

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

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HOUSE BILL 1022

Short Title: Retirement Service Transfer.

(Public)

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Sponsors: Representatives Hardy; and Morris.

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Referred to: Rules, Calendar and Operations of the House.

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April 21, 1997

A BILL TO BE ENTITLED

1 AN ACT TO PROVIDE FOR MEMBERS OF THE CONSOLIDATED JUDICIAL  
2 RETIREMENT SYSTEM TO TRANSFER CREDITABLE SERVICE FROM THE  
3 TEACHERS' AND STATE EMPLOYEES' RETIREMENT SYSTEM, THE  
4 LEGISLATIVE RETIREMENT SYSTEM, OR THE LOCAL GOVERNMENTAL  
5 EMPLOYEES' RETIREMENT SYSTEM TO THE CONSOLIDATED JUDICIAL  
6 RETIREMENT SYSTEM.  
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8 The General Assembly of North Carolina enacts:

9 Section 1. Article 1A of Chapter 120 of the General Statutes is amended by  
10 adding a new subsection to read:

11 "**§ 120-4.32. Transfer of members.**

12 On or after July 1, 1997, the accumulated contributions and creditable service of any  
13 member whose service as a member of the General Assembly has been or is terminated  
14 other than by retirement or death and who, while still a member of this Retirement  
15 System, became or becomes a member, as defined in G.S. 135-53(11), of the  
16 Consolidated Judicial Retirement System, shall be transferred from this Retirement  
17 System to the Consolidated Judicial Retirement System. In order to effect the transfer of  
18 a member's creditable service from the Legislative Retirement System to the  
19 Consolidated Judicial Retirement System on and after July 1, 1997, the accumulated  
20 contributions of each member credited in the annuity savings fund in the Legislative

1 Retirement System shall be transferred and credited to the annuity savings fund in the  
2 Consolidated Judicial Retirement System."

3 Section 2. G.S. 128-34 is amended by adding a new subsection to read:

4 "(d) On or after July 1, 1997, the accumulated contributions and creditable service  
5 of any member whose service as a local governmental employee has been or is  
6 terminated other than by retirement or death and who, while still a member of this  
7 Retirement System, became or becomes a member, as defined in G.S. 135-53(11), of the  
8 Consolidated Judicial Retirement System, shall be transferred from this Retirement  
9 System to the Consolidated Judicial Retirement System. In order to effect the transfer of  
10 a member's creditable service from the Local Governmental Employees' Retirement  
11 System to the Consolidated Judicial Retirement System on and after July 1, 1997, the  
12 accumulated contributions of each member credited in the annuity savings fund in the  
13 Local Governmental Employees' Retirement System shall be transferred and credited to  
14 the annuity savings fund in the Consolidated Judicial Retirement System."

15 Section 3. G.S. 135-28.1 is amended by adding a new subsection to read:

16 "(f) Notwithstanding the provisions of subsections (a), (b), (c), (d), and (e) of this  
17 section, on or after July 1, 1997, the accumulated contributions and creditable service of  
18 any member whose service as a teacher or State employee has been or is terminated other  
19 than by retirement or death and who, while still a member of this Retirement System,  
20 became or becomes a member, as defined in G.S. 135-53(11), of the Consolidated  
21 Judicial Retirement System, shall be transferred from this Retirement System to the  
22 Consolidated Judicial Retirement System. In order to effect the transfer of a member's  
23 creditable service from the Teachers' and State Employees' Retirement System to the  
24 Consolidated Judicial Retirement System on and after July 1, 1997, the accumulated  
25 contributions of each member credited in the annuity savings fund in the Teachers' and  
26 State Employees' Retirement System shall be transferred and credited to the annuity  
27 savings fund in the Consolidated Judicial Retirement System."

28 Section 4. G.S. 135-56 is amended by adding a new subsection to read:

29 "(f) On and after July 1, 1997, the creditable service of a member who was a  
30 member of the Legislative Retirement System, Local Governmental Retirement System,  
31 or Teachers' and State Employees' Retirement System and whose accumulated  
32 contributions are transferred from that System to this System, includes service that was  
33 creditable in the Legislative Retirement System, the Local Governmental Employees'  
34 Retirement System, or Teachers' and State Employees' Retirement System, and  
35 membership service with that Retirement System is membership service with this  
36 Retirement System. Any service transferred shall be creditable service for the purposes  
37 of G.S. 135-58(a2) at the level provided at the time the person first became a member of  
38 this System."

39 Section 5. G.S. 135-56.2 is repealed.

40 Section 6. G.S. 135-58(a1) reads as rewritten:

41 "(a1) Any member who retires under the provisions of subsection (a) or subsection  
42 (c) of G.S. 135-57 on or after July 1, 1990, but before July 1, 1997, after he either has  
43 attained his 65th birthday or has completed 24 years or more of creditable service shall

1 receive an annual retirement allowance, payable monthly, which shall commence on the  
2 effective date of his retirement and shall be continued on the first day of each month  
3 thereafter during his lifetime, the amount of which shall be computed as the sum of (1),  
4 (2), and (3) following, provided that in no event shall the annual allowance payable to  
5 any member be greater than an amount which, when added to the allowance, if any, to  
6 which he is entitled under the Teachers' and State Employees' Retirement System, the  
7 Legislative Retirement System or the North Carolina Local Governmental Employees'  
8 Retirement System (prior in any case to any reduction for early retirement or for an  
9 optional mode of payment) would total three-fourths of his final compensation:

