

GENERAL ASSEMBLY OF NORTH CAROLINA  
1983 SESSION

CHAPTER 533  
SENATE BILL 139

AN ACT TO ALLOW THE PURCHASE OF CREDITABLE SERVICE WITH THE  
STATE RETIREMENT SYSTEMS FOR LEAVES OF ABSENCE WHEN IN  
RECEIPT OF WORKERS' COMPENSATION.

The General Assembly of North Carolina enacts:

Section 1. G.S. 135-4 is amended by the addition of a new subsection designated as "(r)" to read:

"(r) Notwithstanding any other provision of this Chapter, any member may purchase creditable service for periods of employer approved leaves of absence when in receipt of benefits under the North Carolina Workers' Compensation Act. This service shall be purchased by paying a cost calculated in the following manner:

(1) Leaves of Absence Terminated Prior to July 1, 1983.

The cost to a member whose employer approved leave of absence, when in receipt of benefits under the North Carolina Workers' Compensation Act, terminated upon return to service prior to July 1, 1983, shall be a lump sum amount payable to the Annuity Savings Fund equal to the full liability of the service credits calculated on the basis of the assumptions used for purposes of the actuarial valuation of the system's liabilities, and shall take into account the retirement allowance arising on account of the additional service credit commencing at the earliest age at which the member could retire on an unreduced retirement allowance, as determined by the board of trustees upon the advice of the consulting actuary, plus an administrative fee to be set by the board of trustees.

(2) Leaves of Absence Terminating On and After July 1, 1983. The cost to a member whose employer approved leave of absence, when in receipt of benefits under the North Carolina Workers' Compensation Act, terminates upon return to service on and after July 1, 1983, shall be a lump sum amount due and payable to the Annuity Savings Fund within six months from return to service equal to the total employee and employer percentage rates of contribution in effect at the time of purchase and based on the annual rate of compensation of the member immediately prior to the leave of absence; provided, however, the cost to a member whose amount due is not paid within six months from return to service shall be the amount due plus one percent (1%) per month penalty for each month or fraction thereof the payment is made beyond the six-month period."

Sec. 2. G.S. 128-26 is amended by the addition of a new subsection designated as "(l)" to read:

"(l) Notwithstanding any other provision of this Chapter, any member may purchase creditable service for periods of employer approved leaves of absence when in receipt of benefits under the North Carolina Workers' Compensation Act. This service shall be purchased by paying a cost calculated in the following manner:

(1) Leaves of Absence Terminated Prior to July 1, 1983.

The cost to a member whose employer approved leave of absence, when in receipt of benefits under the North Carolina Workers' Compensation Act, terminated upon return to service prior to July 1, 1983, shall be a lump sum amount payable to the Annuity Savings Fund equal to the full liability of the service credits calculated on the basis of the assumptions used for purposes of the actuarial valuation of the system's liabilities, and shall take into account the retirement allowance arising on account of the additional service credit commencing at the earliest age at which the member could retire on an unreduced retirement allowance, as determined by the board of trustees upon the advice of the consulting actuary, plus an administrative fee to be set by the board of trustees.

(2) Leaves of Absence Terminating On and After July 1, 1983. The cost to a member whose employer approved leave of absence, when in receipt of benefits under the North Carolina Workers' Compensation Act, terminates upon return to service on and after July 1, 1983, shall be a lump sum amount due and payable to the Annuity Savings Fund within six months from return to service equal to the total employee and employer percentage rates of contribution in effect at the time of purchase and based on the annual rate of compensation of the member immediately prior to the leave of absence; provided, however, the cost to a member whose amount due is not paid within six months from return to service shall be the amount due plus one percent (1%) per month penalty for each month or fraction thereof the payment is made beyond the six-month period."

Sec. 3. G.S. 143-166 is amended by the addition of a new subsection designated as "(y1)" to read:

"(y1) Notwithstanding any other provision of this Article, any officer may purchase creditable service for periods of employer approved leaves of absence when in receipt of benefits under the North Carolina Workers' Compensation Act. This service shall be purchased by paying a cost calculated in the following manner:

(1) Leaves of Absence Terminated Prior to July 1, 1983.

The cost to an officer whose employer approved leave of absence, when in receipt of benefits under the North Carolina Workers' Compensation Act, terminated upon return to service prior to July 1, 1983, shall be a lump sum amount payable to the officer's credit in his Regular Contributions Account equal to the full liability of the service credits calculated on the basis of the assumptions used for purposes of the Fund's liabilities, and shall take into account the retirement allowance arising on account of the additional service credit commencing at the earliest age at which the

officer could retire on an unreduced retirement allowance, as determined by the board of commissioners upon the advice of the consulting actuary, plus an administrative fee to be set by the board of commissioners.

- (2) Leaves of Absence Terminating On and After July 1, 1983. The cost to an officer whose employer approved leave of absence, when in receipt of benefits under the North Carolina Workers' Compensation Act, terminates upon return to service on and after July 1, 1983, shall be a lump sum amount due and payable to the officer's credit in his Regular Contributions Account within six months from return to service equal to the total officer and employer rates of contribution in effect at the time of purchase and based on the annual rate of compensation of the officer immediately prior to the leave of absence; provided, however, the cost to an officer whose amount due is not paid within six months from return to service shall be the amount due plus one percent (1%) per month penalty for each month or fraction thereof the payment is made beyond the six-month period."

Sec. 4. This act shall become effective July 1, 1983.

In the General Assembly read three times and ratified, this the 15th day of June, 1983.