

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

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

6 The General Assembly of North Carolina enacts:

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

8 "(aaaa) Effective July 1, 2025, the retirement allowance payable to, or on account of,
9 beneficiaries whose retirement commenced on or before July 1, 2024, is increased by two percent
10 (2%) of the allowance payable on June 1, 2024, in accordance with subsection (o) of this section.
11 Effective July 1, 2025, the retirement allowance payable to, or on account of, beneficiaries whose
12 retirement commenced after July 1, 2024, but before June 30, 2025, is increased by a prorated
13 amount of two percent (2%), as determined by the Board of Trustees based upon the number of
14 months that a retirement allowance was paid between July 1, 2024, and June 30, 2025."

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

16 "(ll) Effective July 1, 2025, the retirement allowance payable to, or on account of,
17 beneficiaries whose retirement commenced on or before July 1, 2024, is increased by two percent
18 (2%) of the allowance payable on June 1, 2024. Effective July 1, 2025, the retirement allowance
19 payable to, or on account of, beneficiaries whose retirement commenced after July 1, 2024, but
20 before June 30, 2025, is increased by a prorated amount of two percent (2%), as determined by
21 the Board of Trustees based upon the number of months that a retirement allowance was paid
22 between July 1, 2024, and June 30, 2025."

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

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

31 **SECTION 2.** There is appropriated from the General Fund to the Reserve for Retiree
32 Cost-of-Living Adjustments the sum of one hundred six million two hundred thousand dollars
33 (\$106,200,000) in recurring funds for the 2025-2026 fiscal year to implement Section 1 of this
34 act.



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