

REQUEST FOR § 150B-21.10 CHANGES

AGENCY: Teachers' and State Employees' Retirement System Board of Trustees AND
Local Governmental Employees' Retirement System Board of Trustees

RULE CITATION: All rules, generally

DEADLINE FOR RECEIPT: Monday, December 12, 2022

PLEASE NOTE: This request may extend to several pages. Please be sure you have reached the end of the document.

The Rules Review Commission staff has completed its review of this Rule prior to the Commission's next meeting. The Commission has not yet reviewed this Rule and therefore there has not been a determination as to whether the Rule will be approved. You may email the reviewing attorney to inquire concerning the staff recommendation.

In reviewing this Rule, the staff recommends the following changes be made:

Is this the proper agency or body to submit these rules? Are there boards for the other systems or funds, such as those referenced in 20 NCAC 02A .0101? Must they be included to approve rule changes?

Please retype the rule accordingly and resubmit it to our office electronically.

REQUEST FOR § 150B-21.10 CHANGES

AGENCY: Teachers' and State Employees' Retirement System Board of Trustees AND
Local Governmental Employees' Retirement System Board of Trustees

RULE CITATION: 20 NCAC 02L .0101

DEADLINE FOR RECEIPT: Monday, December 12, 2022

PLEASE NOTE: This request may extend to several pages. Please be sure you have reached the end of the document.

The Rules Review Commission staff has completed its review of this Rule prior to the Commission's next meeting. The Commission has not yet reviewed this Rule and therefore there has not been a determination as to whether the Rule will be approved. You may email the reviewing attorney to inquire concerning the staff recommendation.

In reviewing this Rule, the staff recommends the following changes be made:

Item (1) should be put into the format of a definition. See the above formatting.

Additionally, for clarity, place reference to the definition for "Director" being applicable to this Section.

In Item (3), insert the zip code in the address.

Include G.S. 128-28(g) or 135-6(f) as authority, whichever is applicable, for general rulemaking authority.

Please retype the rule accordingly and resubmit it to our office electronically.

Lawrence R. Duke
Commission Counsel

Date submitted to agency: December 7, 2022

1 20 NCAC 02L .0101 is readopted with changes as published in 36:23 NCR, page 1839, as follows:

2
3
4 **SUBCHAPTER 02L - SEPARATE INSURANCE BENEFIT PLAN FOR STATE AND LOCAL**
5 **GOVERNMENTAL LAW ENFORCEMENT OFFICERS**

6
7 **SECTION .0100 - GENERAL PROVISIONS**
8

9 **20 NCAC 02L .0101 GENERAL INFORMATION**

10 The following is general information about the Separate Insurance Benefit Plan for State and Local Governmental
11 Law Enforcement Officers'~~Officers'~~ Separate Benefit Plan:

- 12 (1) The ~~Director chief officer~~ is the Director of the Retirement ~~Systems~~ Systems Division;
- 13 (2) The mailing address is Retirement Systems Division, Department of State Treasurer, 3200 Atlantic
14 Avenue, Raleigh, North Carolina 27604;
- 15 (3) The office is located ~~at in the Longleaf Building~~, 3200 Atlantic Avenue, Raleigh, North Carolina.

16
17 *History Note: Authority G.S. 143-166.60;*
18 *Eff. August 1, 1983;*
19 *Amended Eff. September 1, ~~2019~~ 2019;*
20 *Readopted Eff. January 1, 2023.*
21

REQUEST FOR § 150B-21.10 CHANGES

AGENCY: Teachers' and State Employees' Retirement System Board of Trustees AND
Local Governmental Employees' Retirement System Board of Trustees

RULE CITATION: 20 NCAC 02L .0103

DEADLINE FOR RECEIPT: Monday, December 12, 2022

PLEASE NOTE: This request may extend to several pages. Please be sure you have reached the end of the document.

The Rules Review Commission staff has completed its review of this Rule prior to the Commission's next meeting. The Commission has not yet reviewed this Rule and therefore there has not been a determination as to whether the Rule will be approved. You may email the reviewing attorney to inquire concerning the staff recommendation.

In reviewing this Rule, the staff recommends the following changes be made:

Regarding Item (1), how is the regulated public mean to distinguish between each of the three cited medical boards when "Medical Board" is referenced? Are they clearly indicated when referenced within this Subchapter?

