

GENERAL ASSEMBLY OF NORTH CAROLINA
1983 SESSION

CHAPTER 469
SENATE BILL 294

AN ACT TO TAX SHELTER FROM CURRENT INCOME THE CONTRIBUTIONS
OF MEMBERS PAID TO THE UNIFORM JUDICIAL, SOLICITORIAL AND
CLERKS OF SUPERIOR COURT RETIREMENT SYSTEMS BY CONFORMING
STATE LAW TO THE REQUIREMENTS OF SECTION 414(H) OF THE
UNITED STATES INTERNAL REVENUE CODE.

The General Assembly of North Carolina enacts:

Section 1. G.S. 135-68 is amended by designating the first sentence thereof as subsection "(a)" and by adding a new subsection designated as "(b)" to read:

"(b) Anything within this Article to the contrary notwithstanding, the State, pursuant to the provisions of Section 414(h)(2) of the Internal Revenue Code of 1954 as amended, shall pick up and pay the contributions which would be payable by the members under subsection (a) of this section with respect to the services of such members rendered after the effective date of this subsection.

The members' contributions picked up by the State shall be designated for all purposes of the Retirement System as member contributions, except for the determination of tax upon a distribution from the System. These contributions shall be credited to the annuity savings fund and accumulated within the fund in a member's account which shall be separately established for the purpose of accounting for picked-up contributions.

Member contributions picked up by the State shall be payable from the same source of funds used for the payment of compensation to a member. A deduction shall be made from a member's compensation equal to the amount of his contributions picked up by the State. This deduction, however, shall not reduce a member's compensation as defined in subdivision (5) of G.S. 135-53. Picked up contributions shall be transmitted to the Retirement System monthly for the preceding month by means of a warrant drawn by the State payable to the Retirement System and shall be accompanied by a schedule of the picked-up contributions on such forms as may be prescribed."

Sec. 2. This act shall become effective as to each of the Uniform Judicial, Solicitorial and Clerks of Superior Court Retirement Systems on the first day of any calendar month within 60 days after the filing with the Secretary of State of North Carolina of a favorable letter of determination or ruling from the Internal Revenue Service, United States Department of Treasury, that such System is a trust qualified under Section 401 (a) of the Internal Revenue Code of 1954 as amended, but only if such determination letter or ruling is filed by June 30, 1985.

In the General Assembly read three times and ratified, this the 8th day of June, 1983.