§ 135-21. Federal-State agreement; interstate instrumentalities.

(a) The State agency, with the approval of the Governor, is hereby authorized to enter on behalf of the State into an agreement with the Secretary of Health, Education and Welfare, consistent with the terms and provisions of this Article, for the purpose of extending the benefits of the Federal Old Age and Survivors Insurance System to employees of the State or any political subdivision thereof with respect to services specified in such agreement which constitute "employment" as defined in G.S. 135-20. Such agreement may contain such provisions relating to coverage, benefits, contributions, effective date, modification and termination of the agreement, administration, and other appropriate provisions as the State agency and Secretary of Health, Education and Welfare shall agree upon, but, except as may be otherwise required by or under the Social Security Act as to the services to be covered, such agreement shall provide in effect that –

(1) Benefits will be provided for employees whose services are covered by the agreement (and their dependents and survivors) on the same basis as though such services constituted employment within the meaning of Title II of the Social Security Act.

(2) The State will pay to the Secretary of the Treasury, at such time or times as may be prescribed under the Social Security Act, contributions with respect to wages (as defined in G.S. 135-20), equal to the sum of the taxes which would be imposed by the Federal Insurance Contributions Act if the services covered by the agreement constituted employment within the meaning of that act.

(3) Such agreement shall be effective with respect to services in employment covered by the agreement performed after a date specified therein but shall in no event cover any such services performed prior to January 1, 1951.

(4) All services which constitute employment as defined in G.S. 135-20 and are performed in the employ of the State by employees of the State, shall be covered by the agreement.

(5) All services which constitute employment as defined in G.S. 135-20, are performed in the employ of a political subdivision of the State, and are covered by a plan which is in conformity with the terms of the agreement and has been approved by the State agency under G.S. 135-23, shall be covered by the agreement.

(6) As modified, the agreement shall include all services described in either subdivision (4) or subdivision (5) of this subsection and performed by individuals to whom section 218(c)(3)(C) of the Social Security Act is applicable and shall provide that the service of any such individual shall continue to be covered by the agreement in case he thereafter becomes eligible to be a member of a retirement system; and

(7) As modified, the agreement shall include all services described in either subdivision (4) or subdivision (5) of this subsection and performed by individuals in positions covered by a retirement system with respect to which the Governor has issued a certificate to the Secretary of Health, Education and Welfare pursuant to G.S. 135-29.

(b) Any instrumentality jointly created by this State and any other state or states is hereby authorized, upon the granting of like authority by such other state or states,

(1) To enter into an agreement with the Secretary of Health, Education and Welfare whereby the benefits of the Federal Old Age and Survivors Insurance System shall be extended to employees of such instrumentality,

(2) To require its employees to pay (and for that purpose to deduct from their wages) contributions equal to the amounts which they would be required to pay under G.S. 135-22(a) if they were covered by an agreement made pursuant to subsection (a) of this section, and

(3) To make payments to the Secretary of the Treasury in accordance with such agreement, including payments from its own funds, and otherwise to comply with such agreements.

Such agreement shall, to the extent practicable, be consistent with the terms and provisions of subsection (a) and other provisions of this Article.

(c) Pursuant to section 218(d)(6) of the Social Security Act, the Teachers' and State Employees' Retirement System of North Carolina as established by Article 1 of Chapter 135 of the General Statutes, Volume 17, as amended and as the same may be hereafter amended, shall for the purposes of this Article, be deemed to constitute a single retirement system; and, the North Carolina Local Governmental Employees' Retirement System as established by Article 3 of Chapter 128 of the General Statutes, Volume 16, as amended and as the same may be hereafter amended, shall be deemed to constitute a single retirement system with respect to each political subdivision having positions covered thereby. (1951, c. 562, s. 3; 1953, c. 52; 1955, c. 1154, ss. 5-7, 12.)