CHAPTER 128

ARTICLE 3 - RETIREMENT SYSTEM FOR COUNTIES, CITIES AND TOWNS

N.C.G.S. § 128-29.

Management of funds.

SOURCE	LAST AMENDMENT IN THIS TEXT	RETRIEVED	SOURCE FINGERPRINT
General Statutes of North Carolina, as published by the General Assembly	S.L. 2025-19, s. 7.6(b) — eighteenth act in the lineage	21 September 2026, 04:07 UTC	f64754e29e51d9b751819e50 - ec46e22864fdbb50cc7b1e5d - 841d07a7375ee7d9

§ 128-29(a) Vested in Board of Trustees. - The Board of Trustees shall be the trustee of the several funds created by this Article as provided in G.S. 128-30.

§ 128-29(b) Annual Allowance of Regular Interest. - The Board of Trustees annually shall allow regular interest on the mean amount for the preceding year in each of the funds with the exception of the expense fund. The amounts so allowed shall be due and payable to said funds, and shall be annually credited thereto by the Board of Trustees from interest and other earnings on the moneys of the Retirement System. Any additional amount required to meet the interest on the funds of the Retirement System shall be paid from the pension accumulation fund, and any excess of earnings over such amount required shall be paid to the pension accumulation fund. Regular interest shall mean interest at the rate of four per centum (4%) per annum with respect to all calculations and allowances on account of members' contributions and at the rate of three per centum (3%) per annum with respect to employers' contributions, with the right reserved to the Board of Trustees to set a different rate or rates from time to time.

§ 128-29(c) Custodian of Funds. - The State Treasurer shall be the custodian of the several funds and shall deposit these funds with the Investment Authority to invest these assets in accordance with Article 6 of Chapter 147 of the General Statutes. All payments from said funds shall be made by the State Treasurer only upon vouchers signed by two persons designated by the Board of Trustees. The secretary of the Board of Trustees shall furnish said Board a surety bond in a company authorized to do business in North

Carolina in such amount as shall be required by the Board, the premium to be paid from the expense fund.

§ 128-29(d) Cash Deposits for Meeting Disbursements. - For the purpose of meeting disbursements for pensions, annuities and other payments there may be kept available cash, not exceeding ten per centum (10%) of the total amount in the several funds of the Retirement System, on deposit in one or more banks or trust companies of the State of North Carolina, organized under the laws of the State of North Carolina, or of the United States: Provided, that the sum on deposit in any one bank or trust company shall not exceed twenty-five per centum (25%) of the paid up capital and surplus of such bank or trust company.

§ 128-29(e) Selection of Depositories. - The Board of Trustees shall select a bank or banks for the deposits of the funds and securities of the Retirement System in the same manner as such banks are selected by the Treasurer of the State of North Carolina. Banks selected under this subsection shall be required to conform to the law governing banks selected by the State. The funds and properties of the North Carolina Local Governmental Employees' Retirement System held in any bank of the State shall be safeguarded by a fidelity and surety bond, the amount to be determined by the Board of Trustees.

§ 128-29(f) Immunity of Funds. - Except as otherwise herein provided, no trustee and no employee of the Board of Trustees shall have any direct interest in the gains or profits of any investment made by the Board of Trustees, nor as such receive any pay or emolument for this service. No trustee or employee of the Board shall, directly or indirectly, for himself or as an agent in any manner use the same, except to make such current and necessary payments as are authorized by the Board of Trustees; nor shall any trustee or employee of the Board of Trustees become an endorser or surety or in any manner an obligor for moneys loaned or borrowed from the Board of Trustees.

§ 128-29(g) Legislative Enactment Implementation Arrangement. - The Legislative Enactment Implementation Arrangement, or LEIA, is established effective October 1, 2017, and placed under the management of the Board of Trustees. The purpose of the LEIA is to provide for timely administrative implementation of legislative provisions regarding the retirement of, or payment of retirement benefits to, public officers or public employees. The LEIA shall have the following parameters:

(1) Administration. - The LEIA shall be administered by the Board of Trustees, which shall compile and maintain all records necessary or appropriate for administration. The Board of Trustees shall have full discretionary authority to interpret, construe, and implement the LEIA and to adopt such rules and regulations as may be necessary or desirable to implement the provisions of the LEIA.

(2) Funding of the LEIA. - In the event that (i) the General Assembly creates or modifies any provision for the retirement of, or payment of retirement benefits to, public officers or public employees that has a cost savings as measured by actuarial note required by Article 15 of Chapter 120 of the General Statutes, or (ii) the Board of Trustees identifies a specific administrative or information technology purpose that is necessary to prevent an interruption to the normal operation of the Retirement System, the Board of Trustees may direct up to one hundredth percent (0.01%) of the required contributions to fund the LEIA. These funds must be deposited in a separate fund from the fund into which regular employer contributions are deposited for the Retirement System. The Board of Trustees shall not direct any employer contributions into the LEIA after January 1, 2035.