In Item (3), lined 12, capitalize "state".

In Items (4) and (6), "officer" and "officer trainee" should be capitalized, as they are defined terms and would eliminate confusion. This should continue through the Subchapter.

Include G.S. 128-28(g) or 135-6(f) as authority, whichever is applicable, for general rulemaking authority.

Please retype the rule accordingly and resubmit it to our office electronically.

Lawrence R. Duke
Commission Counsel

Date submitted to agency: December 7, 2022

1 20 NCAC 02L .0103 is readopted as published in 36:23 NCR, page 1839, as follows:

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3 **20 NCAC 02L .0103 DEFINITIONS**

4 The following words as used in this Subchapter, unless a different meaning is clearly required by the context, shall
5 have the following meanings:

6 (1) ~~"Employer" shall mean the State of North Carolina and any city, town, county or other political~~
7 ~~subdivision thereof.~~ (1) "Medical Board" shall mean any of the Medical Boards established
8 under G.S. 128-28(l), G.S. 135-6(k), or G.S. 135-102(d).

9 (2) "Officer" shall mean a law enforcement officer as defined in G.S. ~~128-21(11d)~~ ~~143-166.30(a)(4)~~
10 and G.S. ~~135-1(11c)~~ ~~143-166.50(a)(3)~~.

11 (3) "Officer Trainee" shall mean a cadet or officer trainee who is a full-time employee enrolled in
12 training schools or academies of the state and any political subdivision thereof and who will become
13 an officer at the completion of the training.

14 (4) "Participant" shall mean an officer or officer ~~trainee~~ ~~trainee~~, ~~who has established eligibility for~~
15 ~~benefits under the Separate Benefit Plan and who has obtained written approval for such eligibility.~~

16 (5) "Separate Insurance Benefit Plan" shall mean the employee welfare benefit plan created in G.S.
17 143-166.60.

18 (6) "Service" shall mean service as an officer for which compensation is paid.

19

20 *History Note: Authority G.S. 143-166.60;*

21 *Eff. August 1, 1983;*

22 *Amended Eff. August 1, 1988; April 1, ~~1985-1985~~;*

23 *Readopted Eff. January 1, 2023.*

24

REQUEST FOR § 150B-21.10 CHANGES

AGENCY: Teachers' and State Employees' Retirement System Board of Trustees AND
Local Governmental Employees' Retirement System Board of Trustees

RULE CITATION: 20 NCAC 02M .0101

DEADLINE FOR RECEIPT: Monday, December 12, 2022

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The Rules Review Commission staff has completed its review of this Rule prior to the Commission's next meeting. The Commission has not yet reviewed this Rule and therefore there has not been a determination as to whether the Rule will be approved. You may email the reviewing attorney to inquire concerning the staff recommendation.

In reviewing this Rule, the staff recommends the following changes be made:

In Item (1), insert an Oxford comma after "employee" in line 12.

Also, per our Style Guide, deletion of a word connected to punctuation means the punctuation is deleted and should be reinserted. In line 16, was the semi-colon meant to be deleted?

Additionally, insert an Oxford comma after "employee" in line 18.

Consider updating the Authority G.S. 128-27(12) and including (13) through (16) if it is desired for this Rule to affect more than January 1, 1999 through July 1, 2004.

Please retype the rule accordingly and resubmit it to our office electronically.

Lawrence R. Duke
Commission Counsel

Date submitted to agency: December 7, 2022

1 20 NCAC 02M .0101 is amended as published in 36:23 NCR, page 1840, as follows:

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3
4 **SUBCHAPTER 2M - CONTRIBUTORY DEATH BENEFIT FOR RETIRED MEMBERS**

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7 **SECTION .0100 - DEFINITIONS AND GENERAL PROVISIONS**

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10 **20 NCAC 02M .0101 DEFINITIONS**

