

**NORTH CAROLINA GENERAL ASSEMBLY
LEGISLATIVE ACTUARIAL NOTE
RETIREMENT**

BILL NUMBER: House Bill 271

SHORT TITLE: Job Sharing for School Counselors

SPONSOR(S): Representatives Glazier, Warner, Lucas and Insko

SYSTEM OR PROGRAM AFFECTED: Teachers' & State Employees' Retirement System

FUNDS AFFECTED: General Fund, Highway Fund and Receipt Fund

BILL SUMMARY: The bill will allow guidance counselors who are in a job-sharing position to become members of the Teachers' & State Employees' Retirement System. Service would be earned on portion of work as it relates to full-time. For example, a member would earn one year of service after working for a two-year period, if they worked 50% basis. Under current law, only employees who work a minimum of 30 hours per week for nine or more months per year are members of the System.

EFFECTIVE DATE: January 1, 2004

ESTIMATED IMPACT ON STATE: Both the System's actuary, Buck Consultants, and the General Assembly's actuary, Hartman & Associates, agree that there should be no cost to the System.

ASSUMPTIONS AND METHODOLOGY: Teacher's & State Employees' Retirement System

The cost estimates of the System's Actuary are based on the employee data, actuarial assumptions and actuarial methods used to prepare the December 31, 2001, actuarial valuation of the fund. The data included 297,252 active members with an annual payroll of \$9.5 billion and 112,482 retired members in receipt of annual pensions totaling \$1.83 billion. Significant actuarial assumptions used include (a) an investment return rate of 7.25%, (b) salary increase rate of 6.25%, (c) the George B. Buck Mortality Tables for deaths in service and after retirement and (d) rates of separation from active service based on System experience. The actuarial cost method used was the entry age normal method with open-end unfunded accrued liability and a frozen unfunded liquidation period of nine years. Detailed information concerning these assumptions and methods is shown in the actuary's report, which is available upon request from Stanley Moore.

SOURCES OF DATA: System Actuary - Buck Consultant, Inc.
General Assembly Actuary - Hartman & Associates, LLC

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DATE: March 25, 2003

**Official
Fiscal Research Division
Publication**



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