY
17 SOURCE AND EXPENDITURES ARE TO BE REPORTED BY OBJECT; TO REMOVE
18 OR UPDATE ARCHAIC STATUTES AND TO CORRECT TYPOGRAPHICAL ERRORS
19 IN THE LAWS GOVERNING THE TEACHERS' AND STATE EMPLOYEES'
20 RETIREMENT SYSTEM; TO CLARIFY THAT ADMINISTRATIVE COSTS OF THE
21 NORTH CAROLINA PUBLIC SCHOOL TEACHERS' AND PROFESSIONAL
22 EDUCATORS' INVESTMENT PLAN MAY BE CHARGED TO MEMBERS OR
23 DEDUCTED FROM MEMBER ACCOUNTS; TO CLARIFY PUBLIC RECORD LAWS
24 PERTAINING TO THE TEACHERS' AND STATE EMPLOYEES' RETIREMENT
25 SYSTEM AND THE LOCAL GOVERNMENTAL EMPLOYEES' RETIREMENT
26 SYSTEM; AND TO CONFIRM THE IRREVOCABILITY OF LOCAL GOVERNMENT
27 PARTICIPATION IN THE STATE HEALTH PLAN.
28

29 The General Assembly of North Carolina enacts:

30 **SECTION 1.(a)** G.S. 135-48.8(a) reads as rewritten:

31 "(a) The State of North Carolina deems it to be in the public interest for individual North
32 Carolina firefighters, rescue squad workers, and members of the National Guard, and certain of
33 their dependents, who are not eligible for any other type of comprehensive ~~group~~ health insurance
34 or other comprehensive ~~group~~ health benefits, and who have been without any form of ~~group~~
35 health insurance or other comprehensive ~~group~~ health benefit coverage for at least six



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1 consecutive months, to be given the opportunity to participate in the benefits provided by the
2 State Health Plan for Teachers and State Employees. Coverage under the Plan shall be voluntary
3 for eligible firefighters, rescue squad workers, and members of the National Guard who elect
4 participation in the Plan for themselves and their eligible dependents."

5 **SECTION 1.(b)** G.S. 135-48.40(d)(13) reads as rewritten:

6 "(13) The following persons, their eligible spouses, and eligible dependent children,
7 provided that the person seeking coverage as a subscriber (i) is not eligible for
8 another comprehensive ~~group~~-health benefit plan and (ii) has been without
9 coverage under a comprehensive ~~group~~-health benefit plan for at least six
10 consecutive months:

- 11 a. Firefighters.
- 12 b. Rescue squad workers.
- 13 c. Persons receiving a pension from the North Carolina Firefighters' and
14 Rescue Squad Workers' Pension Fund.
- 15 d. Members of the North Carolina National Guard.
- 16 e. Retirees of the North Carolina National Guard with 20 years of
17 service.

18 For the purposes of this subdivision, Medicare benefits, Civilian Health and
19 Medical Program of the Uniformed Services (CHAMPUS) benefits, and other
20 Uniformed Services benefits shall be considered comprehensive ~~group~~-health
21 benefit plans. The Plan may require certification of persons seeking coverage
22 under this subdivision. Nothing in this section shall be construed to either (i)
23 permit a person to enroll or (ii) require the Plan to enroll a person in the Plan
24 when that enrollment may jeopardize the Plan's preferential tax exempt status
25 as a governmental plan under the Internal Revenue Code."

26 **SECTION 2.** G.S. 135-66 reads as rewritten:

27 **"§ 135-66. Administration; management of ~~funds~~.funds; method of financing.**

28 (a) The State Treasurer shall be the custodian of the assets of this Retirement System and
29 shall invest them in accordance with the provisions of G.S. 147-69.2 and G.S. 147-69.3.

30 (b) The assets of this Retirement System shall include employers' contributions held with
31 the Pension Accumulation Fund established under G.S. 135-8 and employees' contributions held
32 in the Annuity Savings Fund similarly established under G.S. 135-8.

33 (c) The Board of Trustees shall have performed an annual actuarial valuation of the
34 System and shall have the financial responsibility for maintaining the System on a generally
35 accepted actuarial basis.