11 The following definitions apply to the Contributory Death Benefit for Retired Members:

- 12 (1) "Retired member" shall mean a former teacher, employee or official in receipt of a monthly
13 retirement allowance or who has a terminated retirement allowance resulting from reemployment
14 ~~or an optional payment selection (Option 4) from the Teachers' and State Employees' Retirement~~
15 ~~System, Local Governmental Employees' Retirement System, Consolidated Judicial Retirement~~
16 ~~System, or Legislative Retirement System or Legislative Retirement Fund;~~ however, ~~retired~~
17 ~~member~~ "retired member" shall not mean any beneficiary in receipt of a monthly retirement
18 allowance by reason of the death of a retired member or former teacher, employee or official.
- 19 (2) "Member" shall mean a retired member of the Teachers' and State Employees' Retirement System,
20 Local Governmental Employees' Retirement System, Consolidated Judicial Retirement System,
21 Legislative Retirement System or Legislative Retirement Fund who has elected coverage and who
22 makes continuous contributions under the Contributory Death Benefit for Retired Members.
- 23 (3) "Surviving spouse" shall mean a living person who is legally married to a member covered under
24 the Contributory Death Benefit for Retired Members at the date of death of the member.
- 25 (4) "Legal representative" shall mean the administrator or executor of the estate of a member or the
26 collector of funds for the estate of the member.
- 27 (5) "Retirement system" shall mean the Teachers' and State Employees' Retirement System, Local
28 Governmental Employees' Retirement System, Consolidated Judicial Retirement System, or
29 ~~Legislative Retirement System or Legislative Retirement Fund.~~
- 30 (6) "Boards of Trustees of the Contributory Death Benefit for Retired Members" shall mean the Boards
31 of Trustees of the Teachers' and State Employees' Retirement System and the Local Governmental
32 Employees' Retirement System, each acting in accordance with the provisions of G.S. 128-
33 28(f1) and G.S. 135-6(e1).

34
35 *History Note: Authority G.S. 120-4.10; 120-4.27; 128-27(l2); 128-28(g); 135-5(l);*
36 *135-6(f); 135-64(g);*
37 *Eff. February 1, 1989-1989;*
38 *Amended Eff. January 1, 2023.*
39

REQUEST FOR § 150B-21.10 CHANGES

AGENCY: Teachers' and State Employees' Retirement System Board of Trustees AND
Local Governmental Employees' Retirement System Board of Trustees

RULE CITATION: 20 NCAC 02M .0102

DEADLINE FOR RECEIPT: Monday, December 12, 2022

PLEASE NOTE: This request may extend to several pages. Please be sure you have reached the end of the document.

The Rules Review Commission staff has completed its review of this Rule prior to the Commission's next meeting. The Commission has not yet reviewed this Rule and therefore there has not been a determination as to whether the Rule will be approved. You may email the reviewing attorney to inquire concerning the staff recommendation.

In reviewing this Rule, the staff recommends the following changes be made:

What does it mean for the Board to “make... decisions administratively”?

What “previous decisions of this Board” is the Director bound to?

Which decisions may be appealed under this Rule? Only those decisions made “administratively” and covering “specific findings in specific matters relating to specific persons”?

What procedures for contested cases apply? Consider making reference to Section .0400 of Title 20, Chapter 02.

Consider updating the Authority G.S. 128-27(12) and including (13) through (16) if it is desired for this Rule to affect more than January 1, 1999 through July 1, 2004.

Please retype the rule accordingly and resubmit it to our office electronically.

Lawrence R. Duke
Commission Counsel

Date submitted to agency: December 7, 2022

1 20 NCAC 02M .0102 is amended as published in 36:23 NCR, page 1840, as follows:

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4 **20 NCAC 02M .0102 AGENCY AND AUTHORITY OF DIRECTOR**

5 (a) The mailing address for agency acting on behalf of the Board of Trustees of the Contributory Death Benefit for
6 Retired Members is the Retirement Systems Division, Department of State Treasurer, Retirement Systems Division,
7 3200 Atlantic Avenue, Raleigh, North Carolina 27604.

8 (b) The Director of the Retirement Systems Division shall make decisions administratively as it relates to the
9 Contributory Death Benefit for Retired Members in accordance with the statutes and rules and regulations adopted by
10 the Boards of Trustees and previous decisions of the Boards of Trustees. Appeals may be made from the decisions of
11 the ~~director~~Director under the same procedures used for contested cases.

