



**RESOLUTION OF THE BOARD OF TRUSTEES OF THE NORTH CAROLINA TEACHERS'  
AND STATE EMPLOYEES' RETIREMENT SYSTEM**

**TEACHERS' AND STATE EMPLOYEES' RETIREMENT SYSTEM**

**WHEREAS**, the North Carolina General Assembly enacted legislation effective July 1, 1979, to authorize the Board of Trustees (the "Board") of the North Carolina Teachers' and State Employees' Retirement System to establish a trust fund qualified under Section 501(c)(9) of the Internal Revenue Code for the purpose of providing death benefits for members;

**WHEREAS**, the Board executed an Agreement on October 25, 1979, and the North Carolina Teachers' and State Employees' Benefit Trust (the "Section 501(c)(9) Trust") was subsequently established on January 1, 1980;

**WHEREAS**, the Section 501(c)(9) Trust was funded to provide death benefits for: (1) retired members of the Legislative Retirement System, the Local Governmental Employees' Retirement System, the Teachers' and State Employees' Retirement System and the Consolidated Judicial Retirement System; (2) active members of the Local Governmental Employees' Retirement System and the Teachers' and State Employees' Retirement System; and (3) active and retired State and Local Governmental Law Enforcement Officers;

**WHEREAS**, the North Carolina General Assembly enacted legislation under Session Law 2017-129 to create a certain master trust, which is designated as the North Carolina Teachers' and State Employees' Benefit Trust (the "Section 115 Trust"), in accordance with North Carolina General Statute § 135-7(g);

**WHEREAS**, the Section 115 Trust was created to provide an irrevocable source of funding for death benefits and disability benefits, in accordance with North Carolina General Statute § 135-7(g), for: (1) retired members of the Legislative Retirement System, the Local Governmental Employees' Retirement System, the Teachers' and State Employees' Retirement System, and the Consolidated Judicial Retirement System; (2) active members of the Local Governmental Employees' Retirement System and the Teachers' and State Employees' Retirement System; and (3) active and retired State and Local Governmental Law Enforcement Officers;

**WHEREAS**, Section 5.6 of the Section 501(c)(9) Trust provides that the Board may provide written directions to the State Treasurer, as Trustee of the Section 501(c)(9) Trust, to transfer the funds from the Section 501(c)(9) Trust to the Section 115 Trust;

**WHEREAS**, Section 6.4 of the Section 501(c)(9) Trust provides that action of the Board shall be evidenced by a copy of the resolutions adopted by the Board and certified by the Chairman of the Board, namely, the State Treasurer;

**WHEREAS**, Sections 11.1 and 11.2 of the Section 501(c)(9) Trust provide that the Board may terminate the Section 501(c)(9) Trust by delivering an executed copy of such terminating instrument to the State Treasurer accompanied by a certified copy of the Board's authorizing resolutions;



**WHEREAS**, the Board has reviewed the North Carolina Teachers' and State Employees' Benefit Trust Termination, which is intended to terminate the Section 501(c)(9) Trust concurrently with the transfer of funds to the Section 115 Trust.

**NOW, THEREFORE**, be it **RESOLVED**, that:

1. The Board hereby directs the State Treasurer to transfer all of the funds from the Section 501(c)(9) Trust to the Section 115 Trust;
2. The Board hereby directs the State Treasurer to memorialize in writing the transfer of such funds from the Section 501(c)(9) Trust to the Section 115 Trust, which writing shall also include the State Treasurer's consent, pursuant to Section 11.1 of the Section 501(c)(9) Trust, to the termination of the Section 501(c)(9) Trust;
3. The Board hereby adopts the North Carolina Teachers' and State Employees' Benefit Trust Termination which shall terminate the Section 501(c)(9) Trust concurrently with the transfer of funds to the Section 115 Trust;
4. The Board hereby directs that an executed copy of the Termination instrument be delivered to the State Treasurer accompanied by a certified copy of this, the Board's authorizing Resolution;
5. The Board hereby directs the State Treasurer to take any additional administrative action, including the making of any filings, necessary to complete the termination of the Section 501(c)(9) Trust; and
6. This Resolution shall be included in the minutes of the Board for the meeting held on July 28, 2022.

Approved by the Board, this \_\_\_\_ day of July 2022.

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Dale R. Folwell, CPA, State Treasurer and Chair

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Thomas G. Causey, Executive Director and  
Secretary to the Board