

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1999

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SENATE BILL 758\*

Short Title: Purchase of Part-Time Service.

(Public)

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Sponsors: Senators Kinnaird; Foxx, Lee, Miller, Reeves, and Wellons.

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Referred to: Pensions & Retirement and Aging.

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April 5, 1999

A BILL TO BE ENTITLED

1 AN ACT TO ALLOW MEMBERS OF THE TEACHERS' AND STATE EMPLOYEES'  
2 RETIREMENT SYSTEM TO PURCHASE CERTAIN PART-TIME SERVICE  
3 RENDERED WHILE FULL-TIME STUDENTS.  
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5 The General Assembly of North Carolina enacts:

6 Section 1. G.S. 135-4(p1) reads as rewritten:

7 "(p1) Part-Time Service Credit. –

8 (1) Notwithstanding any other provision of this Chapter, upon completion  
9 of five years of membership service, any member may purchase service  
10 previously rendered as a part-time teacher or employee of an employer  
11 as defined in G.S. 135-1(11) or G.S. 128-21(11), except for temporary  
12 or part-time service rendered while a full-time student in pursuit of a  
13 degree or diploma in a degree-granting program. Payment shall be  
14 made in a single lump sum in an amount equal to the full actuarial cost  
15 of providing credit for the service, together with interest and an  
16 administrative fee, as determined by the Board of Trustees on the advice  
17 of the Retirement System's actuary. Notwithstanding the provisions of  
18 G.S. 135-4(b), the Board of Trustees shall fix and determine by  
19 appropriate rules and regulations how much service in any year, as  
20 based on compensation, is equivalent to one year of service in

1 proportion to "earnable compensation", but in no case shall more than  
2 one year of service be creditable for all service in one year. Service  
3 rendered for the regular school year in any district shall be equivalent to  
4 one year's service. Notwithstanding the foregoing provisions of this  
5 subdivision that provide for the purchase of service credits, the terms  
6 "full cost", "full liability", and "full actuarial cost" include assumed  
7 annual post-retirement allowance increases, as determined by the Board  
8 of Trustees, from the earliest age at which a member could retire on an  
9 unreduced service allowance.

10 (2) Under all requirements and conditions set forth in the preceding  
11 subdivision of this subsection (p1), except for the requirement that the  
12 completion of five years of membership service be subsequent to  
13 service rendered as a part-time teacher or employee of the State, any  
14 member with five or more years of membership service standing to his  
15 credit may purchase additional membership service for service rendered  
16 as a part-time teacher or employee of the State if (i) the member  
17 terminates or has terminated employment in any capacity as a teacher or  
18 employee of the State, (ii) the purchase of the additional membership  
19 service causes the member to become eligible to commence an early or  
20 service retirement allowance, and (iii) the member immediately elects to  
21 commence retirement and become a beneficiary.

22 (3) Under all the requirements and conditions set forth in subdivision (1) of  
23 this subsection, except for the condition that part-time service rendered  
24 when a full-time student in pursuit of a degree or diploma in a degree-  
25 granting program is not eligible for purchase, any member with five or  
26 more years of membership service standing to the member's credit may  
27 purchase creditable service for service rendered as a part-time teacher or  
28 employee of the State if that service was rendered on a permanent part-  
29 time basis and required at least 20 hours of service per week."

30 Section 2. This act becomes effective July 1, 1999.