36 (d) An actuarially determined employer contribution shall be calculated annually by the
37 actuary using assumptions and a cost method approved by the Actuarial Standards Board of the
38 American Academy of Actuaries and selected by the Board of Trustees.

39 (e) Notwithstanding Chapter 150B of the General Statutes, the Board of Trustees may
40 adopt a contribution policy that would recommend a contribution not less than the actuarially
41 determined employer contribution.

42 (f) The recommended employer contribution rate by the Board of Trustees each year
43 shall not be less than the actuarially determined employer contribution."

44 **SECTION 3.(a)** G.S. 127A-40(f) reads as rewritten:

45 "(f) The Board of Trustees of the Teachers' and State Employees' Retirement System shall
46 administer the provisions of this section. The Secretary of Public Safety shall determine the
47 eligibility of North Carolina National Guard members for the benefits provided in this section
48 and shall certify those eligible to the Board of Trustees. In addition, the Department of Public
49 Safety shall, on and after July 1, 1983, provide the Board of Trustees with an annual census
50 population, by age and the number of years of creditable service, for all former members of the
51 North Carolina National Guard in receipt of a pension as well as for all active members of the

1 North Carolina National Guard who are not in receipt of a pension and who have seven and more
2 years of creditable service. The Department of Public Safety shall also provide the Board of
3 Trustees an annual census population of all former members of the North Carolina National
4 Guard who are not in receipt of a pension and who have 15 and more years of creditable service.
5 The Department of State Treasurer shall make pension payments to those persons certified from
6 the North Carolina National Guard Pension Fund, ~~which shall include general fund~~
7 ~~appropriations made to the Department of State Treasurer. The Board of Trustees shall have~~
8 ~~performed an annual actuarial valuation of the fund and shall have the financial responsibility for~~
9 ~~maintaining the fund on a generally accepted actuarial basis. The Department of Public Safety~~
10 ~~shall provide the Department of State Treasurer with whatever assistance is required by the State~~
11 ~~Treasurer in carrying out the State Treasurer's and the Board of Trustees' financial~~
12 ~~responsibilities.Fund."~~

13 **SECTION 3.(b)** Article 3 of Chapter 127 of the General Statutes is amended by
14 adding a new section to read:

15 **"§ 127A-41. North Carolina National Guard Pension Fund.**

16 (a) As used in this section, the term "Board of Trustees" means the Board of Trustees of
17 the Teachers' and State Employees' Retirement System.

18 (b) The North Carolina National Guard Pension Fund shall include general fund
19 appropriations made to the Department of State Treasurer and held with the Pension
20 Accumulation Fund of the Teachers' and State Employees' Retirement System.

21 (c) The Board of Trustees shall have performed an annual actuarial valuation of the Fund
22 and shall have the financial responsibility for maintaining the Fund on a generally accepted
23 actuarial basis.

24 (d) An actuarially determined employer contribution shall be calculated annually by the
25 actuary using assumptions and a cost method approved by the Actuarial Standards Board of the
26 American Academy of Actuaries and selected by the Board of Trustees.

27 (e) Notwithstanding Chapter 150B of the General Statutes, the Board of Trustees may
28 adopt a contribution policy that would recommend a contribution not less than the actuarially
29 determined employer contribution.

30 (f) The recommended employer contribution rate by the Board of Trustees each year
31 shall not be less than the actuarially determined employer contribution.

32 (g) The Department of Public Safety shall provide the Department of State Treasurer with
33 any assistance required by the State Treasurer in carrying out the financial responsibilities of the
34 State Treasurer or the Board of Trustees."

35 **SECTION 4.(a)** G.S. 135-8 is amended by adding a new subsection to read:

36 "(f1) Felony Forfeiture Impact on Contribution-Based Benefit Cap. – If an employer made
37 contributions on account of a retiree subject to the contribution-based benefit cap under
38 G.S. 135-8(f)(2)f. and that retiree later forfeits retirement benefits under G.S. 128-38.4,
39 128-38.3A, 135-18.30, 135-18.10A, 135-75.1, or 135-75.1A, then the Retirement Systems
40 Division may provide a credit to the employer. This credit shall be calculated in an amount
41 reflecting the impact of the forfeiture on the amount due under G.S. 135-4(jj)."

