

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

**BILL NUMBER:** Senate Bill 701

**SHORT TITLE:** Job Sharing for School Personnel

**SPONSOR(S):** Senator Steve Metcalf

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

**FUNDS AFFECTED:** General Fund, Highway Fund and Receipt Fund

**BILL SUMMARY:** The bill will allow teachers, guidance counselors, media coordinators and media specialist, psychologists and social workers, 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: Teachers' & 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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**APPROVED BY:** James D. Johnson, Director, Fiscal Research Division

**DATE:** April 22, 2003



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