12

13 *History Note: Authority G.S. 120-4.10; 120-4.27; 128-27(l2); 128-28(g); 135-5(l); 135-6(f); 135-64(g);*

14 *Eff. February 1, 1989;*

15 *Amended Eff. September 1, ~~2019~~2019;*

16 *Amended Eff. January 1, 2023.*

17

REQUEST FOR § 150B-21.10 CHANGES

AGENCY: Teachers' and State Employees' Retirement System Board of Trustees AND
Local Governmental Employees' Retirement System Board of Trustees

RULE CITATION: 20 NCAC 02M .0201

DEADLINE FOR RECEIPT: Monday, December 12, 2022

PLEASE NOTE: This request may extend to several pages. Please be sure you have reached the end of the document.

The Rules Review Commission staff has completed its review of this Rule prior to the Commission's next meeting. The Commission has not yet reviewed this Rule and therefore there has not been a determination as to whether the Rule will be approved. You may email the reviewing attorney to inquire concerning the staff recommendation.

In reviewing this Rule, the staff recommends the following changes be made:

Insert an Oxford comma after "employee" in lines 7 and 12.

As (a) is written, it does not cover the scenario of an employee choosing coverage under a third retirement benefit, separate from the first two which are under the same Retirement System. For example, retirement benefit #1 and #2 are under the same System, while #3 is under another. Lines 9 through 11 do not give the employee the option of choosing #3. Is this a possibility?

Consider updating the Authority G.S. 128-27(l2) and including (l3) through (l6) if it is desired for this Rule to affect more than January 1, 1999 through July 1, 2004.

Please retype the rule accordingly and resubmit it to our office electronically.

Lawrence R. Duke
Commission Counsel

Date submitted to agency: December 7, 2022

1 20 NCAC 02M .0201 is amended as published in 36:23 NCR, page 1840, as follows:

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3 **SECTION .0200 - ELECTION AND CANCELLATION OF COVERAGE**

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6 **20 NCAC 02M .0201 ELIGIBILITY TO ELECT COVERAGE**

7 (a) A retired member in receipt of a monthly retirement allowance as a former teacher, employee or official of more
8 than one of the ~~retirement~~Retirement ~~systems~~Systems is eligible to elect coverage under each ~~retirement~~Retirement
9 ~~system~~System from which the member receives a retirement benefit; however, if a retired member is receiving more
10 than one retirement benefit from the same ~~retirement~~Retirement ~~system~~System, ~~the member~~he may elect coverage
11 only on the basis of one retirement ~~benefit~~benefit from that Retirement System.

12 (b) A former teacher, employee or official in receipt of disability benefits from the Disability Income Plan of North
13 Carolina is not in receipt of a retirement allowance and is not eligible to elect coverage under the Contributory Death
14 Benefit for Retired Members until such time as the disability benefit is converted to ~~an unreduced~~ service retirement
15 allowance.

16
17 *History Note: Authority G.S. 120-4.10; 120-4.27; 128-27(12); 128-28(g); 135-5(l);*
18 *135-6(f); 135-64(g);*
19 *Eff. February 1, 1989-1989;*
20 *Amended Eff. January 1, 2023.*
21

REQUEST FOR § 150B-21.10 CHANGES

AGENCY: Teachers' and State Employees' Retirement System Board of Trustees AND
Local Governmental Employees' Retirement System Board of Trustees

RULE CITATION: 20 NCAC 02M .0202

DEADLINE FOR RECEIPT: Monday, December 12, 2022

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In reviewing this Rule, the staff recommends the following changes be made:

In items (1) and (2), what is "when first eligible" referencing? This should be included in the Rule.

Are the requirements and 60 day effective dates within items (1) and (2) within statute? Why is this Rule necessary?

Consider updating the Authority G.S. 128-27(l2) and including (l3) through (l6) if it is desired for this Rule to affect more than January 1, 1999 through July 1, 2004.

Please retype the rule accordingly and resubmit it to our office electronically.

Lawrence R. Duke
Commission Counsel

Date submitted to agency: December 7, 2022

1 20 NCAC 02M .0202 is amended as published in 36:23 NCR, page 1840, as follows:

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4 **20 NCAC 02M .0202 WHEN FIRST ELIGIBLE**

5 A retired member's eligibility to make an election for coverage is based on the following:

6 (1) If retired on or before June 1, 1988, the words "when first eligible" to make an election for coverage
7 will mean 60 days from July 1, 1988 or no later than September 1, 1988.

8 (2) If retiring on or after July 1, 1988, the words "when first eligible" to make an election for coverage
9 will mean 60 days from the effective date of retirement under the ~~retirement~~Retirement
10 ~~system~~System.