42 **SECTION 4.(b)** G.S. 128-30 is amended by adding a new subsection to read:

43 "(g1) Felony Forfeiture Impact on Contribution-Based Benefit Cap. – If an employer made
44 contributions on account of a retiree subject to the contribution-based benefit cap under
45 G.S. 135-8(f)(2)f. and that retiree later forfeits retirement benefits under G.S. 128-38.4,
46 128-38.3A, 135-18.30, 135-18.10A, 135-75.1, or 135-75.1A, then the Retirement Systems
47 Division may provide a credit to the employer. This credit shall be calculated in an amount
48 reflecting the impact of the forfeiture on the amount due under G.S. 128-26(y)."

49 **SECTION 5.(a)** Article 1 of Chapter 135 of the General Statutes is amended by
50 adding a new section to read:

51 **"§ 135-5.5. Inactive employers.**

1 (a) An employer shall be considered an inactive employer if all of the following criteria
2 are met:

3 (1) The employer has no employees that qualify for membership in any System
4 under this Chapter.

5 (2) The employer has made no employer contributions for at least one month.

6 (3) The employer makes a request in writing to the Retirement Systems Division
7 of the Department of State Treasurer to be made inactive.

8 (4) The Retirement Systems Division of the State Treasurer has reviewed the
9 employer request to become inactive and has granted that request. The
10 Retirement Systems Division shall provide written notification to the
11 requesting employer of any decisions made under this section.

12 (b) Not later than April 30 of each calendar year, the Retirement Systems Division of the
13 Department of State Treasurer shall make a report to the Board on all employers who were
14 determined to be inactive employers in that preceding calendar year."

15 **SECTION 5.(b)** Article 3 of Chapter 128 of the General Statutes is amended by
16 adding a new section to read:

17 **"§ 128-23.1. Inactive employers.**

18 (a) An employer shall be considered an inactive employer if all of the following criteria
19 are met:

20 (1) The employer has no employees that qualify for membership in the Retirement
21 System.

22 (2) The employer has made no employer contributions for at least one month.

23 (3) The employer makes a request in writing to the Retirement Systems Division
24 of the Department of State Treasurer to be made inactive.

25 (4) The Retirement Systems Division of the State Treasurer has reviewed the
26 employer request to become inactive and has granted that request. The
27 Retirement Systems Division shall provide written notification to the
28 requesting employer of any decisions made under this section.

29 (b) Not later than April 30 of each calendar year, the Retirement Systems Division of the
30 Department of State Treasurer shall make a report to the Board on all employers who were
31 determined to be inactive employers in that preceding calendar year."

32 **SECTION 6.(a)** G.S. 159-33.1 reads as rewritten:

33 **"§ 159-33.1. Semiannual reports of financial information.**

34 The finance officer of each unit and public authority shall submit to the secretary on January
35 1 and July 1 of each year ~~(or such year, or other dates as the secretary may prescribe)~~ prescribe,
36 a statement of financial information concerning the unit or public authority. The secretary may
37 prescribe the information to be included in the statement and may prescribe the form of the
38 statement; provided, however, the secretary shall prescribe that the finance officer of each city
39 and county shall include in the statement the total revenues received from building inspections,
40 by ~~type, source,~~ and the total expenditures paid from all revenues received, by type-object."

41 **SECTION 6.(b)** This section is effective June 30, 2019.

42 **SECTION 7.** G.S. 135-18.1(a) reads as rewritten:

43 ~~"(a) Any person who is a member of the Teachers' and State Employees' Retirement~~
44 ~~System of North Carolina on July 1, 1951, and who was previously a member of the North~~
45 ~~Carolina Governmental Employees' Retirement System, hereafter in this section referred to as~~
46 ~~the local system, shall be entitled to transfer to this Retirement System his credits for membership~~
47 ~~and prior service in the local system as of the date of termination of membership in the local~~
48 ~~system, notwithstanding that his membership in the local system may have been terminated prior~~
49 ~~to July 1, 1951: Provided, such member shall deposit in this Retirement System prior to January~~
50 ~~1, 1952, the full amount of any accumulated contributions standing to his credit in, or previously~~
51 ~~withdrawn from, the local system and shall apply to the Board of Trustees of this Retirement~~

