A BILL TO BE ENTITLED
AN ACT TO MODERNIZE THE MEDICAL REVIEW BOARD AND TO MAKE TECHNICAL AND CONFORMING CHANGES.

The General Assembly of North Carolina enacts:

PART I. MODERNIZING THE MEDICAL REVIEW BOARD

SECTION 1.(a) G.S. 135-1(12) reads as rewritten:
"(12) "Medical board—Review Board" shall mean the board of physicians provided for in G.S. 135-6."

SECTION 1.(b) G.S. 135-101(10) reads as rewritten:
"(10) "Medical Review Board" shall mean the board of physicians as provided in G.S. 135-102(d). G.S. 135-6."

SECTION 1.(c) G.S. 128-21(12) reads as rewritten:
"(12) "Medical board—Review Board" shall mean the board of physicians provided for in G.S. 128-28, subsection (l). G.S. 128-28(l)."

SECTION 1.(d) G.S. 135-53(10) reads as rewritten:
"(10) "Medical board—Review Board" shall mean the board of physicians provided for in G.S. 135-6."

SECTION 1.(e) G.S. 120-4.8(8) reads as rewritten:
"(8) "Medical Review Board" means the board of physicians provided for in G.S. 135-6, which shall determine disability as provided in this Article. G.S. 135-6."

SECTION 1.(f) G.S. 135-6(k) reads as rewritten:
"(k) Medical Review Board. – The Board of Trustees shall designate a medical board Medical Review Board to be composed of not less than three nor more than five physicians not eligible to participate in the Retirement System. The Board of Trustees may structure appointment requirements and term durations for those medical board—Medical Review Board members. If required, other physicians may be employed to report on special cases. The medical board shall arrange for and pass upon all medical examinations required under the provisions of this Chapter, and shall investigate all essential statements and certificates by or on behalf of a member in connection with an application for disability retirement, and shall report in writing to the Board of Trustees its conclusion and recommendations upon all the matters referred to it. A person serving on the medical board Medical Review Board shall be immune individually from civil liability for monetary damages, except to the extent covered by insurance, for any act or failure to act arising out of that service, except where any of the following apply:

(1) The person was not acting within the scope of that person's official duties.
(2) The person was not acting in good faith.

(3) The person committed gross negligence or willful or wanton misconduct that resulted in the damages or injury.

(4) The person derived an improper financial benefit, either directly or indirectly, from the transaction.

(5) The person incurred the liability from the operation of a motor vehicle."

SECTION 1.(g) G.S. 135-6 is amended by adding a new subsection to read:

"(k1) Duties of the Medical Review Board. – The Medical Review Board shall have the following duties and powers:

(1) Arrange for and review medical examinations required under the provision of this Chapter.

(2) Review applications for disability retirement or disability income benefits under Article 6 of this Chapter.

(3) Delegate the review of any medical examinations, records, applications, or other documents to other licensed health care providers. Any certifications required to be made by the Medical Review Board may not be delegated; however, the Medical Review Board may rely upon the determinations of a third party in making that certification.

(4) Require independent medical examinations, vocational assessments, gainful employment determinations, or other assessments necessary for the Medical Review Board to make any determinations required under this Chapter. The Medical Review Board may contract with entities outside of the Department to conduct any assessment determined to be necessary by the Medical Review Board. Any certifications required to be made by the Medical Review Board may not be delegated; however, the Medical Review Board may rely upon the determinations of a third party in making that certification.

(5) Expedite reviews and determinations in accordance with rules adopted by the State Treasurer and the Board of Trustees."

