



## MEMORANDUM

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

FROM: Timothy M. Melton, Assistant General Counsel

DATE: April 25, 2024

RE: Summary of Final Text of Administrative Rules concerning Session Law 2023-105

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The General Assembly enacted Session Law 2023-105 (House Bill 201), which, in pertinent part, created a deadline for reimbursement of short-term disability benefits to the employer, authorized the Retirement Systems Division (RSD) to review and approve short-term and extended short-term disability benefits, amended the deadline to apply for extended short-term disability benefits, and amended recovery options regarding overpaid benefits resulting entirely from administrative error on the part of RSD.

Department of State Treasurer (DST) staff subsequently prepared proposed rule text related to Session Law 2023-105. The proposed rules were presented to the Boards of the Teachers' and State Employees' Retirement System (TSERS) and Local Governmental Employees' Retirement System (LGERS) during the regular quarterly meeting on October 26, 2023. The TSERS Board unanimously voted to approve the proposed rule text related to 20 NCAC 02O .0104, .0105, and .0106, and 20 NCAC 02B .0215. The LGERS Board unanimously voted to approve the proposed rule text related to 20 NCAC 02C .0212. The North Carolina Office of State Budget and Management (OSBM) determined this set of rules to have little to no fiscal impact on state or local governments and no substantial economic impact pursuant to N.C. Gen. Stat. § 150B-21.4, therefore a fiscal note was not required. Additionally, the Boards further authorized DST staff to take all additional necessary steps required to complete the permanent rulemaking process in accordance with N.C. Gen. Stat. § 150B-21.2.

The proposed rule text was published in the North Carolina Register (Volume 38, Issue 11) on December 1, 2023, and on DST's N.C. Administrative Code webpage. Notice of rulemaking was also provided to interested persons as required under N.C. Gen. Stat. § 150B-21.2(d). The NC Register publication started the 60-day public comment period as well as the 15-day period in which a member of the public can request a public hearing. These periods expired without any hearing requests or public comments having been received.

The next step of the permanent rulemaking process calls for the TSERS and LGERS Boards to approve and officially adopt the final rule text, copies of which are included in the Board materials for this agenda item. If the Boards approves the final rule text, DST staff will submit the final rule text to the Rules Review Commission for review at their meeting on June 26, 2024.



**North Carolina**  
Total Retirement Plans



*Dale R. Folwell, CPA*  
STATE TREASURER OF NORTH CAROLINA  
DALE R. FOLWELL, CPA

**Staff recommends the following Board actions:**

*TSERS Board*

As the rulemaking body, the TSERS Board hereby adopts the final rule text related to 20 NCAC 02O .0104, .0105, and .0106, and 20 NCAC 02B .0215, and authorizes DST staff to take all additional necessary steps required to complete the permanent rulemaking process in accordance with N.C. Gen. Stat. § 150B-21.2.

*LGERS Board*

As the rulemaking body, the LGERS Board hereby adopts the final rule text related to 20 NCAC 02C .0212 and authorizes DST staff to take all additional necessary steps required to complete the permanent rulemaking process in accordance with N.C. Gen. Stat. § 150B-21.2.