

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2025

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HOUSE BILL 564

Short Title: State Retirees Cost-of-Living Increase/Funds. (Public)

Sponsors: Representatives Wheatley and Penny (Primary Sponsors).

For a complete list of sponsors, refer to the North Carolina General Assembly web site.

Referred to: Pensions and Retirement, if favorable, Appropriations, if favorable, Rules, Calendar, and Operations of the House

March 31, 2025

A BILL TO BE ENTITLED
AN ACT TO PROVIDE AND APPROPRIATE FUNDS FOR A COST-OF-LIVING
ADJUSTMENT FOR RETIREES OF THE TEACHERS' AND STATE EMPLOYEES'
RETIREMENT SYSTEM, THE CONSOLIDATED JUDICIAL RETIREMENT SYSTEM,
AND THE LEGISLATIVE RETIREMENT SYSTEM.

The General Assembly of North Carolina enacts:

SECTION 1.(a) G.S. 135-5 is amended by adding a new subsection to read:

"(aaaa) Effective July 1, 2025, the retirement allowance payable to, or on account of, beneficiaries whose retirement commenced on or before July 1, 2024, is increased by two percent (2%) of the allowance payable on June 1, 2024, in accordance with subsection (o) of this section. Effective July 1, 2025, the retirement allowance payable to, or on account of, beneficiaries whose retirement commenced after July 1, 2024, but before June 30, 2025, is increased by a prorated amount of two percent (2%), as determined by the Board of Trustees based upon the number of months that a retirement allowance was paid between July 1, 2024, and June 30, 2025."

SECTION 1.(b) G.S. 135-65 is amended by adding a new subsection to read:

"(II) Effective July 1, 2025, the retirement allowance payable to, or on account of, beneficiaries whose retirement commenced on or before July 1, 2024, is increased by two percent (2%) of the allowance payable on June 1, 2024. Effective July 1, 2025, the retirement allowance payable to, or on account of, beneficiaries whose retirement commenced after July 1, 2024, but before June 30, 2025, is increased by a prorated amount of two percent (2%), as determined by the Board of Trustees based upon the number of months that a retirement allowance was paid between July 1, 2024, and June 30, 2025."

SECTION 1.(c) G.S. 120-4.22A is amended by adding a new subsection to read:

"(ff) In accordance with subsection (a) of this section, effective July 1, 2025, the retirement allowance payable to, or on account of, beneficiaries whose retirement commenced on or before January 1, 2025, is increased by two percent (2%) of the allowance payable on June 1, 2025. Effective July 1, 2025, the retirement allowance payable to, or on account of, beneficiaries whose retirement commenced after January 1, 2025, but before June 30, 2025, is increased by a prorated amount of two percent (2%), as determined by the Board of Trustees based upon the number of months that a retirement allowance was paid between January 1, 2025, and June 30, 2025."

SECTION 2. There is appropriated from the General Fund to the Reserve for Retiree Cost-of-Living Adjustments the sum of one hundred six million two hundred thousand dollars (\$106,200,000) in recurring funds for the 2025-2026 fiscal year to implement Section 1 of this act.



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SECTION 3. This act becomes effective July 1, 2025.