SECTION 1.(h) G.S. 128-28(l) reads as rewritten:

"(l) Medical Review Board. – The Board of Trustees shall designate a Medical Review Board to be composed of not less than three nor more than five physicians not eligible to participate in the Retirement System. The Board of Trustees may structure appointment requirements and term durations for those medical board members. If required, other physicians may be employed to report on special cases. The Medical Board shall arrange for and pass upon all medical examinations required under the provisions of this Chapter, and shall investigate all essential statements and certificates by or on behalf of a member in connection with an application for disability retirement, and shall report in writing to the Board of Trustees its conclusion and recommendations upon all the matters referred to it. A person serving on the medical board shall be immune individually from civil liability for monetary damages, except to the extent covered by insurance, for any act or failure to act arising out of that service, except where any of the following apply:

(1) The person was not acting within the scope of that person's official duties.

(2) The person was not acting in good faith.

(3) The person committed gross negligence or willful or wanton misconduct that resulted in the damages or injury.

(4) The person derived an improper financial benefit, either directly or indirectly, from the transaction.

(5) The person incurred the liability from the operation of a motor vehicle."

SECTION 1.(i) G.S. 128-28 is amended by adding a new subsection to read:

"(l) Duties of the Medical Review Board. – The Medical Review Board shall have the following duties and powers:
1. Arrange for and review medical examinations required under the provision of this Chapter.

2. Review applications for disability retirement or disability income benefits under this Article.

3. Delegate the review of any medical examinations, records, applications, or other documents to other licensed health care providers. Any certifications required to be made by the Medical Review Board may not be delegated; however, the Medical Review Board may rely upon the determinations of a third party in making that certification.

4. Require independent medical examinations, vocational assessments, gainful employment determinations, or other assessments necessary for the Medical Review Board to make any determinations required under this Chapter. The Medical Review Board may contract with entities outside of the Department to conduct any assessment determined to be necessary by the Medical Review Board. Any certifications required to be made by the Medical Review Board may not be delegated; however, the Medical Review Board may rely upon the determinations of a third party in making that certification.

5. Expedite reviews and determinations in accordance with rules adopted by the State Treasurer and the Board of Trustees.

SECTION 1.(j) G.S. 135-102(d) reads as rewritten:

"(d) The Department of State Treasurer and the Board of Trustees shall designate a Medical Board to be composed of not fewer than three nor more than five physicians not eligible for benefits under the Plan. Other physicians, medical clinics, institutions or agencies may be employed to conduct such medical examinations and tests necessary to provide the Medical Board with clinical evidence as may be needed to determine eligibility for benefits under the Plan. If directed by the Board of Trustees, then the Medical Review Board shall investigate the results of medical examinations, clinical evidence, all essential statements and certifications by and on behalf of applicants for benefits and shall report in writing to the Board of Trustees the conclusions and recommendations upon all matters referred to it. In accordance with subsection (c) of this section, the Board of Trustees may also appoint agents, contractors, and employees as the Board of Trustees deems advisable to investigate the results of medical examinations, clinical evidence, all essential statements and certifications by and on behalf of applicants for benefits. In order to accomplish the purposes outlined in this subsection, the Retirement Systems Division of the Department of State Treasurer is authorized to increase receipts from the assets of the Disability Income Plan of North Carolina or to pay costs associated with the administration of these changes directly from the plan assets."

SECTION 1.(k) G.S. 135-110(a)(3) reads as rewritten:

"(3) Disability Income Plan of North Carolina Trust Fund assets may be used for reasonable expenses to determine eligibility for or administer benefits provided by the Fund as approved by the Board of Trustees."

SECTION 1.(l) G.S. 135-106(a) reads as rewritten:

