§ 135-5.5. Inactive employers.

(a) An employer shall be considered an inactive employer if all of the following criteria are met:

(1) The employer has no employees that qualify for membership in any System under this Chapter.

(2) The employer has made no employer contributions for at least one month.

(3) The employer makes a request in writing to the Retirement Systems Division of the Department of State Treasurer to be made inactive.

(4) The Retirement Systems Division of the Department of State Treasurer has reviewed the employer request to become inactive and has granted that request. The Retirement Systems Division shall provide written notification to the requesting employer of any decisions made under this section.

(b) Not later than April 30 of each calendar year, the Retirement Systems Division of the Department of State Treasurer shall make a report to the Board of Trustees on all employers who were determined to be inactive employers in that preceding calendar year.

(c) Notwithstanding subsection (a) of this section, an employer who fails to report any qualifying employees for six consecutive months shall be considered an inactive employer.

(d) Not later than May 15 of each calendar year, the Retirement Systems Division of the Department of State Treasurer shall notify all employers who were reported to the Board of Trustees as inactive employers. An employer reported as inactive may apply to extend its inactive period for up to one year by submitting to the Retirement System, on or before June 30 of the same calendar year, clear and convincing evidence satisfactory to the Retirement System of the employer's intention to hire an employee in a position qualifying for membership service in the Retirement System.

(e) Not later than July 31 of each calendar year, the Board of Trustees shall determine whether to grant any applications to extend the period of an employer's inactive status.

(f) On October 1 of each calendar year, any employer included in the most recent report of inactive employers provided to the Board of Trustees that has not resumed reporting eligible employees and has not had its inactive status extended by the Board shall cease participation in the Retirement System according to the procedure and payment requirements of subsection (i) of G.S. 135-8, with a complete withdrawal date of October 1. (2020-48, s. 1.9(a); 2022-14, s. 2.1.)