11

12 *History Note: Authority G.S. 120-4.10; 120-4.27; 128-27(l2); 128-28(g); 135-5(l);*

13 *135-6(f); 135-64(g);*

14 *Eff. February 1, 1989.*

15 *Amended Eff. January 1, 2023.*

16

REQUEST FOR § 150B-21.10 CHANGES

AGENCY: Teachers' and State Employees' Retirement System Board of Trustees AND
Local Governmental Employees' Retirement System Board of Trustees

RULE CITATION: 20 NCAC 02M .0206

DEADLINE FOR RECEIPT: Monday, December 12, 2022

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The Rules Review Commission staff has completed its review of this Rule prior to the Commission's next meeting. The Commission has not yet reviewed this Rule and therefore there has not been a determination as to whether the Rule will be approved. You may email the reviewing attorney to inquire concerning the staff recommendation.

In reviewing this Rule, the staff recommends the following changes be made:

Is there a statute which the cancellation is pursuant to? This would clarify questions, such as who shall be the party doing the cancellation.

What coverage is applicable to this Rule? Presumably, the subsection covers Contributory Death Benefit for Retired Members which should be referenced.

Consider updating the Authority G.S. 128-27(12) and including (13) through (16) if it is desired for this Rule to affect more than January 1, 1999 through July 1, 2004.

Please retype the rule accordingly and resubmit it to our office electronically.

Lawrence R. Duke
Commission Counsel

Date submitted to agency: December 7, 2022

1 20 NCAC 02M .0206 is amended as published in 36:23 NCR, page 1841, as follows:

2

3

4 **20 NCAC 02M .0206 REINSTATEMENT**

5 Upon cancellation of coverage, coverage cannot be ~~reinstated~~reinstated, nor can a retired member reapply for
6 coverage.

7

8 *History Note: Authority G.S. 120-4.10; 120-4.27; 128-27(12); 128-28(g); 135-5(l);135-6(f); 135-64(g);*

9

Eff. February 1, ~~1989~~1989;

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Amended Eff. January 1, 2023.

11

REQUEST FOR § 150B-21.10 CHANGES

AGENCY: Teachers' and State Employees' Retirement System Board of Trustees AND
Local Governmental Employees' Retirement System Board of Trustees

RULE CITATION: 20 NCAC 02M .0301

DEADLINE FOR RECEIPT: Monday, December 12, 2022

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The Rules Review Commission staff has completed its review of this Rule prior to the Commission's next meeting. The Commission has not yet reviewed this Rule and therefore there has not been a determination as to whether the Rule will be approved. You may email the reviewing attorney to inquire concerning the staff recommendation.

In reviewing this Rule, the staff recommends the following changes be made:

Insert an Oxford comma after "employees" in line 27 of page 2.

Regarding the rates within (b), how does the Board's revision of the rates affect the Rule, if at all? Does a resolution by the Board changing the rates affect this Rule's text, or is the schedule more of a placeholder?

In (c), clarify whether the revision "may be" or "shall be" "applicable to members electing coverage prior to the effective date..." Who makes such a determination and on what bases?

Please retype the rule accordingly and resubmit it to our office electronically.

Lawrence R. Duke
Commission Counsel

Date submitted to agency: December 7, 2022

1 20 NCAC 02M .0301 is amended as published in 36:23 NCR, page 1841, as follows:

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4 **SECTION .0300 - CONTRIBUTIONS AND BENEFITS**

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6 **20 NCAC 02M .0301 CONTRIBUTION RATES**

7 (a) The monthly contribution rates shall be established by resolution of the Boards of Trustees as recommended by
8 the consulting actuary. The consulting actuary in making a recommended schedule of monthly contribution rates shall
9 take into consideration mortality experience, selection experience, actuarial interest rate assumption which may be
10 different from the interest rate assumption used in the valuation of the liabilities of the ~~retirement~~Retirement
11 ~~system, System~~, administrative and investment costs, and such other factors as may be appropriate in establishing such
12 schedule of monthly contribution rates.

