

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1993

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SENATE BILL 600
House Committee Substitute Favorable 7/12/93

Short Title: IRC Compliance.

(Public)

Sponsors:

Referred to:

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, AND TO PERMIT CERTAIN ROLLOVERS AMONG QUALIFIED PLANS..

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

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

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

14 **"§ 120-4.31. Internal Revenue Code compliance.**

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

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

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

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

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

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

20 "(f) Return of Accumulated Contributions. – Should a member cease to be an
21 employee except by death or retirement under the provisions of this Chapter, he shall
22 upon submission of an application be paid, not earlier than 60 days from the date of
23 termination of service, his contributions and, if he has attained at least five years of
24 membership service or if termination of his membership service is involuntary as
25 certified by the employer, the accumulated regular interest thereon, provided that he has
26 not in the meantime returned to service. Upon payment of such sum his membership in
27 the System shall cease and, if he thereafter again becomes a member, no credit shall be
28 allowed for any service previously rendered except as provided in G.S. 128-26; and
29 such payment shall be in full and complete discharge of any rights in or to any benefits
30 otherwise payable hereunder. Upon receipt of proof satisfactory to the Board of
31 Trustees of the death, prior to retirement, of a member or former member there shall be
32 paid to such person or persons as he shall have nominated by written designation duly
33 acknowledged and filed with the Board of Trustees, if such person or persons are living
34 at the time of the member's death, otherwise to the member's legal representatives, the
35 amount of his accumulated contributions at the time of his death, unless the beneficiary
36 elects to receive the alternate benefit under the provisions of (m) below. ~~Notwithstanding~~
37 ~~any other provision of Chapter 128, there shall be deducted from any amount otherwise payable~~
38 ~~hereunder any amount due any participating employer by the member by reason of any~~
39 ~~outstanding overpayment of salary or by reason of the embezzlement of fees collected by the~~
40 ~~member for any participating employer; provided that, notwithstanding any other provisions of~~
41 ~~this Chapter, even if the member fails to demand the return of his accumulated contributions~~
42 ~~within 90 days from the day he ceases to be an employee, any amount due such participating~~
43 ~~employer by reason of any outstanding overpayment of salary or embezzlement of fees shall be~~
44 ~~paid to such participating employer upon demand; provided, further, that such participating~~
45 ~~employer shall have notified the executive secretary of any amount so due and that the~~

1 Retirement System shall have no liability for amounts so deducted and transmitted to such
2 participating employer 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 Sec. 4. G.S. 128-38.2 reads as rewritten:

14 **"§ 128-38.2. Internal Revenue Code compliance.**

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

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

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

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

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

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

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

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

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

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

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

24 **"§ 135-18.7. Internal Revenue Code compliance.**

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

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

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

1 (d) This subsection applies to distributions made on or after January 1, 1993.
2 Notwithstanding any other provision of the Plan to the contrary that would otherwise
3 limit a distributee's election under this Article, a distributee may elect, at the time and in
4 the manner prescribed by the Plan administrator, to have any portion of an eligible
5 rollover distribution paid directly to an eligible retirement plan specified by the
6 distributee in a direct rollover. Provided, an eligible rollover distribution is any
7 distribution of all or any portion of the balance to the credit of the distributee, except
8 that an eligible rollover distribution does not include: any distribution that is one of a
9 series of substantially equal periodic payments (not less frequently than annually) made
10 for the life (or life expectancy) of the distributee or the joint lives(or joint life
11 expectancies) of the distributee and the distributee's designated beneficiary, or for a
12 specified period of 10 years or more; any distribution to the extent such distribution is
13 required under section 401(a)(9) of the Code; and the portion of any distribution that is
14 not includible in gross income (determined without regard to the exclusion for net
15 realized appreciation with respect to employer securities). Provided, an eligible
16 retirement plan is an individual retirement account described in section 408(a) of the
17 Code, an individual retirement annuity described in section 408(b) of the Code, an
18 annuity plan described in section 403(a) of the Code, or a qualified trust described in
19 section 401(a) of the Code, that accepts the distributee's eligible rollover distribution.
20 However, in case of an eligible rollover distribution to the surviving spouse, an eligible
21 retirement plan is an individual retirement account or an individual retirement annuity.
22 Provided, a distributee includes an employee or former employee. In addition, the
23 employee's or former employee's surviving spouse and the employee's or former
24 employee's spouse or former spouse who is the alternate payee under a qualified
25 domestic relations order, as defined in section 414(p) of the Code, or a court ordered
26 equitable distribution of marital property, as provided under G.S. 50-20, whichever may
27 be applicable, are distributees with regard to the interest of the spouse or former spouse.
28 Provided further, a direct rollover is a payment by the Plan to the eligible retirement
29 plan specified by the distributee."

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

31 **"§ 135-62. Return of accumulated contributions.**

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

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

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

15 **"§ 135-74. Internal Revenue Code compliance.**

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

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

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

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

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

21 Sec. 9. G.S. 135-94(a) reads as rewritten:

22 "(a) The Department of State Treasurer and the Board of Trustees shall establish a
23 schedule of supplemental retirement income benefits for all members of the
24 Supplemental Retirement Income Plan, subject to the following limitations:

- 25 (1) The balance in each member's account shall be fully vested at all times
26 and shall not be subject to forfeiture for any reason.
- 27 (2) All amounts maintained in a member's account shall be invested
28 according to the member's election, as approved by the Department of
29 State Treasurer and Board of Trustees, including but not limited to, a
30 time deposit account, a fixed investment account, or a variable
31 investment account. Transfers of accumulated funds shall be permitted
32 among the various approved forms of investment.
- 33 (3) The Department of State Treasurer and Board of Trustees shall provide
34 members with alternative payment options, including survivors'
35 options, for the distribution of benefits from the Plan upon retirement,
36 disability, termination, hardship, and death.
- 37 (4) With the consent of the Department of State Treasurer and the Board
38 of Trustees, amounts may be transferred from other qualified plans to
39 the Supplemental Retirement Income Plan, provided that the trust from
40 which such funds are transferred permits the transfer to be made and,
41 the transfer will not jeopardize the tax status of the Supplemental
42 Retirement Income ~~Plan-Plan.~~ ~~or create adverse tax consequences for the~~
43 ~~State.~~

- 1 (5) At the discretion of the Department of State Treasurer and Board of
2 Trustees, a loan program may be implemented for members which
3 complies with applicable State and federal laws and regulations."
4 Sec. 10. Sections 1, 3, 5, and 7 of this act are effective upon ratification. The
5 remainder of this act becomes effective January 1, 1993.