

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1993

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SENATE BILL 600

Short Title: IRC Compliance.

(Public)

Sponsors: Senator Johnson.

Referred to: Pensions and Retirement.

March 29, 1993

A BILL TO BE ENTITLED

AN ACT TO AMEND THE LEGISLATIVE RETIREMENT SYSTEM, THE LOCAL GOVERNMENTAL EMPLOYEES' RETIREMENT SYSTEM, THE TEACHERS' AND STATE EMPLOYEES' RETIREMENT SYSTEM, AND THE CONSOLIDATED JUDICIAL RETIREMENT SYSTEM TO COMPLY WITH THE INTERNAL REVENUE CODE.

The General Assembly of North Carolina enacts:

Section 1. G.S. 120-4.25 reads as rewritten:

"§ 120-4.25. Return of accumulated contributions.

If a member ceases to be a member of the General Assembly except by death or retirement, he shall, upon submission of an application, be paid not earlier than 60 days following the date of termination of service, the sum of his contributions if he has less than five years of creditable service, or the sum of his accumulated contributions if he has five or more years of creditable service, provided he has not in the meantime returned to service. Upon payment of this sum his membership in the System ceases. If he becomes a member afterwards, no credit shall be allowed for any service previously rendered except as provided in G.S. 120-4.14 and the payment shall be in full and complete discharge of any rights in or to any benefits otherwise payable under this Article. Upon receipt of proof satisfactory to the Board of Trustees of the death, prior to retirement, of a member or former member, there shall be paid to the person or persons he nominated by written designation duly acknowledged and filed with the Board of Trustees, if the person or persons are living at the time of the member's death, otherwise to the member's legal representatives, the amount of his accumulated contributions at the time of his death, unless the beneficiary elects to receive the alternate benefit under

1 the provisions of G.S. 120-4.28. ~~There shall be deducted from any amount otherwise payable~~  
2 ~~any amount due any agency or subdivision of the State by the member by reason of any~~  
3 ~~outstanding overpayment of salary or by any other reason. Even if the member fails to demand~~  
4 ~~the return of his accumulated contributions within 90 days from the day he ceases to be a~~  
5 ~~member of the General Assembly, any amount due the agency or subdivision by reason of any~~  
6 ~~outstanding overpayment of salary or any other reason shall be paid to the agency or~~  
7 ~~subdivision by the Retirement System upon demand. After the agency or subdivision has~~  
8 ~~notified the executive director of any amount due. The Retirement System has no liability for~~  
9 ~~amounts deducted and transmitted to the agency or subdivision nor for any failure by the~~  
10 ~~Retirement System for any reason to make the deductions."~~

11 Sec. 2. G.S. 120-4.31 reads as rewritten:

12 **"§ 120-4.31. Internal Revenue Code compliance.**

13 (a) Notwithstanding any other provisions of law to the contrary, compensation  
14 for any calendar year after 1988 in which employee or employer contributions are made  
15 and for which annual compensation is used for computing any benefit under this Article  
16 shall not exceed the higher of two hundred thousand dollars (\$200,000) or the amount  
17 determined by the Commissioner of Internal Revenue as the limitation for calendar  
18 years after 1989; provided the imposition of the limitation shall not reduce a member's  
19 benefit below the amount determined as of December 31, 1988.

20 (b) Notwithstanding any other provisions of law to the contrary, the annual  
21 benefit payable on behalf of a member shall, if necessary, be reduced to the extent  
22 required by Section 415(b) and (e) of the Internal Revenue Code, as adjusted by the  
23 Secretary of the Treasury or his delegate pursuant to Section 415(d) of the Code. If a  
24 member is a participant under any qualified defined contributions plan that is required  
25 to be taken into account for the purposes of the limitation contained in Section 415 of  
26 the Internal Revenue Code, the annual benefit payable under this Article shall be  
27 reduced to the extent required by Section 415(e) prior to making any reduction under  
28 the defined contribution plan provided by the employer.

29 (c) On and after January 1, 1989, the retirement allowance of a member who has  
30 terminated employment shall begin no later than the later of April 1 of the calendar year  
31 following the calendar year that the member attains 70 1/2 years of age or April 1 of the  
32 calendar year following the calendar year in which the member terminates employment.