13 (b) The schedule of monthly contribution rates established by resolution of the Boards of Trustees adopted on March
14 19, 1988, is as follows:

15	Age at	Monthly Rate
16	Effective Date	For Life
17		
18		
19	Less than 50	\$8
20	50	8
21	51	9
22	52	10
23	53	10
24	54	11
25	55	12
26	56	12
27	57	13
28	58	14
29	59	15
30	60	16
31	61	17
32	62	18
33	63	20
34	64	21
35	65	22
36	66	24
37	67	26
38	68	27
39	69	29
40	70	31
41	71	33
42	72	35
43	73	38
44	74	40
45	75	43
46	76	46
47	77	49
48	78	52
49	79	56

1	80	59
2	81	63
3	82	67
4	83	71
5	84	75
6	85	80
7	86	84
8	87	89
9	88	94
10	89	99
11	90	105
12	91	110
13	92	115
14	93	120
15	94	125
16	95	130
17	96	140
18	97	150
19	98	160
20	99	170
21	100 and over	200

22
 23 The schedule of monthly contribution rates shall be applicable for members electing coverage effective on or after
 24 July 1, 1988 and shall remain in effect until such resolution, as duly adopted by the Boards of Trustees, revises such
 25 schedule of monthly contribution rates.

26 (c) The Boards of Trustees may from time to time revise by resolution the schedule of monthly contribution rates as
 27 may be recommended by the consulting actuary for teachers, employees and officials retiring and electing an effective
 28 date of coverage after the effective date of the revision. Such revision may be, but is not required to be, applicable to
 29 members electing coverage prior to the effective date of the revision provided that such revised rates shall not be
 30 greater than the rates in effect at the effective date of coverage for those members electing an effective date of coverage
 31 prior to the effective date of the revision.

32
 33 *History Note: Authority G.S. 120-4.10; 120-4.27; 128-27(12); 128-28(g); 135-5(1); 135-6(f); 135-64(g);*
 34 *Eff. February 1, ~~1989~~1989;*
 35 *Amended Eff. January 1, 2023.*

36

REQUEST FOR § 150B-21.10 CHANGES

AGENCY: Teachers' and State Employees' Retirement System Board of Trustees AND
Local Governmental Employees' Retirement System Board of Trustees

RULE CITATION: 20 NCAC 02M .0302

DEADLINE FOR RECEIPT: Monday, December 12, 2022

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In reviewing this Rule, the staff recommends the following changes be made:

**Legal representative was defined in 02M .0101.*

What does "nearest age" mean in (a)? Is this statutorily defined or in reference to a specific statute?

The last sentence in (b) should be set up as a list with each of the three possibilities of overpayment listed as (1), (2), and (3). This would clear up any formatting issues and clearly lay out options for paying out overpayments.

Consider updating the Authority G.S. 128-27(l2) and including (l3) through (l6) if it is desired for this Rule to affect more than January 1, 1999 through July 1, 2004.

Please retype the rule accordingly and resubmit it to our office electronically.

1 20 NCAC 02M .0302 is amended as published in 36:23 NCR, page 1841, as follows:

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3

4 **20 NCAC 02M .0302 MEMBER CONTRIBUTION**

5 (a) The monthly contribution rate paid by a member shall be based on the member's nearest age as of the effective
6 date of coverage and the applicable rates as of that date as set by the Boards of Trustees and will remain the same as
7 long as the coverage is in effect.

8 (b) Any misstatement as to the age of the member which causes the contribution of the member to have been paid at
9 a ~~greater~~^{higher} or ~~lesser~~^{lower} rate during the period of the coverage of the member not paid or refunded prior to the
10 death of the member will result in any underpayment of contributions being offset against the death benefit and any
11 overpayment of contributions being paid to the person or persons designated by the member or, if the member has not
12 designated a beneficiary, to the surviving spouse, or if not survived by a designated beneficiary or spouse, to
13 the ~~or~~ legal representative, representative for the correct age of the member.

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15 *History Note: Authority G.S. 120-4.10; 120-4.27; 128-27(l2); 128-28(g); 135-5(l);*
16 *135-6(f); 135-64(g);*
17 *Eff. February 1, ~~1989~~1989;*
18 *Amended Eff. January 1, 2023.*
19

REQUEST FOR § 150B-21.10 CHANGES

AGENCY: Teachers' and State Employees' Retirement System Board of Trustees AND
Local Governmental Employees' Retirement System Board of Trustees

RULE CITATION: 20 NCAC 02M .0303

DEADLINE FOR RECEIPT: Monday, December 12, 2022

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The Rules Review Commission staff has completed its review of this Rule prior to the Commission's next meeting. The Commission has not yet reviewed this Rule and therefore there has not been a determination as to whether the Rule will be approved. You may email the reviewing attorney to inquire concerning the staff recommendation.

