

GENERAL ASSEMBLY OF NORTH CAROLINA
1987 SESSION

CHAPTER 821
HOUSE BILL 545

AN ACT TO REVISE THE PURCHASE OF CREDITABLE SERVICE IN THE
TEACHERS' AND STATE EMPLOYEES' RETIREMENT SYSTEM FOR
LEAVES OF ABSENCE WHILE IN RECEIPT OF WORKERS'
COMPENSATION BENEFITS.

The General Assembly of North Carolina enacts:

Section 1. G.S. 135-4(r) is amended by adding a new subdivision (3) to read:
"(3) Leaves of Absence Terminating on and after January 1, 1988. 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 or before a return to service on and after January 1, 1988, shall be due and payable to the Annuity Savings Fund within six months from return to service and shall be a lump sum amount equal to the employee percentage rate of contribution in effect at the time of purchase applied to the annual rate of compensation of the member immediately prior to the leave of absence. For members electing to make this payment, the member's employer which granted the leave of absence, or the member's employer upon a return to service, or both, shall make a matching lump sum payment to the Pension Accumulation Fund within six months from return to service equal to the employer percentage rate of contribution in effect at the time of purchase applied to the annual rate of compensation of the member immediately prior to the leave of absence. Such purchases of creditable service are applicable only when members have membership service credits within 30 days prior to the leave of absence and within 12 months following the leave of absence and such membership service is creditable service at the time of purchase. Notwithstanding any other provision of this subdivision, the cost to a member and to a member's employer or former employer or both employers 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 that the payment is made after the six-month period."

Sec. 2. G.S. 135-4(r)(2) is amended by deleting the date "July 1, 1983" both places it occurs and substituting the phrase "July 1, 1983, but before January 1, 1988".

Sec. 3. This act is effective January 1, 1988.

In the General Assembly read three times and ratified this the 13th day of August, 1987.