

NORTH CAROLINA GENERAL ASSEMBLY
1981 SESSION

CHAPTER 1396
HOUSE BILL 1274

AN ACT TO REPEAL MEMBERSHIP ENTRY AGE RESTRICTIONS AND ALLOW THE PURCHASE OF PAST SERVICE CREDITS WHEN EXCLUDED ON ACCOUNT OF AGE, TO CHANGE THE TREATMENT OF REEMPLOYED RETIREES IN THE TEACHERS' AND STATE EMPLOYEES' RETIREMENT SYSTEM AND LOCAL GOVERNMENTAL EMPLOYEES' RETIREMENT SYSTEM.

The General Assembly of North Carolina enacts:

Section 1. G.S. 128-24(3a) and G.S. 135-3(6) are repealed.

Sec. 2. G.S. 128-24(5)c and G.S. 135-3(8)c are rewritten to read:

"c. Should a beneficiary who retired on an early or service retirement allowance be restored to service for a period of time exceeding six calendar months, his retirement allowance shall cease, he shall again become a member of the Retirement System and he shall contribute thereafter at the uniform contribution rate payable by all members. Upon his subsequent retirement, he shall be entitled to the allowance described in 1. below increased by the amount in 2. below.

1. The allowance to which he would be entitled had he not been restored to service with cessation of retirement allowance.
2. The allowance to which he would be entitled on account of his service after restoration to service and membership calculated on the basis of such service; provided for the sole purpose of determining retirement eligibility, that his creditable service shall be taken as the sum of his creditable service prior to and subsequent to his restoration to service.

Should a beneficiary who retired on an early or service retirement allowance be employed by an employer on a contractual or fee basis for a period of time exceeding six calendar months, his retirement allowance shall cease. His retirement allowance shall be restored prospectively beginning the first of the month following the month he is no longer so employed."

Sec. 3. G.S. 128-26(e) is amended by adding a new paragraph to the end to read:

"Notwithstanding any other provision of this Chapter, any member who entered service or was restored to service prior to July 1, 1982, and was excluded from membership service solely on account of having attained the age of 62 years, in accordance with former G.S. 128-24(3a), may purchase membership service credits for such excluded service by making a lump-sum payment equal to the contributions that would have been deducted pursuant to G.S. 128-30(b) had he been a member of the Retirement System, increased by interest calculated at a rate of seven percent (7%) per annum."

Sec. 4. G.S. 135-4 is amended by adding a new subsection (q) to the end to read:

"(q) Notwithstanding any other provision of this Chapter, any member who entered service or was restored to service prior to July 1, 1982, and was excluded from membership service solely on account of having attained the age of 62 years, in accordance with former

G.S. 135-3(6), may purchase membership service credits for such excluded service by making a lump-sum payment equal to the contributions that would have been deducted pursuant to G.S. 135-8(b) had he been a member of the Retirement System, increased by interest calculated at a rate of seven percent (7%) per annum."

Sec. 5. The Boards of Trustees of the Teachers' and State Employees' Retirement System and the Local Governmental Employees' Retirement System are empowered and directed to adjust the employers' rates of contribution to the level necessary to fund the provisions of this act.

Sec. 6. This act shall become effective July 1, 1982.

In the General Assembly read three times and ratified, this the 23rd day of June, 1982.