

RETIREMENT SYSTEMS DIVISION

STEVEN C. TOOLE
EXECUTIVE DIRECTOR

MEMORANDUM

TO: Teachers' and State Employees' Retirement System and Local Governmental Employees' Retirement System Boards of Trustees

FROM: Christina Strickland, Attorney

DATE: January 31, 2019

SUBJECT: Re-adoption Date for TSERS and LGERS Rules Identified as "Necessary with Substantive Public Interest"

On August 16, 2018, the Rules Review Commission (RRC) approved the Decennial Rules Review report for the Teachers' and State Employees' Retirement System's (TSERS) and Local Governmental Retirement System's (LGERS) rules found in Title 20, Chapter 2 of the North Carolina Administrative Code. As required by the Administrative Procedure Act (APA), the report was then submitted to the Joint Legislative Administrative Procedure Oversight Committee, and on October 21, 2018, the report became final and effective (N.C.G.S. § 150B-21.3A(c)(3)). Now that the Decennial Rules Review report is final, the next step is to establish a date by which certain rules must be re-adopted.

During the decennial review process some rules were determined to be "necessary with substantive public interest." The list of TSERS and LGERS rules determined as such are attached as Appendix A. The APA requires these rules to be re-adopted by a date established by the Rules Review Commission (RRC) (N.C.G.S. § 150B-21.3A(c)(2)g). In establishing a re-adoption date, N.C.G.S. § 150B-21.3A(d)(2) requires the RRC to consult with the agency and to "consider the agency's rule-making priorities in establishing the re-adoption date."

In November 2018, staff of the Department of State Treasurer consulted with RRC counsel and **December 31, 2022**, is proposed as the date for re-adoption. In reaching this proposed date it was noted that currently staff of the Retirement Systems Division are in the process of reviewing and revising all of the rules in Title 20, Chapter 2; including those rules requiring re-adoption. It is staff's intention to complete the full update of rules and to complete the required re-adoption of rules by December 31, 2022.

Staff recommends the following Board actions:*TSERS Board*

As the rulemaking body, the TSERS Board hereby approves the proposed re-adoption date for TSERS rules as December 31, 2022, to be presented for formal approval by the RRC.

LGERS Board

As the rulemaking body, the LGERS Board hereby approves the proposed re-adoption date for LGERS rules as December 31, 2022, to be presented for formal approval by the RRC.