1 ~~System for a transfer of credit from the local system. Any~~ Prior to retirement, any person who
 2 ~~was a member of the North Carolina Governmental Employees' Retirement System and who~~
 3 becomes a member of this Retirement System ~~on or after July 1, 1951,~~ shall be entitled ~~prior to~~
 4 ~~his retirement~~ to transfer to this Retirement System his ~~or her~~ credits for membership and prior
 5 service in the local system: Provided, ~~the actual transfer of employment is made while his account~~
 6 ~~in the local system is active and such person shall request the local system to transfer his~~
 7 ~~accumulated contributions, interest, and service credits to this Retirement System; provided~~
 8 ~~further, with respect to any person who becomes a member of this Retirement System after July~~
 9 ~~1, 1969,~~ the local system agrees to transfer to this Retirement System the amount of reserve held
 10 in the local system as a result of previous contributions of the employer on behalf of the
 11 transferring employee. For the purposes of this section, the term "local system" means the North
 12 Carolina Governmental Employees' Retirement System."

13 **SECTION 8.(a)** G.S. 135-5.2 is repealed.

14 **SECTION 8.(b)** G.S. 135-13 is repealed.

15 **SECTION 8.(c)** G.S. 135-14 is repealed.

16 **SECTION 8.(d)** G.S. 135-14.1 is repealed.

17 **SECTION 8.(e)** G.S. 135-16 is repealed.

18 **SECTION 8.(f)** G.S. 135-18.3 is repealed.

19 **SECTION 8.(g)** G.S. 135-18.5 is repealed.

20 **SECTION 9.** G.S. 135-16.1 reads as rewritten:

21 "**§ 135-16.1. Blind or visually impaired employees, vendors.**

22 (a) ~~On July 1, 1971, all blind or visually impaired employees employed by the~~
 23 ~~Department of Health and Human Services shall be enrolled as members of the Teachers' and~~
 24 ~~State Employees' Retirement System. All such employees shall be given full credit for all service~~
 25 ~~theretofore as employees of the Department of Health and Human Services. All retired employees~~
 26 ~~drawing or receiving benefits from and under the private retirement plan purportedly created on~~
 27 ~~December 6, 1966, by the Bureau of Employment for the Blind Division pursuant to a trust~~
 28 ~~agreement purportedly entered into with a private banking institution as trustee shall continue to~~
 29 ~~be paid by the Teachers' and State Employees' Retirement System benefits in the same amount~~
 30 ~~which they purportedly were entitled to under the private retirement plan and trust agreement,~~
 31 ~~except that such retired persons shall be eligible for such annual cost of living increases as may~~
 32 ~~be provided for retirement members of the Teachers' and State Employees' Retirement System~~
 33 ~~under the provisions of this Article.~~

34 (b) ~~Upon the enrollment of the employees in the Teachers' and State Employees'~~
 35 ~~Retirement System, the purported private retirement plan and trust agreement hereinabove~~
 36 ~~referred to shall be dissolved and terminated.~~

37 (c) ~~Notwithstanding the foregoing, blind persons~~ Persons licensed by the State and
 38 operating vending facilities under contract with the Department of Health and Human Services,
 39 Division of Services for the Blind and its successors, hereinafter referred to as licensed vendors,
 40 ~~so who are~~ licensed on and after October 1, 1983, shall not be members of the Retirement System.
 41 ~~All licensed vendors in service or who are members of the Retirement System before October 1,~~
 42 ~~1983, shall make an irrevocable election to do one of the following:~~

43 (1) ~~Continue contributing membership service as if an employee under the same~~
 44 ~~conditions and requirements as are otherwise provided, and have the rights of a member to all~~
 45 ~~benefits and a retirement allowance;~~

46 (2) ~~Receive a return of accumulated contributions with cessation of contributing~~
 47 ~~membership service, under G.S. 135-5(f), and in any event with regular interest regardless of~~
 48 ~~membership service; or~~

49 (3) ~~Terminate contributing membership service and be entitled alternatively to the~~
 50 ~~benefits and allowances provided under G.S. 135-3(8) or 135-5(a)."~~

51 **SECTION 10.** G.S. 128-23(b) reads as rewritten:

1 "(b) Pursuant to the favorable vote of a majority of the employees of the county, the board
2 of commissioners of any county may, by resolution legally adopted and approved by the Board
3 of Trustees, elect to have its employees become eligible to participate in the Retirement System.
4 Each county is authorized to make appropriations for these purposes and to fund them by levy of
5 property taxes pursuant to G.S. 153-65 as authorized by Article 7 of Chapter 153A of the General
6 Statutes and by the allocation of other revenues whose use is not otherwise restricted by law."