(3) Allocation of LEIA funds. - The Board of Trustees may allocate LEIA funds to (i) the implementation of legislative provisions regarding the retirement of, or payment for retirement benefits to, public officers or public employees, or (ii) be used for administrative or information technology purposes, subject to the following restrictions:

a.The Board of Trustees must identify individual implementation projects that will be paid for with LEIA funds. These implementation projects must be necessitated by a specific statute or session law that was enacted within five years of the allocation of the funds. The Board of Trustees must also identify the number of years for which each individual implementation project with be paid for will LEIA funds.

b.For implementation projects that will be paid for with LEIA funds for a period of one year or less, the Board of Trustees must determine that the cost savings from implementing the project is projected to be no less than half of the amount of LEIA funds utilized to pay for implementation.

c.For implementation projects that will be paid for with LEIA funds for a period of greater than one year, but not more than four years, the Board of Trustees must determine that the long-term cost savings from implementing the project is projected to be at least three times greater than the cost of implementation.

d.No implementation project shall be paid for with LEIA funds for a period of more than four years.

e.The Board of Trustees shall identify the specific administrative or information technology purpose for which LEIA funds will be used. Any use of LEIA funds for administrative or information technology purposes requires a determination by the Board of Trustees that the use of funds is necessary to prevent an interruption to the normal operation of the Retirement System.

(4) Treatment of unused assets. - Any assets of the LEIA not used to pay allowed administrative expenses for timely administrative implementation of legislative provisions shall be transferred to the Retirement System as an additional employer contribution.

(5) Reporting. - The Department of State Treasurer shall report to the Board of Trustees, the Joint Legislative Commission on Governmental Operations, and the Fiscal Research Division on or before August 1 of each year and provide the following information related to the LEIA:

a.The amounts and sources of funds collected by year pursuant to this section.

b.The amounts expended from the LEIA.

c.The projects for which funds were expended and the current status of the projects.

d.The administrative and information technology purposes for which funds were expended and the determination by the Board of Trustees of the necessity to expend funds for those purposes.

The Board of Trustees shall also post this report on its public website.

END OF SECTION TEXT

APPARATUS FOLLOWS — DERIVED, NOT ENACTED

APPARATUS I
18 ACTS

Amendment lineage

The State prints this history as a single parenthetical at the foot of the section. It is reproduced verbatim in the colophon and unpacked below in order of enactment.

TICK HEIGHT = ACTS IN THAT YEAR DASHED = RECODIFICATION, NOT AMENDMENT

№	YEAR	ACT	CHARACTER
01	1939	c. 390, s. 9	ENACTED
02	1941	c. 357, s. 7	AMENDED
03	1945	c. 526, s. 5	AMENDED
04	1957	c. 846, s. 1	AMENDED
05	1959	c. 1181, s. 1	AMENDED
06	1961	c. 397	AMENDED
07	1967	c. 978, s. 8	AMENDED
08	1971	c. 386, s. 3	AMENDED
09	1973	c. 243, s. 10	AMENDED
10	1979	c. 467, ss. 12, 13	AMENDED
11	2017	S.L. 2017-129, s. 5(b)	AMENDED
12	2020	S.L. 2020-29, s. 8(b)	AMENDED
13	2023	S.L. 2023-134, s. 27.10(h)	AMENDED
14	2024	S.L. 2024-8, s. 6(b)	AMENDED
15	2024	S.L. 2024-9, s. 4(d)	AMENDED
16	2025	S.L. 2025-6, s. 4.2(a)	AMENDED
17	2025	S.L. 2025-11, s. 4(a)	AMENDED
18	2025	S.L. 2025-19, s. 7.6(b)	AMENDED

APPARATUS II
1 AUTHORITY

Authorities referenced

Every G.S. cross-reference appearing in the text of this section, in order of first appearance. Nothing is characterized; the operative language is quoted from the section itself.

REFERENCE	APPEARS IN	OPERATIVE LANGUAGE IN THIS SECTION
G.S. 128-30	(a)	*"by this Article as provided in"*

APPARATUS III

Citation

FULL SECTION

N.C. Gen. Stat. § 128-29 (2025).

PINPOINT

N.C. Gen. Stat. § 128-29(a) (2025).

Pinpoint keys are set in the left margin of the text rather than line numbers: subsection designators are stable across editions and paper sizes, line numbers are not.

COLOPHON

Provenance

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HISTORY PARENTHETICAL, AS PRINTED BY THE STATE

(1939, c. 390, s. 9; 1941, c. 357, s. 7; 1945, c. 526, s. 5; 1957, c. 846, s. 1; 1959, c. 1181, s. 1; 1961, c. 397; 1967, c. 978, s. 8; 1971, c. 386, s. 3; 1973, c. 243, s. 10; 1979, c. 467, ss. 12, 13; 2017-129, s. 5(b); 2020-29, s. 8(b); 2023-134, s. 27.10(h); 2024-8, s. 6(b); 2024-9, s. 4(d); 2025-6, s. 4.2(a); 2025-11, s. 4(a); 2025-19, s. 7.6(b).)

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