33 (d) This subsection applies to distributions made on or after January 1, 1993.  
34 Notwithstanding any other provision of the Plan to the contrary that would otherwise  
35 limit a distributee's election under this Article, a distributee may elect, at the time and in  
36 the manner prescribed by the Plan administrator, to have any portion of an eligible  
37 rollover distribution paid directly to an eligible retirement plan specified by the  
38 distributee in a direct rollover. Provided, an eligible rollover distribution is any  
39 distribution of all or any portion of the balance to the credit of the distributee, except  
40 that an eligible rollover distribution does not include: any distribution that is one of a  
41 series of substantially equal periodic payments (not less frequently than annually) made  
42 for the life (or life expectancy) of the distributee or the joint lives(or joint life  
43 expectancies) of the distributee and the distributee's designated beneficiary, or for a  
44 specified period of 10 years or more; any distribution to the extent such distribution is  
45 required under section 401(a)(9) of the Code; and the portion of any distribution that is

1 not includible in gross income (determined without regard to the exclusion for net  
2 realized appreciation with respect to employer securities). Provided, an eligible  
3 retirement plan is an individual retirement account described in section 408(a) of the  
4 Code, an individual retirement annuity described in section 408(b) of the Code, an  
5 annuity plan described in section 403(a) of the Code, or a qualified trust described in  
6 section 401(a) of the Code, that accepts the distributee's eligible rollover distribution.  
7 However, in case of an eligible rollover distribution to the surviving spouse, an eligible  
8 retirement plan is an individual retirement account or an individual retirement annuity.  
9 Provided, a distributee includes an employee or former employee. In addition, the  
10 employee's or former employee's surviving spouse and the employee's or former  
11 employee's spouse or former spouse who is the alternate payee under a qualified  
12 domestic relations order, as defined in section 414(p) of the Code, or a court ordered  
13 equitable distribution of marital property, as provided under G.S. 50-20, whichever may  
14 be applicable, are distributees with regard to the interest of the spouse or former spouse.  
15 Provided further, a direct rollover is a payment by the Plan to the eligible retirement  
16 plan specified by the distributee."

17 Sec. 3. G.S. 128-27(f) reads as rewritten:

18 "(f) Return of Accumulated Contributions. – Should a member cease to be an  
19 employee except by death or retirement under the provisions of this Chapter, he shall  
20 upon submission of an application be paid, not earlier than 60 days from the date of  
21 termination of service, his contributions and, if he has attained at least five years of  
22 membership service or if termination of his membership service is involuntary as  
23 certified by the employer, the accumulated regular interest thereon, provided that he has  
24 not in the meantime returned to service. Upon payment of such sum his membership in  
25 the System shall cease and, if he thereafter again becomes a member, no credit shall be  
26 allowed for any service previously rendered except as provided in G.S. 128-26; and  
27 such payment shall be in full and complete discharge of any rights in or to any benefits  
28 otherwise payable hereunder. Upon receipt of proof satisfactory to the Board of  
29 Trustees of the death, prior to retirement, of a member or former member there shall be  
30 paid to such person or persons as he shall have nominated by written designation duly  
31 acknowledged and filed with the Board of Trustees, if such person or persons are living  
32 at the time of the member's death, otherwise to the member's legal representatives, the  
33 amount of his accumulated contributions at the time of his death, unless the beneficiary  
34 elects to receive the alternate benefit under the provisions of (m) below. ~~Notwithstanding~~  
35 ~~any other provision of Chapter 128, there shall be deducted from any amount otherwise payable~~  
36 ~~hereunder any amount due any participating employer by the member by reason of any~~  
37 ~~outstanding overpayment of salary or by reason of the embezzlement of fees collected by the~~  
38 ~~member for any participating employer; provided that, notwithstanding any other provisions of~~  
39 ~~this Chapter, even if the member fails to demand the return of his accumulated contributions~~  
40 ~~within 90 days from the day he ceases to be an employee, any amount due such participating~~  
41 ~~employer by reason of any outstanding overpayment of salary or embezzlement of fees shall be~~  
42 ~~paid to such participating employer upon demand; provided, further, that such participating~~  
43 ~~employer shall have notified the executive secretary of any amount so due and that the~~  
44 ~~Retirement System shall have no liability for amounts so deducted and transmitted to such~~  
45 ~~participating employer nor for any failure by the Retirement System for any reason to make~~

1 ~~such deductions.~~—An extension service employee who made contributions to the Local  
2 Governmental Employees' Retirement System and the Teachers' and State Employees'  
3 Retirement System as a result of dual employment may not be paid his accumulated  
4 contributions unless he is eligible to be paid his accumulated contributions in both  
5 systems for the same period of service.