7 **SECTION 11.** G.S. 115D-25.4 is amended by adding a new subsection to read:

8 "(c) The administrative costs of the North Carolina Public School Teachers' and
9 Professional Educators' Investment Plan may be charged to members or deducted from members'
10 accounts in accordance with nondiscriminatory procedures established by the Department of
11 State Treasurer and Board of Trustees."

12 **SECTION 12.(a)** G.S. 135-6.1 is amended by adding a new subsection to read:

13 "(e1) The Retirement Systems Division of the Department of State Treasurer may disclose
14 to employers and former employers that made a contribution for an employee or former employee
15 to the Retirement System any information that is not public under this Section regarding that
16 employee necessary to conduct the business of the Retirement System. Employers and former
17 employers in receipt of this information shall treat the information as confidential and this
18 information shall not be a public record."

19 **SECTION 12.(b)** G.S. 135-8(f)(2)f. reads as rewritten:

20 "f. Each employer shall transmit to the Retirement System on account of
21 each member who retires on or after January 1, 2015, having earned
22 his or her last month of membership service as an employee of that
23 employer the lump sum payment, as calculated under G.S. 135 4(jj)
24 for inclusion in the Pension Accumulation Fund, that would have been
25 necessary in order for the retirement system to restore the member's
26 retirement allowance to the pre cap amount. Employers are not
27 required to make contributions on account of any retiree who became
28 a member on or after January 1, 2015, and who earned at least five
29 years of membership service in the Retirement System after January
30 1, 2015. The retirement allowance of a member with a final average
31 compensation of more than one hundred thousand dollars (\$100,000),
32 as hereinafter indexed, shall not be subject to the contribution based
33 benefit cap if the compensation was earned from multiple
34 simultaneous employers, unless an employer's share of the average
35 final compensation exceeds one hundred thousand dollars (\$100,000).
36 An employer is not required to make contributions on account of any
37 retiree whose final average compensation exceeds one hundred
38 thousand dollars (\$100,000), as hereinafter indexed, based upon
39 compensation earned from multiple simultaneous employers, unless
40 that employer's share of the average final compensation exceeds one
41 hundred thousand dollars (\$100,000), as provided and indexed under
42 G.S. 135 5(a3).

43 Under such rules as the Board of Trustees shall adopt, the
44 Retirement System shall report monthly to each employer a list of
45 those members for whom the employer made a contribution to the
46 Retirement System in the preceding month that are most likely to
47 require an additional employer contribution should they elect to retire
48 in the following 12 months, if applicable. Reports received under this
49 section shall not be public records. Employers or former employers in
50 receipt of a report under this section shall treat the report, and the

1 information contained within that report, as confidential and as though
2 it were still held by the Retirement System under G.S. 135-6.1."

3 **SECTION 12.(c)** G.S. 135-8(j) reads as rewritten:

4 "(j) Pension Spiking Report. – Upon receipt of a report from the Retirement System
5 generated pursuant to G.S. 135-8(f)(2)f., containing a list of employees for whom the employer
6 made a contribution to the North Carolina Teachers' and State Employees' Retirement System
7 that is likely to require an additional employer contribution should the employee elect to retire in
8 the following 12 months, the employer's chief financial officer shall transmit a copy of the report
9 to the chief executive of the employer, as well as to the governing body of the employer, including
10 any board which exercises financial oversight of the employer, ~~if applicable.~~ the employer has a
11 governing body. Reports received under this section shall not be public records. Employers or
12 former employers in receipt of a report under this section shall treat the report, and the
13 information contained within that report, as confidential and as though it were still held by the
14 Retirement System under G.S. 135-6.1."

