

§ 159-30.1. Trust for other post-employment benefits.

(a) Trust. – A local government, a public authority, an entity eligible to participate in the Local Government Employees' Retirement System, a local school administrative unit, or a charter school may establish and fund an irrevocable trust for the purpose of paying (i) post-employment benefits for which the entity is liable or (ii) contribution-based benefit cap liabilities to the Local Governmental Employees' Retirement System. The irrevocable trust must be established by resolution or ordinance of the entity's governing board. The resolution or ordinance must state the purposes for which the trust is created and the method of determining and selecting the Fund's trustees. The resolution or ordinance establishing the trust may be amended from time to time, but an amendment may not authorize the use of monies in the trust for a purpose not stated in the resolution or ordinance establishing the trust. The irrevocable trust must designate the monies deposited in the trust, and any income earned thereon, as governmental funds to be used solely for an essential governmental purpose.

(b) Restrictions. – Monies in an irrevocable trust established under subsection (a) of this section may be appropriated only for the purposes for which the trust was established. Monies in the trust are not subject to the claims of creditors of the entity that established the trust. An entity that establishes a trust may not deposit money in the trust if the total amount held in trust would exceed the entity's actuarial liability, determined in accordance with the standards of the Governmental Accounting Standards Board, for the purposes for which the trust was established. A trust established pursuant to subsection (a) of this section shall be referred to as a Local Government Other Post-Retirement Benefits Trust, and the assets of that trust may be invested as provided in G.S. 159-30(c) or deposited with the State Treasurer for investment pursuant to G.S. 147-69.2(b4). (2007-384, s. 5; 2010-175, s. 2; 2021-75, s. 1.1; 2022-53, s. 9.5(f).)