"(a) Upon the application of a beneficiary or participant or of his or her legal representative or any person deemed by the Board of Trustees to represent the participant or beneficiary, any beneficiary or participant who has had five or more years of membership service may receive long-term disability benefits from the Plan upon approval by the Board of Trustees, commencing on the first day succeeding the conclusion of the short-term disability period provided for in G.S. 135-105, provided the beneficiary or participant makes application for such benefit within 180 days after the short-term disability period ceases, after salary continuation payments cease or after monthly payments for Workers’ Compensation cease, whichever is later; Provided, that the beneficiary or participant withdraws from active service by terminating employment as a teacher or State employee; Provided, that the Board of Trustees or the Medical Review Board
shall certify that such beneficiary or participant is mentally or physically incapacitated for the
further performance of duty, that such incapacity was incurred at the time of active employment
and has been continuous thereafter, and that such incapacity is likely to be permanent; Provided
further that the Board of Trustees or the Medical Review Board shall not certify any
beneficiary or participant as disabled who is in receipt of any payments on account of the same
incapacity which existed when the beneficiary first established membership in the Retirement
System. The Board of Trustees may extend this 180-day filing requirement upon receipt of clear
and convincing evidence that application was delayed through no fault of the disabled beneficiary
or participant and was delayed due to the employers' miscalculation of the end of the 180-day
filing period. However, in no instance shall the filing period be extended beyond an additional
180 days.

The Board of Trustees may require each beneficiary who becomes eligible to receive a
long-term disability benefit to have an annual medical review or examination for the first five
years and thereafter once every three years after the commencement of benefits under this
section. However, the Board of Trustees may require more frequent examinations and upon the
advice of the Medical Board shall determine which cases require such examination. Should any
beneficiary refuse to submit to any examination required by this subsection or by the Medical
Review Board, the long-term disability benefit shall be suspended until the beneficiary submits
to an examination, and should this refusal last for one year, the benefit may be terminated by the
Board of Trustees. If the Medical Review Board finds that a beneficiary is no longer mentally or
physically incapacitated for the further performance of duty, the Medical Review Board shall so
certify this finding to the Board of Trustees, and the Board of Trustees may terminate the
beneficiary's long-term disability benefits effective on the last day of the month in which the
Medical Review Board certifies that the beneficiary is no longer disabled.

As to the requirement of five years of membership service, any participant or beneficiary who
does not have five years of membership service within the 96 calendar months prior to conclusion
of the short-term disability period or cessation of salary continuation payments, whichever is
later, shall not be eligible for long-term disability benefits.

Notwithstanding the requirement that the incapacity was incurred at the time of active
employment, any participant who becomes disabled while on an employer approved leave of
absence and who is eligible for and in receipt of temporary total benefits under the North
Carolina Workers' Compensation Act, Article 1 of Chapter 97 of the General Statutes, will be
eligible for all benefits provided under this Article."

SECTION 1.(n) G.S. 136-106(d) reads as rewritten:

"(d) Notwithstanding the foregoing, a participant or beneficiary who has applied for and
been approved by the Medical Board for long-term disability benefits may make an irrevocable
election, within 90 days from the date of notification of such approval, and prior to receipt of any
long-term disability benefit payments, to receive a return of accumulated contributions from the
Retirement System or to forfeit all pending and accrued rights to the long-term disability benefit
including any ancillary benefits and retire on an early service retirement allowance, effective
with the on the later of the following dates:

(1) The first day of the month following the end of the short-term period, or
receive a return of accumulated contributions from the Retirement System if
applicable.

(2) The first day of the month following the month in which the member
terminated the member's employment.

(3) The first day of the month following the month in which the beneficiary was
approved for long-term disability benefits, whichever is later."

SECTION 1.(o) G.S. 128-27(c) reads as rewritten:

"(c) Disability Retirement Benefits. – Upon the application of a member or of his
employer, any member who has had five or more years of creditable service may be retired by
the Board of Trustees, on the first day of any calendar month, not less than one day nor more than 120 days next following the date of filing such application, on a disability retirement allowance: Provided, that the medical board, Board of Trustees or the Medical Review Board, after a medical examination of such member, shall certify that such member is mentally or physically incapacitated for the further performance of duty, that such incapacity was incurred at the time of active employment and has been continuous thereafter, that such incapacity is likely to be permanent, and that such member should be retired; Provided further the medical board, Board of Trustees or the Medical Review Board shall determine if the member is able to engage in gainful employment and, if so, the member may still be retired and the disability retirement allowance as a result thereof shall be reduced as in subsection (e) below. Provided further, that the Board of Trustees or the Medical Review Board shall not certify any member as disabled who:

SECTION 1.(p)  G.S. 120-4.22(b) reads as rewritten:

"(b)  Medical Certification. – After a medical examination of the member, the medical board shall certify to the Board of Trustees the Board of Trustees or the Medical Review Board shall certify that the member is mentally or physically incapacitated for further performance of duty as a member of the General Assembly, that the incapacity was incurred at the time of active employment and has been continuous thereafter, that the incapacity is likely to be permanent and whether the member should be retired."

SECTION 1.(q)  G.S. 135-59(a) reads as rewritten:

"(a)  Upon application by or on behalf of the member, any member in service who has completed five or more years of creditable service and who has not attained his or her sixty-fifth birthday may be retired by the Board of Trustees, on the first day of any calendar month, not less than one day nor more than 120 days next following the date of filing such application, on a disability retirement allowance; provided, that the medical board, Board of Trustees or the Medical Review Board, after a medical examination of such member, shall certify that such member is mentally or physically incapacitated for the further performance of duty, that such incapacity was incurred at the time of active employment and has been continuous thereafter, that the incapacity is likely to be permanent, and such member should be retired; and, provided further, that if a member is removed by the Supreme Court for mental or physical incapacity under the provisions of G.S. 7A-376, no action is required by the medical board medical examination is required under this section and, provided further, the medical board, Board of Trustees or the Medical Review Board shall determine if the member is able to engage in gainful employment and, if so, the member shall still be retired and the disability retirement allowance as a result thereof shall be reduced as in G.S. 135-60(d). Provided further, that the medical board shall not certify any member no member shall be certified as disabled who:

1. Meets either of the following criteria:

   (1) Applies for disability retirement based upon a mental or physical incapacity which existed when the member first established membership in the system;

   (2) Is in receipt of any payments on account of the same disability which existed when the member first established membership in the system.

The Board of Trustees shall require each employee upon enrolling in the Retirement System to provide information on the membership application concerning any mental or physical incapacities existing at the time the member enrolls.

Notwithstanding the foregoing to the contrary, any beneficiary who commenced retirement with an early or service retirement benefit has the right, within three years of this retirement, to convert to an allowance with disability retirement benefits without modification of any election of optional allowance previously made; provided, the beneficiary presents clear and convincing evidence that the beneficiary would have met all applicable requirements for disability retirement
benefits while still in service as a member. The allowance on account of disability retirement
benefits to the beneficiary shall be retroactive to the effective date of early or service retirement."

SECTION 1.(r) G.S. 135-60(c) reads as rewritten:
"(c) Should the medical board certify to the Board of Trustees that a disability beneficiary
If prior to the sixty-fifth birthday of a beneficiary of disability benefits, the Board of Trustees
or the Medical Review Board determines that the beneficiary has recovered to the extent that the beneficiary would not satisfy the requirements for disability retirement if the beneficiary were an active member of the Retirement System, or if the beneficiary's disability shall be
assumed to have terminated in accordance with subsection (b) above, his then that beneficiary's
disability retirement allowance shall thereupon cease, he or she shall be restored as a member of
the Retirement System, and the period during which he or she was in receipt of a disability
retirement allowance shall not be included in his that member's creditable service."

PART III. TECHNICAL CHANGES

SECTION 3.(a) G.S. 128-27(e)(4) reads as rewritten:
"(4) As a condition to the receipt of the disability retirement allowance provided
for in G.S. 128-27(d), (d1), (d2) and (d3)-(d2), (d3), and (d4), each member
retired on a disability retirement allowance shall, on or before April 15 of each
calendar year, provide the Board of Trustees with a statement of his or her
income received as compensation for services, including fees, commissions
or similar items, and income received from business, for the previous calendar
year. Such statement shall be filed on a form as required by the Board of
Trustees. The benefit payable to a beneficiary who does not or refuses to
provide the information requested within 120 days after such request shall not
be paid a benefit until the information so requested is provided, and should
such refusal or failure to provide such information continue for 180 days after
such request, the right of a beneficiary to a benefit under the Article may be
terminated.