15 **SECTION 12.(d)** G.S. 128-33.1 is amended by adding a new subsection to read:

16 "(e1) The Retirement Systems Division of the Department of State Treasurer may disclose
17 to employers or former employers that made a contribution for an employee or former employee
18 to the Retirement System any information not public under this Section regarding that employee
19 necessary to conduct the business of the Retirement System. Employers and former employers
20 in receipt of this information shall treat the information as confidential and this information shall
21 not be a public record."

22 **SECTION 12.(e)** G.S. 128-30(g)(2)b. reads as rewritten:

23 "b. Each employer shall transmit to the Retirement System on account of
24 each member who retires on or after January 1, 2015, having earned
25 his or her last month of membership service as an employee of that
26 employer the lump sum payment, as calculated under G.S. 128-26(y)
27 for inclusion in the Pension Accumulation Fund, that would have been
28 necessary in order for the retirement system to restore the member's
29 retirement allowance to the pre-cap amount. Employers are not
30 required to make contributions on account of any retiree who became
31 a member on or after January 1, 2015, and who earned at least five
32 years of membership service in the Retirement System after January
33 1, 2015. The retirement allowance of a member with a final average
34 compensation of more than one hundred thousand dollars (\$100,000),
35 as hereinafter indexed, shall not be subject to the contribution-based
36 benefit cap if the compensation was earned from multiple
37 simultaneous employers, unless an employer's share of the average
38 final compensation exceeds one hundred thousand dollars (\$100,000).
39 An employer is not required to make contributions on account of any
40 retiree whose final average compensation exceeds one hundred
41 thousand dollars (\$100,000), as hereinafter indexed, based upon
42 compensation earned from multiple simultaneous employers, unless
43 that employer's share of the average final compensation exceeds one
44 hundred thousand dollars (\$100,000), as provided and indexed under
45 G.S. 128-27(a3).

46 Under such rules as the Board of Trustees shall adopt, the
47 Retirement System shall report monthly to each employer a list of
48 those members for whom the employer made a contribution to the
49 Retirement System in the preceding month that are most likely to
50 require an additional employer contribution should they elect to retire
51 in the following 12 months, if applicable. Reports received under this

1 section shall not be public records. Employers or former employers in
2 receipt of a report under this section shall treat the report, and the
3 information contained within that report, as confidential and as though
4 it were still held by the Retirement System under G.S. 128-33.1."

5 **SECTION 12.(f)** G.S. 128-30(j) reads as rewritten:

6 "(j) Pension Spiking Report. – Upon receipt of a report from the Retirement System
7 generated pursuant to G.S. 128-30(g)(2)b., containing a list of employees for whom the employer
8 made a contribution to the North Carolina Local Governmental Employees' Retirement System
9 that is likely to require an additional employer contribution should the employee elect to retire in
10 the following 12 months, the employer's chief financial officer shall transmit a copy of the report
11 to the governing body of the employer, if ~~applicable~~. the employer has a governing body. Reports
12 received under this section shall not be public records. Employers and former employers in
13 receipt of a report under this section shall treat the report, and the information contained within
14 that report, as confidential and as though it were still held by the Retirement System under
15 G.S. 128-33.1."

16 **SECTION 13.** G.S. 135-48.47 reads as rewritten:

17 "**§ 135-48.47. Participation in State Health Plan by local government employees and**
18 **dependents.**

19 ...

20 (d) Local governments participating in the Plan as of April 1, 2016, may elect to withdraw
21 from participating in the Plan effective January 1, 2017. Notice of withdrawal must be given by
22 the local government to the Plan no later than September 15, 2016.

23 (e) Except as permitted under subsection (d) of this section, a local government unit's
24 election to participate in the Plan is irrevocable."

25 **SECTION 14.** G.S. 147-69.7(b)(1)f. reads as rewritten:

26 "f. With respect to the Retirement Systems defined in ~~G.S. 147-69.2(d)~~
27 G.S. 147-69.2(b)(8) and any other pension plans, the adequacy of
28 funding for the Retirement Systems based on reasonable actuarial
29 factors."

30 **SECTION 15.** Except as otherwise provided, this act is effective when it becomes
31 law.