

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1999

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HOUSE BILL 940*

Short Title: Retirement System Transfer.

(Public)

Sponsors: Representatives Hardaway; Allen, Baddour, Barefoot, Bonner, Braswell, Crawford, Culpepper, Fitch, Goodwin, Hackney, Haire, Hunter, McLawhorn, Melton, Morris, Owens, Ramsey, Redwine, Rogers, Sutton, Tolson, Tucker, Wainwright, Walend, Warren, Womble, and Yongue.

Referred to: Pensions and Retirement.

April 7, 1999

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 AND THE
4 LOCAL GOVERNMENTAL EMPLOYEES' RETIREMENT SYSTEM TO THE
5 CONSOLIDATED JUDICIAL RETIREMENT SYSTEM.
6

7 The General Assembly of North Carolina enacts:

8 Section 1. G.S. 128-34 is amended by adding a new subsection to read:

9 "(d) The accumulated contributions and creditable service of any member whose
10 service as an employee has been or is terminated other than by retirement or death and
11 who, while still a member of this Retirement System, became or becomes a member, as
12 defined in G.S. 135-53(11), of the Consolidated Judicial Retirement System for a period
13 of five or more years shall be transferred from this Retirement System to the
14 Consolidated Judicial Retirement System. In order to effect the transfer of a member's
15 creditable service from the Local Governmental Employees' Retirement System to the
16 Consolidated Judicial Retirement System, there shall be transferred from the Local
17 Governmental Employees' Retirement System to the Consolidated Judicial Retirement

1 System the sum of (i) the accumulated contributions of the member credited in the
2 annuity savings fund and (ii) the amount of reserve held in the Local Governmental
3 Employees' Retirement System as a result of previous contributions by the employer on
4 behalf of the transferring member."

5 Section 2. G.S. 135-28.1 is amended by adding a new subsection to read:

6 "(f) Notwithstanding the provisions of subsections (a), (b), (c), (d), and (e) of this
7 section, the accumulated contributions and creditable service of any member whose
8 service as a teacher or employee has been or is terminated other than by retirement or
9 death and who, while still a member of this Retirement System, became or becomes a
10 member, as defined in G.S. 135-53(11), of the Consolidated Judicial Retirement System
11 for a period of five or more years shall be transferred from this Retirement System to the
12 Consolidated Judicial Retirement System. In order to effect the transfer of a member's
13 creditable service from the Teachers' and State Employees' Retirement System to the
14 Consolidated Judicial Retirement System, there shall be transferred from the Teachers'
15 and State Employees' Retirement System to the Consolidated Judicial Retirement System
16 the sum of (i) the accumulated contributions of the member credited in the annuity
17 savings fund and (ii) the amount of reserve held in the Teachers' and State Employees'
18 Retirement System as a result of previous contributions by the employer on behalf of the
19 transferring member."

20 Section 3. G.S. 135-56 is amended by adding a new subsection to read:

21 "(f) The creditable service of a member who was a member of the Local
22 Governmental Employees' Retirement System or the Teachers' and State Employees'
23 Retirement System and whose accumulated contributions and reserves are transferred
24 from that System to this System, includes service that was creditable in the Local
25 Governmental Employees' Retirement System or the Teachers' and State Employees'
26 Retirement System, and membership service with those Retirement Systems is
27 membership service with this Retirement System."

28 Section 4. G.S. 135-58(a1) reads as rewritten:

29 "(a1) Any member who retires under the provisions of subsection (a) or subsection
30 (c) of G.S. 135-57 on or after July 1, 1990, but before July 1, 1999, after he either has
31 attained his 65th birthday or has completed 24 years or more of creditable service shall
32 receive an annual retirement allowance, payable monthly, which shall commence on the
33 effective date of his retirement and shall be continued on the first day of each month
34 thereafter during his lifetime, the amount of which shall be computed as the sum of (1),
35 (2), and (3) following, provided that in no event shall the annual allowance payable to
36 any member be greater than an amount which, when added to the allowance, if any, to
37 which he is entitled under the Teachers' and State Employees' Retirement System, the
38 Legislative Retirement System or the North Carolina Local Governmental Employees'
39 Retirement System (prior in any case to any reduction for early retirement or for an
40 optional mode of payment) would total three-fourths of his final compensation:

41 (1) Four and two-hundredths percent (4.02%) of his final compensation,
42 multiplied by the number of years of his creditable service rendered as a
43 justice of the Supreme Court or judge of the Court of Appeals;

1 (2) Three and fifty-two hundredths percent (3.52%) of his final
2 compensation, multiplied by the number of years of his creditable
3 service rendered as a judge of the superior court or as administrative
4 officer of the courts;

5 (3) Three and two-hundredths percent (3.02%) of his final compensation,
6 multiplied by the number of years of his creditable service rendered as a
7 judge of the district court, district attorney, or clerk of superior court."