The Director of the State Retirement Systems shall contact any State or federal agency
which can provide information to substantiate the statement required to be
submitted by this subdivision and may enter into agreements for the exchange
of information."

SECTION 3.(b) G.S. 135-5(l) reads as rewritten:
"(l) Death Benefit Plan. – There is hereby created a Group Life Insurance Plan (hereinafter
called the "Plan") which Plan, hereinafter referred to as the "Plan," that is established as an
employee welfare benefit plan that is separate and apart from the Retirement System and under
which the members of the Retirement System shall participate and be eligible for group life
insurance benefits. The Plan shall be part of the North Carolina Teachers' and State Employees'
Benefit Trust, as established under G.S. 135-7(g). All receipts, transfers, appropriations,
contributions, investment earnings, and other income belonging to the Plan shall be deposited in
the Benefit Trust. All benefits and expenses against the Plan shall be disbursed from the Benefit
Trust. Employer and non-employer contributions to the Benefit Trust and earnings on those
contributions are irrevocable. The assets of the Benefit Trust are dedicated to providing benefits
to participants, surviving spouses, and the members' estates in accordance with the Plan's benefit
terms. The assets of the Benefit Trust are not subject to the claims of creditors of the employees
and non-employees making contributions to the Benefit Trust, are not subject to the claims of
any creditors of the Benefit Trust's trustees and administrators, and are not subject to the claims
of creditors of members and beneficiaries. Benefit Trust assets may be used for reasonable
expenses to administer benefits provided by the Fund as approved by the Board of Trustees.

(1) The following provisions apply to the Plan's administration of the death
benefit for certain members in service:
Upon receipt of proof, satisfactory to the Board of Trustees in their capacity as trustees under the Group Life Insurance Plan, of the death, in service, of a member who had completed at least one full calendar year of membership in the Retirement System, there shall be paid to such person as the member shall have nominated by the member by electronic submission in a form approved by the Board of Trustees or by written designation duly acknowledged and filed with the Board of Trustees, if such nominated person is living at the time of the member's death, otherwise to the member's legal representatives, a death benefit. Such representatives. The death benefit shall be equal to the greater of the following, subject to a minimum of twenty-five thousand dollars ($25,000) and to a maximum of fifty thousand dollars ($50,000):

(1) The compensation on which contributions were made by the member during the calendar year preceding the year in which his death occurs, or

(2) The greatest compensation on which contributions were made by the member during a 12-month period of service within the 24-month period of service ending on the last day of the month preceding the month in which his last day of actual service occurs, subject to a minimum of twenty-five thousand dollars ($25,000) and to a maximum of fifty thousand dollars ($50,000). Such

The death benefit shall be payable apart and separate from the payment of the member's accumulated contributions under the System at the member's death pursuant to the provisions of subsection (f) of this section.

For the purpose of the Plan, a member shall be deemed to be in service at the date of his death if his death occurs within 180 days from the member's last day of actual service.

The death benefit provided in this subsection (l) shall not be payable, notwithstanding the member's compliance with all the conditions set forth in the preceding paragraph, if his death occurs after December 31, 1968 and after he has attained age 70; or after December 31, 1969 and after he has attained age 69; or after December 31, 1970 and after he has attained age 68; or after December 31, 1971 and after he has attained age 67; or after December 31, 1972 and after he has attained age 66; or after December 31, 1973 and after he has attained age 65; or after December 31, 1978, but before January 1, 1987, and after he has attained age 70.