6 Pursuant to the provisions of G.S. 135-56.2, a member who is also a member of the  
7 Consolidated Judicial Retirement System may irrevocably elect to transfer any  
8 accumulated contributions to the Consolidated Judicial Retirement System or to the  
9 Supplemental Retirement Income Plan and forfeit any rights in or to any benefits  
10 otherwise payable hereunder."

11 Sec. 4. G.S. 128-38.2 reads as rewritten:

12 **"§ 128-38.2. Internal Revenue Code compliance.**

13 (a) Notwithstanding any other provisions of law to the contrary, compensation  
14 for any calendar year after 1988 in which employee or employer contributions are made  
15 and for which annual compensation is used for computing any benefit under this Article  
16 shall not exceed the higher of two hundred thousand dollars (\$200,000) or the amount  
17 determined by the Commissioner of Internal Revenue as the limitation for calendar  
18 years after 1989; provided the imposition of the limitation shall not reduce a member's  
19 benefit below the amount determined as of December 31, 1988.

20 (b) Notwithstanding any other provisions of law to the contrary, the annual  
21 benefit payable on behalf of a member shall, if necessary, be reduced to the extent  
22 required by Section 415(b) and (e) of the Internal Revenue Code, as adjusted by the  
23 Secretary of the Treasury or his delegate pursuant to Section 415(d) of the Code. If a  
24 member is a participant under any qualified defined contributions plan that is required  
25 to be taken into account for the purposes of the limitation contained in Section 415  
26 of the Internal Revenue Code, the annual benefit payable under this Article shall be  
27 reduced to the extent required by Section 415(e) prior to making any reduction under  
28 the defined contribution plan provided by the employer.

29 (c) On and after January 1, 1989, the retirement allowance of a member who has  
30 terminated employment shall begin no later than the later of April 1 of the calendar year  
31 following the calendar year that the member attains 70 1/2 years of age or April 1 of the  
32 calendar year following the calendar year in which the member terminates employment.

33 (d) This subsection applies to distributions made on or after January 1, 1993.  
34 Notwithstanding any other provision of the Plan to the contrary that would otherwise  
35 limit a distributee's election under this Article, a distributee may elect, at the time and in  
36 the manner prescribed by the Plan administrator, to have any portion of an eligible  
37 rollover distribution paid directly to an eligible retirement plan specified by the  
38 distributee in a direct rollover. Provided, an eligible rollover distribution is any  
39 distribution of all or any portion of the balance to the credit of the distributee, except  
40 that an eligible rollover distribution does not include: any distribution that is one of a  
41 series of substantially equal periodic payments (not less frequently than annually) made  
42 for the life (or life expectancy) of the distributee or the joint lives(or joint life  
43 expectancies) of the distributee and the distributee's designated beneficiary, or for a  
44 specified period of 10 years or more; any distribution to the extent such distribution is

1 required under section 401(a)(9) of the Code; and the portion of any distribution that is  
2 not includible in gross income (determined without regard to the exclusion for net  
3 realized appreciation with respect to employer securities). Provided, an eligible  
4 retirement plan is an individual retirement account described in section 408(a) of the  
5 Code, an individual retirement annuity described in section 408(b) of the Code, an  
6 annuity plan described in section 403(a) of the Code, or a qualified trust described in  
7 section 401(a) of the Code, that accepts the distributee's eligible rollover distribution.  
8 However, in case of an eligible rollover distribution to the surviving spouse, an eligible  
9 retirement plan is an individual retirement account or an individual retirement annuity.  
10 Provided, a distributee includes an employee or former employee. In addition, the  
11 employee's or former employee's surviving spouse and the employee's or former  
12 employee's spouse or former spouse who is the alternate payee under a qualified  
13 domestic relations order, as defined in section 414(p) of the Code, or a court ordered  
14 equitable distribution of marital property, as provided under G.S. 50-20, whichever may  
15 be applicable, are distributees with regard to the interest of the spouse or former spouse.  
16 Provided further, a direct rollover is a payment by the Plan to the eligible retirement  
17 plan specified by the distributee."

