



NORTH CAROLINA
DEPARTMENT OF STATE TREASURER
RETIREMENT SYSTEMS DIVISION

JANET COWELL
TREASURER

STEVE TOOLE
RETIREMENT SYSTEMS DIRECTOR

July 8, 2014

TO: Board of Trustees of the Teachers' and State Employees' Retirement System

FM: Steven C. Toole, Retirement Systems Director

RE: Fiscal 2015 Post-Disability Benefit Increase for Disability Recipients

- The 2014 state budget may grant a salary increase for all active employees, effective July 1, 2014.
- The pool of active employees includes the recipients of state short and long-term disability benefits.
- N.C. General Statute 135-108 reads that disability benefits "may be increased by any permanent across-the-board salary increase granted to employees of the State by the General Assembly."
- In order to implement the increase provided for in the state budget and to ensure compliance with N.C. General Statute 135-108, the Retirement Systems Division is recommending that the Board authorize the Division to pay the benefit increase to state disability recipients equal to the percentage increase afforded to most active state employees in the state budget.
- Most recently, it has been the custom and practice of the Retirement Systems Division to make this request of the Board of Trustees for approval of a benefit increase for disability recipients when the General Assembly provides for a pay increase for other active employees. On July 17, 2008, July 19, 2007, July 20, 2006, and July, 19, 2012, the Division made analogous recommendations, each of which were approved by the Board.

Suggested Motion:

The Retirement Systems Division shall increase the compensation upon which state disability benefits are based by an equivalent percentage to the salary increase for most active employees effective July 1, 2014.