

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1989

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HOUSE BILL 876  
Second Edition Engrossed 8/3/89

Short Title: Maternity Leave/Retirement Service.

(Public)

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Sponsors: Representatives Locks; Wiser, H. Hunter, S. Thompson, Wood, and Fussell.

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Referred to: Pensions and Retirement.

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March 27, 1989

A BILL TO BE ENTITLED

1 AN ACT TO PROVIDE FOR A MEMBER OF THE TEACHERS' AND STATE  
2 EMPLOYEES' RETIREMENT SYSTEM TO PURCHASE TIME LOST DUE TO  
3 INTERRUPTED SERVICE FOR MATERNITY LEAVE.  
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5 The General Assembly of North Carolina enacts:

6 Section 1. G.S. 135-4 is amended by adding a new subsection at the end to  
7 read:

8 "(aa) Credit at Full Cost for Maternity Leave. Notwithstanding other provisions of  
9 this Chapter, any female member in service with five or more years of credited  
10 membership service may purchase creditable service for periods of service which were  
11 interrupted due to pregnancy and childbirth by making a lump sum amount payable to  
12 the Annuity Savings Fund equal to the full liability of the service credits calculated on  
13 the basis of the assumptions used for purposes of the actuarial valuation of the system's  
14 liabilities; and the calculation of the amount payable shall take into account the  
15 retirement allowance arising on account of the additional service credit commencing at  
16 the earliest age at which the member could retire on an unreduced retirement allowance,  
17 as determined by the Board of Trustees upon the advice of the consulting actuary, plus  
18 an administrative fee to be set by the Board of Trustees. Creditable service purchased  
19 under this subsection may not exceed six months per pregnancy. Notwithstanding the  
20 foregoing provisions of this subsection that provide for the purchase of service credits,  
21 the term 'full liability' includes assumed annual post-retirement allowance increases, as  
22 determined by the Board of Trustees, from the earliest age at which a member could  
23 retire on an unreduced service allowance."

1           Sec. 2. This act shall become effective July 1, 1989.