18 Sec. 5. G.S. 135-5(f) reads as rewritten:

19 "(f) Return of Accumulated Contributions. – Should a member cease to be a  
20 teacher or State employee except by death or retirement under the provisions of this  
21 Chapter, he shall upon submission of an application be paid, not earlier than 60 days  
22 from the date of termination of service, his contributions, and if he has attained at least  
23 five years of membership service or if termination of his membership service is  
24 involuntary as certified by the employer, the accumulated regular interest thereon,  
25 provided that he has not in the meantime returned to service. Upon payment of such  
26 sum his membership in the System shall cease and, if he thereafter again becomes a  
27 member, no credit shall be allowed for any service previously rendered except as  
28 provided in G.S. 135-4, and such payment shall be in full and complete discharge of any  
29 rights in or to any benefits otherwise payable hereunder. Upon receipt of proof  
30 satisfactory to the Board of Trustees of the death, prior to retirement, of a member or  
31 former member there shall be paid to such person or persons as he shall have nominated  
32 by written designation duly acknowledged and filed with the Board of Trustees, if such  
33 person or persons are living at the time of the member's death, otherwise to the  
34 member's legal representatives, the amount of his accumulated contributions at the time  
35 of his death, unless the beneficiary elects to receive the alternate benefit under the  
36 provisions of (m) below. ~~Notwithstanding any other provision of Chapter 135, there shall be~~  
37 ~~deducted from any amount otherwise payable hereunder any amount due any agency or~~  
38 ~~subdivision of the State by the member by reason of any outstanding overpayment of salary or~~  
39 ~~by reason of the embezzlement of fees collected by the member for any agency or subdivision~~  
40 ~~of the State; Provided that, notwithstanding any other provisions of this Chapter, even if the~~  
41 ~~member fails to demand the return of his accumulated contributions within 90 days from the~~  
42 ~~day he ceases to be a teacher or State employee, any amount due such agency or subdivision by~~  
43 ~~reason of any outstanding overpayment of salary or embezzlement of fees shall be paid to such~~  
44 ~~agency or subdivision by the Retirement System upon demand; Provided, further, that such~~  
45 ~~agency or subdivision shall have notified the executive director of any amount so due and that~~

1 ~~the Retirement System shall have no liability for amounts so deducted and transmitted to such~~  
2 ~~agency or subdivision nor for any failure by the Retirement System for any reason to make~~  
3 ~~such deductions.~~—An extension service employee who made contributions to the Local  
4 Governmental Employees' Retirement System and the Teachers' and State Employees'  
5 Retirement System as a result of dual employment may not be paid his accumulated  
6 contributions unless he is eligible to be paid his accumulated contributions in both  
7 systems for the same period of service.

8 Pursuant to the provisions of G.S. 135-56.2, a member who is also a member of the  
9 Consolidated Judicial Retirement System may irrevocably elect to transfer any  
10 accumulated contributions to the Consolidated Judicial Retirement System or to the  
11 Supplemental Retirement Income Plan and forfeit any rights in or to any benefits  
12 otherwise payable hereunder.

13 A member who is a participant or beneficiary of the Disability Income Plan of North  
14 Carolina as is provided in Article 6 of this Chapter shall not be paid a return of  
15 accumulated contributions, notwithstanding the member's status as an employee or  
16 teacher. Notwithstanding any other provision of law to the contrary, a member who is a  
17 beneficiary of the Disability Income Plan of North Carolina as provided in Article 6 of  
18 this Chapter and who is receiving disability benefits under the transition provisions as  
19 provided in G.S. 135-112, shall not be prohibited from receiving a return of  
20 accumulated contributions as provided in this subsection."

21 Sec. 6. G.S. 135-18.7 reads as rewritten:

22 **"§ 135-18.7. Internal Revenue Code compliance.**

23 (a) Notwithstanding any other provisions of law to the contrary, compensation  
24 for any calendar year after 1988 in which employee or employer contributions are made  
25 and for which annual compensation is used for computing any benefit under this Article  
26 shall not exceed the higher of two hundred thousand dollars (\$200,000) or the amount  
27 determined by the Commissioner of Internal Revenue as the limitation for calendar  
28 years after 1989; provided the imposition of the limitation shall not reduce a member's  
29 benefit below the amount determined as of December 31, 1988.