Notwithstanding the above provisions, the death benefit shall be payable on account of the death of any member who died or dies on or after January 1, 1974, but before January 1, 1979, after attaining age 65, if he or she had not yet attained age 65, if he or she had not yet attained age 66, was at the time of death completing the work year for those individuals under specific contract, or during the fiscal year for those individuals not under specific contract, in which he or she attained 65, and otherwise met all conditions for payment of the death benefit.

Notwithstanding the above provisions, the Board of Trustees may and is specifically authorized to provide the death benefit according to the terms and conditions otherwise appearing in this Plan in the form of group life insurance, either (i) by purchasing a contract or contracts of group life insurance with any life insurance company or companies licensed and authorized to
transact business in this State for the purpose of insuring the lives of members in service, or (ii)
by establishing a separate trust fund qualified under Section 501(c)(9) of the Internal Revenue
Code of 1954, as amended, for such purpose. To that end the Board of Trustees is authorized,
empowered and directed to investigate the desirability of utilizing group life insurance by either
of the foregoing methods for the purpose of providing the death benefit. If a separate trust fund
is established, it shall be operated in accordance with rules and regulations adopted by the Board
of Trustees and all investment earnings on the trust fund shall be credited to such fund.

In administration of the death benefit the following shall apply:

1. For the purpose of determining eligibility only, in this subsection the term "calendar year" shall mean any period of 12 consecutive months or, if less, the period covered by an annual contract of employment. For all other purposes in this subsection subdivision, the term "calendar year" shall mean the 12 months beginning January 1 and ending December 31.

2. Last-For the purposes of administering the Plan, the last day of actual service shall be determined as follows:
   a. When employment has been terminated, the last day the member actually worked.
   b. When employment has not been terminated, the date on which an absent member's sick and annual leave expire, unless the member is on approved leave of absence and is in service under the provisions of G.S. 135-4(h).
   c. When a participant's employment is interrupted by reason of service in the Uniformed Services, as that term is defined in section 4303(16) of the Uniformed Services Employment and Reemployment Rights Act, Public Law 103-353, and the participant does not return immediately after that service to employment with a covered employer in this System, the date on which the participant was first eligible to be separated or released from his or her involuntary military service.

3. For a period when a member is on leave of absence, his then the member's status with respect to the death benefit will be determined by the provisions of G.S. 135-4(h).

4. A member on leave of absence from his or her position as a teacher or State employee for the purpose of serving as a member or officer of the General Assembly shall be deemed to be in service during sessions of the General Assembly and thereby covered by the provisions of the death benefit. The amount of the death benefit for such member shall be the equivalent of the salary to which the member would have been entitled as a teacher or State employee during the 12-month period immediately prior to the month in which death occurred, not to be less than twenty-five thousand dollars ($25,000) nor to exceed fifty thousand dollars ($50,000).

5. The provisions of the Retirement System pertaining to Administration, G.S. 135-6, and management of funds, G.S. 135-7, are hereby made applicable to the Plan.

6. A member who is a beneficiary of the Disability Income Plan provided for in Article 6 of this Chapter, or a member who is in receipt of Workers' Compensation during the period for which he or she would have otherwise been eligible to receive short-term benefits or extended short-term benefits as provided in G.S. 135-105 and dies on or after
181 days from the last day of his or her actual service but prior to the
date the benefits as provided in G.S. 135-105 would have ended, shall
be considered in service for the purposes of this subdivision and shall
be eligible for group life insurance benefits as provided in this
subsection, notwithstanding that the member is no longer
an employee or teacher or that the member's death occurs after the
eligibility period after active service. The basis of the death benefit
payable hereunder shall be the higher of the death benefit computed as
above or a death benefit based on compensation used in computing the
benefit payable under G.S. 135-105 and G.S. 135-106, as may be
adjusted for percentage post-disability increases, all subject to the
maximum dollar limitation as provided above. A member in receipt of
benefits from the Disability Income Plan under the provisions of
G.S. 135-112 whose right to a benefit accrued under the former
Disability Salary Continuation Plan shall not be covered under the
provisions of this paragraph.