In reviewing this Rule, the staff recommends the following changes be made:

In (b), what "other required deductions" are referenced?

What is the effect of the final clause in (b)? For each month the net monthly retirement allowance is insufficient, a notice will be sent 10 days after determination and the payment will be due by the 25th of the same month. What does the "thereafter" portion actually require?

Also, how are the due dates different between the same month and subsequent months?

In line 19, change "and/or" to either "and" or "or".

Also, clarify the "may be waived" requirement. Who may waive the contribution payment and under what circumstances or criteria?

In line 20, change "must" to "shall". Use active voice.

Correct the added paragraph in Authority.

Consider updating the Authority G.S. 128-27(12) and including (13) through (16) if it is desired for this Rule to affect more than January 1, 1999 through July 1, 2004.

Please retype the rule accordingly and resubmit it to our office electronically.

1 20 NCAC 02M .0303 is amended as published in 36:23 NCR, page 1842, as follows:

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20 NCAC 02M .0303 PAYMENT OF CONTRIBUTION

(a) The monthly contributions of members covered under the Contributory Death Benefit for Retired Members are to be paid monthly to the Contributory Death Benefit Trust for Retired Members beginning in the month in which coverage becomes effective and shall continue each month thereafter.

(b) Payment of the monthly contributions shall be deducted from a member's net monthly retirement allowance from the ~~retirement~~Retirement system~~System~~ if member's net monthly retirement allowance, after other required deductions, is sufficient to cover the cost of the contribution; however, if the net monthly retirement allowance from the ~~retirement~~Retirement system~~System~~ is not sufficient to cover the cost of the contribution, the Retirement Systems Division shall provide the member a Notice of Contribution Due within ten days after the determination of insufficiency with payment of monthly contributions due not later than the 25th of the month following the determination of insufficiency, and thereafter a Notice of Contribution Due shall be provided between the first and the fifth of each month with payment due on or before the 25th of that month.

(c) The contribution due for the month in which the member's death occurs is to be paid from the final monthly retirement benefit due in the month of death, or by payment from the member's surviving spouse or legal representative; provided that, if member's death occurs during the 24-month period from the effective date of coverage, the deduction and/or payment of the contribution for the month in which death occurs may be waived.

(d) Once coverage is elected, the required monthly contribution must be paid in order to maintain coverage regardless of any condition which might occur that would terminate or diminish the retirement benefit the retired member is receiving, such as reemployment ~~or and~~ the reduction or termination of retirement benefits by reason of ~~an optional payment plan~~ an optional form of retirement allowance selected by the retired member at retirement.

History Note: Authority G.S. 120-4.10; 120-4.27; 128-27(12); 128-28(g); 135-5(l); 135-6(f); 135-64(g); Eff. February 1, 1989. 1989; Amended Eff. January 1, 2023.

REQUEST FOR § 150B-21.10 CHANGES

AGENCY: Teachers' and State Employees' Retirement System Board of Trustees AND
Local Governmental Employees' Retirement System Board of Trustees

RULE CITATION: 20 NCAC 02M .0304

DEADLINE FOR RECEIPT: Monday, December 12, 2022

PLEASE NOTE: This request may extend to several pages. Please be sure you have reached the end of the document.

The Rules Review Commission staff has completed its review of this Rule prior to the Commission's next meeting. The Commission has not yet reviewed this Rule and therefore there has not been a determination as to whether the Rule will be approved. You may email the reviewing attorney to inquire concerning the staff recommendation.

In reviewing this Rule, the staff recommends the following changes be made:

Correct the added paragraph in Authority.

Please retype the rule accordingly and resubmit it to our office electronically.

1 20 NCAC 02M .0304 is repealed as published in 36:23 NCR, page 1842, as follows:

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3 **20 NCAC 02M .0304 AMOUNT OF BENEFIT PAYABLE**

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5 *History Note: Authority G.S. 120-4.10; 120-4.27; 128-27(l2); 128-28(g); 135-5(l);*
6 *135-6(f); 135-64(g);*
7 *Eff. February 1, ~~1989~~1989;*
8 *Repealed Eff. January 1, 2023.*

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REQUEST FOR § 150B-21.10 CHANGES

AGENCY: Teachers' and State Employees' Retirement System Board of Trustees AND
Local Governmental Employees' Retirement System Board of Trustees

RULE CITATION: 20 NCAC 02M .0305

DEADLINE FOR RECEIPT: Monday, December 12, 2022

PLEASE NOTE: This request may extend to several pages. Please be sure you have reached the end of the document.