30 (b) Notwithstanding any other provisions of law to the contrary, the annual  
31 benefit payable on behalf of a member shall, if necessary, be reduced to the extent  
32 required by Section 415(b) and (e) of the Internal Revenue Code, as adjusted by the  
33 Secretary of the Treasury or his delegate pursuant to Section 415(d) of the Code. If a  
34 member is a participant under any qualified defined contributions plan that is required  
35 to be taken into account for the purposes of the limitation contained in Section 415 of  
36 the Internal Revenue Code, the annual benefit payable under this Article shall be  
37 reduced to the extent required by Section 415(e) prior to making any reduction under  
38 the defined contribution plan provided by the employer.

39 (c) On and after January 1, 1989, the retirement allowance of a member who has  
40 terminated employment shall begin no later than the later of April 1 of the calendar year  
41 following the calendar year that the member attains 70 1/2 years of age or April 1 of the  
42 calendar year following the calendar year in which the member terminates employment.

43 (d) This subsection applies to distributions made on or after January 1, 1993.  
44 Notwithstanding any other provision of the Plan to the contrary that would otherwise

1 limit a distributee's election under this Article, a distributee may elect, at the time and in  
2 the manner prescribed by the Plan administrator, to have any portion of an eligible  
3 rollover distribution paid directly to an eligible retirement plan specified by the  
4 distributee in a direct rollover. Provided, an eligible rollover distribution is any  
5 distribution of all or any portion of the balance to the credit of the distributee, except  
6 that an eligible rollover distribution does not include: any distribution that is one of a  
7 series of substantially equal periodic payments (not less frequently than annually) made  
8 for the life (or life expectancy) of the distributee or the joint lives(or joint life  
9 expectancies) of the distributee and the distributee's designated beneficiary, or for a  
10 specified period of 10 years or more; any distribution to the extent such distribution is  
11 required under section 401(a)(9) of the Code; and the portion of any distribution that is  
12 not includible in gross income (determined without regard to the exclusion for net  
13 realized appreciation with respect to employer securities). Provided, an eligible  
14 retirement plan is an individual retirement account described in section 408(a) of the  
15 Code, an individual retirement annuity described in section 408(b) of the Code, an  
16 annuity plan described in section 403(a) of the Code, or a qualified trust described in  
17 section 401(a) of the Code, that accepts the distributee's eligible rollover distribution.  
18 However, in case of an eligible rollover distribution to the surviving spouse, an eligible  
19 retirement plan is an individual retirement account or an individual retirement annuity.  
20 Provided, a distributee includes an employee or former employee. In addition, the  
21 employee's or former employee's surviving spouse and the employee's or former  
22 employee's spouse or former spouse who is the alternate payee under a qualified  
23 domestic relations order, as defined in section 414(p) of the Code, or a court ordered  
24 equitable distribution of marital property, as provided under G.S. 50-20, whichever may  
25 be applicable, are distributees with regard to the interest of the spouse or former spouse.  
26 Provided further, a direct rollover is a payment by the Plan to the eligible retirement  
27 plan specified by the distributee."

28           Sec. 7. G.S. 135-62 reads as rewritten:

29 **"§ 135-62. Return of accumulated contributions.**

30       (a) Should a member cease membership service otherwise than by death or  
31 retirement under the provisions of this Article, he shall, upon submission of an  
32 application, be paid, not earlier than 60 days from the date of termination of service, his  
33 contributions and, if he has attained at least five years of membership service or if  
34 termination of his membership service is involuntary as certified by the employer, the  
35 accumulated regular interest thereon, provided that he has not in the meantime returned  
36 to service as a judge. Upon payment of such accumulated contributions his membership  
37 in the Retirement System shall cease and, if he thereafter again becomes a member, no  
38 credit shall be allowed for any service previously rendered, except as otherwise  
39 provided in G.S. 135-56(b). Any such payment of a member's accumulated  
40 contributions shall be in full and complete discharge of any rights in or to any benefits  
41 otherwise payable under this Article.