(2) The following provisions apply to the Plan’s administration of an optional
death benefit for certain retired members:

a. Upon receipt of proof, satisfactory to the Board of Trustees in its
capacity under this subsection, of the death of a retired
member of the Retirement System on or after July 1, 1988, but before
January 1, 1999, 2015, who has completed 24 months of contributions,
there shall be paid the following death benefit to the surviving spouse
of the deceased retired member or to the deceased retired member's
legal representative if not survived by a spouse; provided the retired
member has elected, when first eligible, to make, and has continuously
made, in advance of his death required contributions as
determined by the Board of Trustees on a fully contributory basis,
through retirement allowance deductions or other methods adopted by
the Board of Trustees, to a group death benefit trust fund administered
by the Board of Trustees separate and apart from the Retirement
System's Annuity Savings Fund and Pension Accumulation
Fund:

1. For retired members who were deceased on or after July 1,
   1998, but before January 1, 1999, the death benefit shall be a lump-sum payment in the amount of five thousand dollars
   ($5,000) upon the completion of twenty-four months of contributions required under this subsection.

2. For retired members who were deceased on or after January 1,
   1999, but before July 1, 2004, the death benefit shall be a lump-sum payment in the amount of six thousand dollars
   ($6,000).

3. For retired members who were deceased on or after July 1,
   2004, but before July 1, 2007, the death benefit shall be a lump-sum payment in the amount of nine thousand dollars
   ($9,000).

4. For retired members who were deceased on or after July 1,
   2007, but before January 1, 2015, the death benefit shall be a lump-sum payment in the amount of ten thousand dollars
   ($10,000).
Should death occur—If the retired member's death occurs before the completion of twenty-four months of contributions required under this subsection, contributions, then the deceased retired member's surviving spouse or legal representative if not survived by a spouse shall be paid the sum of the retired member's contributions required by this subsection sub-subdivision plus interest to be determined by the Board of Trustees.

Upon receipt of proof, satisfactory to the Board of Trustees in its capacity under this subsection, of the death of a retired member of the Retirement System on or after January 1, 1999, but before July 1, 2004, there shall be paid a death benefit to the surviving spouse of the deceased retired member or to the deceased retired member's legal representative if not survived by a spouse; provided the retired member has elected, when first eligible, to make, and has continuously made, in advance of his death required contributions as determined by the Board of Trustees on a fully contributory basis, through retirement allowance deductions or other methods adopted by the Board of Trustees, to a group death benefit trust fund administered by the Board of Trustees separate and apart from the Retirement System's Annuity Savings Fund and Pension Accumulation Fund. This death benefit shall be a lump-sum payment in the amount of six thousand dollars ($6,000) upon the completion of 24 months of contributions required under this subsection. Should death occur before the completion of 24 months of contributions required under this subsection, the deceased retired member's surviving spouse or legal representative if not survived by a spouse shall be paid the sum of the retired member’s contributions required by this subsection plus interest to be determined by the Board of Trustees.

Upon receipt of proof, satisfactory to the Board of Trustees in its capacity under this subsection, of the death of a retired member of the Retirement System on or after July 1, 2004, but before July 1, 2007, there shall be paid a death benefit to the surviving spouse of the deceased retired member or to the deceased retired member's legal representative if not survived by a spouse; provided the retired member has elected, when first eligible, to make, and has continuously made, in advance of his death required contributions as determined by the Board of Trustees on a fully contributory basis, through retirement allowance deductions or other methods adopted by the Board of Trustees, to a group death benefit trust fund administered by the Board of Trustees separate and apart from the Retirement System's Annuity Savings Fund and Pension Accumulation Fund. This death benefit shall be a lump-sum payment in the amount of nine thousand dollars ($9,000) upon the completion of 24 months of contributions required under this subsection. Should death occur before the completion of 24 months of contributions required under this subsection, the deceased retired member's surviving spouse or legal representative if not survived by a spouse shall be paid the sum of the retired member’s contributions required by this subsection plus interest to be determined by the Board of Trustees.

