

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1991

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SENATE BILL 1085
Second Edition Engrossed 7/8/92

Short Title: Local Retirement Incentives.

(Public)

Sponsors: Senator Block.

Referred to: Pensions and Retirement.

June 2, 1992

A BILL TO BE ENTITLED

1 AN ACT TO REQUIRE ANY LOCAL GOVERNMENT PARTICIPATING IN THE
2 LOCAL GOVERNMENTAL EMPLOYEES' RETIREMENT SYSTEM AND ANY
3 EMPLOYER IN THE TEACHERS' AND STATE EMPLOYEES' RETIREMENT
4 SYSTEM TO FUND THE PENSION COSTS ASSOCIATED WITH A
5 RETIREMENT INCENTIVE PROGRAM.
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7 The General Assembly of North Carolina enacts:

8 Section 1. Article 3 of Chapter 128 of the General Statutes is amended by
9 adding a new section to read:

10 "**§ 128-30A. Funding retirement incentives.**

11 Any employer participating in the Retirement System that engages in a program
12 designed to cause members to commence retirement earlier than expected, based on the
13 tables adopted by the Board of Trustees under the provisions of G.S. 128-28(o), shall
14 pay to the pension accumulation fund an amount such that the employer normal
15 contribution rate shall not be increased by the effect of such a program. The amount
16 shall be determined by the Board of Trustees, upon the advice of its consulting actuary,
17 and shall be paid by an employer either (i) in a lump sum; or (ii) as an accrued liability
18 contribution over a period not to exceed five years. This section does not apply until
19 January 1, 1993 to any program adopted prior to July 1, 1992."

20 Sec. 2. Article 1 of Chapter 135 of the General Statutes is amended by
21 adding a new section to read:

22 "**§ 135-8A. Funding retirement incentives.**

1 Any employer that engages in a program designed to cause members to commence
2 retirement earlier than expected, based on the tables adopted by the Board of Trustees
3 under the provisions of G.S. 135-6(n), shall pay to the pension accumulation fund an
4 amount such that the employer accrued liability contribution rate shall not be increased
5 by the effect of such a program. The amount shall be determined by the Board of
6 Trustees, upon the advice of its consulting actuary, and shall be paid by an employer in
7 one lump sum."

8 Sec. 3. This act is effective upon ratification.