HOUSE BILL 86:
Increase In-Service Death Benefits/LRS.

2021-2022 General Assembly

Committee:	House Pensions and Retirement. If favorable, re-refer to Rules, Calendar, and Operations of the House	**Date:**	March 8, 2021
Introduced by:	Reps. Howard, Moore, Reives, Carney	**Prepared by:**	Jason Moran-Bates Committee Staff
Analysis of:	PCS to First Edition H86-CSSHp-7		

OVERVIEW: The Proposed Committee Substitute to House Bill 86 would increase the death benefit payable to the survivor of a serving member of the Legislative Retirement System (LRS) to a lump sum of $50,000 and make several technical changes to G.S. 120-4.27, the LRS death benefit statute. It would also make an appropriation to fund the increase in benefits.

CURRENT LAW: Under current law, the maximum death benefit paid to the survivor of a member of the LRS who is currently in service is $15,000. The term "in service" means currently serving in the General Assembly or serving in (1) the military, (2) full-time National Guard duty, or (3) the commissioned corps of the Public Health Service.

BILL ANALYSIS:

Section 1 of the PCS would amend G.S. 120-4.27 to increase the death benefit payable to the survivor of a member with at least one year of creditable service to a lump sum of $50,000 if the member is in service at the time of death. It would also make technical changes to the portions of G.S. 120-4.27 that govern death benefits payable to the survivor of retired members of the LRS.

Section 2 of the PCS would appropriate $23,892 in recurring funds and $11,946 in nonrecurring funds from the General Fund to the General Assembly to fund the increase in benefits. The General Assembly must contribute all of those funds to the Teachers' and State Employees' Benefit Trust no later than June 30, 2021. Section 2 would also state it is the General Assembly's intent to adjust required employer salary–related contributions for the 2021-2022 fiscal year to reflect the provisions of this bill.

EFFECTIVE DATE: Section 1 of the bill would be retroactively effective to January 1, 2020, and apply to eligible deaths occurring on or after that date. The remainder of the bill would be effective when it becomes law.

****Tawanda Artis of the Legislative Analysis Division substantially contributed to this summary.*

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