- 10 (1) Four and two-hundredths percent (4.02%) of his final compensation,  
11 multiplied by the number of years of his creditable service rendered as a  
12 justice of the Supreme Court or judge of the Court of Appeals;
- 13 (2) Three and fifty-two hundredths percent (3.52%) of his final  
14 compensation, multiplied by the number of years of his creditable  
15 service rendered as a judge of the superior court or as administrative  
16 officer of the courts;
- 17 (3) Three and two-hundredths percent (3.02%) of his final compensation,  
18 multiplied by the number of years of his creditable service rendered as a  
19 judge of the district court, district attorney, or clerk of superior court."

20 Section 7. G.S. 135-58 is amended by adding a new subsection to read:

21 "(a2) Any member who retires under the provisions of subsection (a) or subsection  
22 (c) of G.S. 135-57 on or after July 1, 1997, after he either has attained his 65th birthday  
23 or has completed 24 years or more of creditable service, shall receive an annual  
24 retirement allowance, payable monthly, which shall commence on the effective date of  
25 his retirement and shall be continued on the first day of each month thereafter during his  
26 lifetime, the amount of which shall be computed as the sum of the amounts in  
27 subdivisions (1), (2), (3), and (4) following, provided that in no event shall the annual  
28 allowance payable to any member be greater than an amount which, prior in any case to  
29 any reduction for early retirement or for an optional mode of payment, would total three-  
30 fourths of his final compensation:

- 31 (1) Four and two-hundredths percent (4.02%) of his final compensation,  
32 multiplied by the number of years of his creditable service rendered as a  
33 justice of the Supreme Court or judge of the Court of Appeals, or  
34 creditable service transferred from the Legislative Retirement System,  
35 the Local Governmental Retirement System, or the Teachers' and State  
36 Employees' Retirement System;
- 37 (2) Three and fifty-two hundredths percent (3.52%) of his final  
38 compensation, multiplied by the number of years of his creditable  
39 service rendered as a judge of the superior court or as administrative  
40 officer of the courts, or creditable service transferred from the  
41 Legislative Retirement System, the Local Governmental Retirement  
42 System, or the Teachers' and State Employees' Retirement System;

1           (3) Three and two-hundredths percent (3.02%) of his final compensation,  
2 multiplied by the number of years of his creditable service, rendered as  
3 a judge of the district court, district attorney, or clerk of superior court,  
4 or creditable service transferred from the Legislative Retirement  
5 System, the Local Governmental Retirement System, or the Teachers'  
6 and State Employees' Retirement System."

7           Section 8. G.S. 135-60(a) reads as rewritten:

8           "(a) Upon retirement for disability in accordance with G.S. 135-59, a member shall  
9 receive a disability retirement allowance computed and payable as provided for service  
10 retirement in G.S. ~~135-58(a)~~ 135-58(a2) except that the member's creditable service shall  
11 be taken as the creditable service he would have had had he continued in service to the  
12 earliest date he could have retired on an unreduced service retirement allowance as a  
13 member in the same division of the General Court of Justice in which he was serving on  
14 his disability retirement date."

15           Section 9. Chapter 135 is amended by adding a new section to read:

16 **"§ 135-70A. Transfer of members from the Teachers' and State Employees'**  
17 **Retirement System.**

18           (a) On or after July 1, 1997, the accumulated contributions and creditable service,  
19 if any, of a former teacher or State employee, member of the General Assembly, or local  
20 governmental employee, as defined in G.S. 135-1(25), 135-1(10), 120-4.8(9), 120-  
21 4.8(12), and 128-21(10), respectively, who is an actively contributing member of the  
22 Consolidated Judicial Retirement System, shall be transferred from the Teachers' and  
23 State Employees' Retirement System, the Legislative Retirement System, or the Local  
24 Governmental Employees' Retirement System to the Consolidated Judicial Retirement  
25 System. The accumulated contributions and creditable service of any member whose  
26 service as a teacher or State employee, member of the General Assembly, or local  
27 governmental employee is terminated other than by retirement or death and, who  
28 becomes a member of the Consolidated Judicial Retirement System on or after July 1,  
29 1997, shall be transferred from the Teachers' and State Employees' Retirement System,  
30 the Legislative Retirement System, or the Local Governmental Employees' Retirement  
31 System to the Consolidated Judicial Retirement System. In order to effect the transfer of  
32 a member's creditable service from the Teachers' and State Employees' Retirement  
33 System, the Legislative Retirement System, or the Local Governmental Employees'  
34 Retirement System to the Consolidated Judicial Retirement System on and after July 1,  
35 1997, the accumulated contributions of each member credited in the annuity savings fund  
36 in the Teachers' and State Employees' Retirement System, the Legislative Retirement  
37 System, or the Local Governmental Employees' Retirement System shall be transferred  
38 and credited to the annuity savings fund in the Consolidated Judicial Retirement System.

39           (b) The Board of Trustees shall effect such rules as it may deem necessary to  
40 administer the preceding subsection and to prevent any duplication of service credits or  
41 benefits that might otherwise occur."

42           Section 10. This act becomes effective July 1, 1997.