The Rules Review Commission staff has completed its review of this Rule prior to the Commission's next meeting. The Commission has not yet reviewed this Rule and therefore there has not been a determination as to whether the Rule will be approved. You may email the reviewing attorney to inquire concerning the staff recommendation.

In reviewing this Rule, the staff recommends the following changes be made:

Insert "the", or another appropriate article, after "where" in line 5.

The introductory language of the paragraph does not transition into item (1) and seemingly has no correlation until (2). Rewrite to clarify.

In (2), is interest computed twice – each monthly payment and balance of the monthly contributions and interest?

Can the Board alter the interest rate in (3) and does this affect the Rule?

Correct the added paragraph in Authority.

Consider updating the Authority G.S. 128-27(12) and including (13) through (16) if it is desired for this Rule to affect more than January 1, 1999 through July 1, 2004.

Please retype the rule accordingly and resubmit it to our office electronically.

1 20 NCAC 02M .0305 is amended as published in 36:23 NCR, page 1842, as follows:

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20 NCAC 02M .0305 PAYMENT OF INTEREST ON BENEFIT

Interest payable on the monthly contributions of a member where member's death occurs prior to the first day of the month following the 24th month of coverage:

- (1) The annual rate of interest shall be set from time to time by resolution of the ~~Board~~Boards of Trustees and, in setting such annual rate of interest, the ~~Board~~Boards of Trustees may take into consideration the actuarial interest rate assumption, yields realized and anticipated on short-term investments, cost of investing and administration, and such other factors affecting interest rates as may be appropriate.
- (2) Such interest as set by the ~~Board~~Boards of Trustees shall be computed on each monthly payment from the end of the month in which the monthly payment is paid and on the balance of the monthly contributions and interest at the beginning of the calendar year to the end of the month in which the member dies.
- (3) The interest rate established by resolution of the Boards of Trustees, adopted on January 28, 1988, is 6 1/2 percent.

History Note: Authority G.S. 120-4.10; 120-4.27; 128-27(l2); 128-28(g); 135-5(l); 135-6(f); 135-64(g); Eff. February 1, ~~1989~~1989; Amended Eff. January 1, 2023.

REQUEST FOR § 150B-21.10 CHANGES

AGENCY: Teachers' and State Employees' Retirement System Board of Trustees AND
Local Governmental Employees' Retirement System Board of Trustees

RULE CITATION: 20 NCAC 02M .0307

DEADLINE FOR RECEIPT: Monday, December 12, 2022

PLEASE NOTE: This request may extend to several pages. Please be sure you have reached the end of the document.

The Rules Review Commission staff has completed its review of this Rule prior to the Commission's next meeting. The Commission has not yet reviewed this Rule and therefore there has not been a determination as to whether the Rule will be approved. You may email the reviewing attorney to inquire concerning the staff recommendation.

In reviewing this Rule, the staff recommends the following changes be made:

Is this rule effectively stating benefits or payments need not be made to a former member which dies on or after cancellation? Is this not statutorily covered, or at least implicit?

Correct the added paragraph in Authority.

Consider updating the Authority G.S. 128-27(12) and including (13) through (16) if it is desired for this Rule to affect more than January 1, 1999 through July 1, 2004.

Please retype the rule accordingly and resubmit it to our office electronically.

1 20 NCAC 02M .0307 is amended as published in 36:23 NCR, page 1842, as follows:

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4 **20 NCAC 02M .0307 BENEFITS PAYABLE AFTER CANCELLATION**

5 Should death of a former member occur on or after the effective date of cancellation of coverage, benefits under the
6 Contributory Death Benefit for Retired Members shall not be due and shall not be payable.

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8 *History Note: Authority G.S. 120-4.10; 120-4.27; 128-27(12); 128-28(g); 135-5(l);*

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135-6(f); 135-64(g);

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Eff. February 1, ~~1989~~ 1989;

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Amended Eff. January 1, 2023.

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