42       ~~(b) Any other provision of this Article to the contrary notwithstanding, there shall~~  
43 ~~be deducted from any amount otherwise payable hereunder any amount due any agency~~  
44 ~~or subdivision of the State by the member by reason of any outstanding overpayment of~~

1 salary or by reason of the embezzlement of fees collected by the member for any agency  
2 or subdivision of the State; provided that, notwithstanding any other provisions of this  
3 Article, even if the member fails to demand the return of his accumulated contributions  
4 within 90 days from the day he ceases membership service, any amount due such  
5 agency or subdivision by reason of any outstanding overpayment of salary or  
6 embezzlement of fees shall be paid to such agency or subdivision by the Retirement  
7 System upon demand; and provided further, that such agency or subdivision shall have  
8 notified the director of any amount so due and that the Retirement System shall have no  
9 liability for amounts so deducted and transmitted to such agency or subdivision nor for  
10 any failure by the Retirement System for any reason to make such deductions."

11 Sec. 8. G.S. 135-74 reads as rewritten:

12 **"§ 135-74. Internal Revenue Code compliance.**

13 (a) Notwithstanding any other provisions of law to the contrary, compensation  
14 for any calendar year after 1988 in which employee or employer contributions are made  
15 and for which annual compensation is used for computing any benefit under this Article  
16 shall not exceed the higher of two hundred thousand dollars (\$200,000) or the amount  
17 determined by the Commissioner of Internal Revenue as the limitation for calendar  
18 years after 1989; provided the imposition of the limitation shall not reduce a member's  
19 benefit below the amount determined as of December 31, 1988.

20 (b) Notwithstanding any other provisions of law to the contrary, the annual  
21 benefit payable on behalf of a member shall, if necessary, be reduced to the extent  
22 required by Section 415(b) and (e) of the Internal Revenue Code, as adjusted by the  
23 Secretary of the Treasury or his delegate pursuant to Section 415(d) of the Code. If a  
24 member is a participant under any qualified defined contributions plan that is required  
25 to be taken into account for the purposes of the limitation contained in Section 415  
26 of the Internal Revenue Code, the annual benefit payable under this Article shall be  
27 reduced to the extent required by Section 415(e) prior to making any reduction under  
28 the defined contribution plan provided by the employer.

29 (c) On and after January 1, 1989, the retirement allowance of a member who has  
30 terminated employment shall begin no later than the later of April 1 of the calendar year  
31 following the calendar year that the member attains 70 1/2 years of age or April 1 of the  
32 calendar year following the calendar year in which the member terminates employment.

33 (d) This subsection applies to distributions made on or after January 1, 1993.  
34 Notwithstanding any other provision of the Plan to the contrary that would otherwise  
35 limit a distributee's election under this Article, a distributee may elect, at the time and in  
36 the manner prescribed by the Plan administrator, to have any portion of an eligible  
37 rollover distribution paid directly to an eligible retirement plan specified by the  
38 distributee in a direct rollover. Provided, an eligible rollover distribution is any  
39 distribution of all or any portion of the balance to the credit of the distributee, except  
40 that an eligible rollover distribution does not include: any distribution that is one of a  
41 series of substantially equal periodic payments (not less frequently than annually) made  
42 for the life (or life expectancy) of the distributee or the joint lives (or joint life  
43 expectancies) of the distributee and the distributee's designated beneficiary, or for a  
44 specified period of 10 years or more; any distribution to the extent such distribution is

1 required under section 401(a)(9) of the Code; and the portion of any distribution that is  
2 not includible in gross income (determined without regard to the exclusion for net  
3 realized appreciation with respect to employer securities). Provided, an eligible  
4 retirement plan is an individual retirement account described in section 408(a) of the  
5 Code, an individual retirement annuity described in section 408(b) of the Code, an  
6 annuity plan described in section 403(a) of the Code, or a qualified trust described in  
7 section 401(a) of the Code, that accepts the distributee's eligible rollover distribution.  
8 However, in case of an eligible rollover distribution to the surviving spouse, an eligible  
9 retirement plan is an individual retirement account or an individual retirement annuity.  
10 Provided, a distributee includes an employee or former employee. In addition, the  
11 employee's or former employee's surviving spouse and the employee's or former  
12 employee's spouse or former spouse who is the alternate payee under a qualified  
13 domestic relations order, as defined in section 414(p) of the Code, or a court ordered  
14 equitable distribution of marital property, as provided under G.S. 50-20, whichever may  
15 be applicable, are distributees with regard to the interest of the spouse or former spouse.  
16 Provided further, a direct rollover is a payment by the Plan to the eligible retirement  
17 plan specified by the distributee."

18           Sec. 9. Sections 1, 3, 5, and 7 of this act are effective upon ratification. The  
19 remainder of this act becomes effective January 1, 1993.