8 Section 5. G.S. 135-58 is amended by adding a new subsection to read:

9 "(a2) Any member who retires under the provisions of G.S. 135-57(a) or G.S. 135-
10 57(c) on or after July 1, 1999, after the member has either attained the member's 65th
11 birthday or has completed 24 years or more of creditable service, shall receive an annual
12 retirement allowance, payable monthly, which shall commence on the effective date of
13 the member's retirement and shall be continued on the first day of each month thereafter
14 during the member's lifetime, the amount of which shall be computed as the sum of the
15 amounts in subdivisions (1), (2), (3), (4), and (5) following, provided that in no event
16 shall the annual allowance payable to any member be greater than an amount which,
17 when added to the allowance, if any, to which the member is entitled under the Teachers'
18 and State Employees' Retirement System, the Legislative Retirement System, or the
19 Local Governmental Employees' Retirement System (prior in any case to any reduction
20 for early retirement or for an optional mode of payment) would total three-fourths of the
21 member's final compensation:

22 (1) Four and two-hundredths percent (4.02%) of the member's final
23 compensation, multiplied by the number of years of creditable service
24 rendered as a justice of the Supreme Court or judge of the Court of
25 Appeals;

26 (2) Three and fifty-two hundredths percent (3.52%) of the member's final
27 compensation, multiplied by the number of years of creditable service
28 rendered as a judge of the superior court or as Administrative Officer of
29 the Courts;

30 (3) Three and two-hundredths percent (3.02%) of the member's final
31 compensation, multiplied by the number of years of creditable service,
32 rendered as a judge of the district court, district attorney, or clerk of
33 superior court;

34 (4) A service retirement allowance computed in accordance with the service
35 retirement provisions of Article 3 of Chapter 128 of the General Statutes
36 using an average final compensation as defined in G.S. 135-53(2a) and
37 creditable service equal to the number of years of the member's
38 creditable service that was transferred from the Local Governmental
39 Employees' Retirement System to this System as provided in G.S. 135-
40 56; and

41 (5) A service retirement allowance computed in accordance with the service
42 retirement provisions of Article 1 of this Chapter using an average final
43 compensation as defined in G.S. 135-53(2a) and creditable service equal

1 to the number of years of the member's creditable service that was
2 transferred from the Teachers' and State Employees' Retirement System
3 to this System as provided in G.S. 135-56."

4 Section 6. G.S. 135-53 is amended by adding a new subdivision to read:

5 "(2a) "Average final compensation" shall mean the average annual
6 compensation of a member during the 48 consecutive calendar months
7 of membership service producing the highest such average."

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

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

16 Section 8. Chapter 135 of the General Statutes is amended by adding a new
17 section to read:

18 "**§ 135-70A. Transfer of members from the Local Governmental Employees'**
19 **Retirement System or the Teachers' and State Employees' Retirement**
20 **System.**

21 (a) The accumulated contributions, creditable service, and reserves, if any, of a
22 former teacher or employee, as defined in G.S. 135-1(25), 135-1(10), and 128-21(10),
23 respectively, who is a member of the Consolidated Judicial Retirement System for a
24 period of five or more years shall be transferred from the Local Governmental
25 Employees' Retirement System or the Teachers' and State Employees' Retirement System
26 to the Consolidated Judicial Retirement System. The accumulated contributions,
27 creditable service, and reserves of any member whose service as a teacher or employee is
28 terminated other than by retirement or death and who becomes a member of the
29 Consolidated Judicial Retirement System shall be transferred from the Local
30 Governmental Employees' Retirement System or the Teachers' and State Employees'
31 Retirement System to the Consolidated Judicial Retirement System. In order to effect the
32 transfer of a member's creditable service from the Local Governmental Retirement
33 System or the Teachers' and State Employees' Retirement System to the Consolidated
34 Judicial Retirement System, the accumulated contributions of each member credited in
35 the annuity savings fund in the Local Governmental Employees' Retirement System or
36 the Teachers' and State Employees' Retirement System shall be transferred and credited
37 to the annuity savings fund in the Consolidated Judicial Retirement System.

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

41 Section 9. This act is effective when it becomes law.