Upon receipt of proof, satisfactory to the Board of Trustees in its capacity under this subsection, of the death of a retired member of the Retirement System on or after July 1, 2007, but before January 1, 2015, there shall be paid a death benefit to the surviving spouse of the deceased retired member or to the deceased retired member's legal representative if not survived by a spouse; provided the retired member has elected, when first eligible, to make, and has continuously made, in advance of his death required contributions as determined by the Board of Trustees on a fully contributory basis, through retirement allowance deductions or other methods adopted by the Board of Trustees, to a group death benefit trust fund administered by the Board of Trustees separate and apart from the Retirement System's Annuity Savings Fund and Pension Accumulation Fund. This death benefit shall be a lump-sum payment in the amount of nine thousand dollars ($9,000) upon the completion of 24 months of contributions required under this subsection. Should death occur before the completion of 24 months of contributions required under this subsection, the deceased retired member's surviving spouse or legal representative if not survived by a spouse shall be paid the sum of the retired member’s contributions required by this subsection plus interest to be determined by the Board of Trustees.
determined by the Board of Trustees on a fully contributory basis, through
retirement allowance deductions or other methods adopted by the Board of
Trustees, to a group death benefit trust fund administered by the Board of
Trustees Fund and Pension Accumulation Fund. This death benefit shall be a
lump-sum payment in the amount of ten thousand dollars ($10,000) upon the
completion of 24 months of contributions required under this subsection.
Should death occur before the completion of 24 months of contributions
required under this subsection, the deceased retired member’s surviving
spouse or legal representative if not survived by a spouse shall be paid the sum
of the retired member’s contributions required by this subsection plus interest
to be determined by the Board of Trustees:

b. Upon receipt of proof, satisfactory to the Board of Trustees in its
capacity under this subsection, subdivision, of the death of a retired
member of the Retirement System on or after January 1, 2015, who
has completed 24 months of contributions, there shall be paid a death
benefit to the person or persons designated by the member or, if the
member has not designated a beneficiary, to the surviving spouse of
the deceased retired member or, if not survived by a designated
beneficiary or spouse, to the deceased retired member’s legal
representative; provided the retired member has elected, when first
eligible, to make, and has continuously made, in advance of the
member’s death required contributions as determined by the Board of
Trustees on a fully contributory basis, through retirement allowance
deductions or other methods adopted by the Board of Trustees, to a
group death benefit trust fund, the North Carolina Teachers’ and State
Employees’ Benefit Trust, administered by the Board of Trustees Fund
and Pension Accumulation Fund. Employer and non-employer
contributions to the Benefit Trust and earnings on those contributions
are irrevocable. The assets of the Benefit Trust are dedicated to
providing benefits to participants, surviving spouses, and the members’
estates in accordance with the Plan’s benefit terms. The assets of the
Benefit Trust are not subject to the claims of creditors of the
employees and non-employees making contributions to the Benefit
Trust, are not subject to the claims of any creditors of the Benefit
Trust’s trustees and administrators, and are not subject to the claims of
creditors of members and beneficiaries. Benefit Trust assets may be
used for reasonable expenses to administer benefits provided by the
Fund as approved by the Board of Trustees.

This death benefit shall be a lump-sum payment in the amount of ten thousand
dollars ($10,000) upon the completion of 24 months of contributions
required under this subsection ($10,000).

Should death occur before the completion of 24 months of contributions required under this subsection, contributions, then the deceased retired member’s designated
beneficiary or beneficiaries, or surviving spouse if there is no
surviving beneficiary, or legal representative if not survived by a
designated beneficiary or spouse, shall be paid the sum of the retired
member’s contributions required by this subsection, subdivision
plus interest to be determined by the Board of Trustees.”

PART IV. EFFECTIVE DATE
SECTION 4. Except as otherwise provided, this act is effective when it becomes law.