

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2005

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HOUSE DRH50337-LL-185 (4/12)

Short Title: Purchase Part-Time Retirement Service. (Public)

Sponsors: Representative Insko.

Referred to:

A BILL TO BE ENTITLED

AN ACT TO MODIFY THE FORMULA FOR THE PURCHASE OF PART-TIME SERVICE IN THE TEACHERS' AND STATE EMPLOYEES' RETIREMENT SYSTEM.

The General Assembly of North Carolina enacts:

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

"(1) Notwithstanding any other provision of this Chapter, upon completion of five years of membership service, any member may purchase service previously rendered as a part-time teacher or employee of an employer as defined in G.S. 135-1(11) or G.S. 128-21(11), except for temporary or part-time service rendered while a full-time student in pursuit of a degree or diploma in a degree-granting program. Service may be purchased either in full or in one-year increments. Payment shall be made in a single lump sum in an amount equal to ~~the full actuarial cost of providing credit for the service,~~ twelve percent (12%) of compensation at the time of service plus interest compounded annually at the rate of six and one-half percent (6.5%) for each calendar year from the year of part-time service to the year of service purchase, together with ~~interest and~~ an administrative fee, as determined by the Board of ~~Trustees on the advice of the Retirement System's actuary.~~ Trustees. Notwithstanding the provisions of G.S. 135-4(b), the Board of Trustees shall fix and determine by appropriate rules and regulations how much service in any year, as based on compensation, is equivalent to one year of service in proportion to "earnable compensation", but in no case shall more than one year of service be creditable for all service in one year. Service rendered for the regular school year in any district shall be equivalent

1 to one year's service. For the purpose of computing a one-year
2 increment for service by employees not in school districts,
3 three-fourths time or greater shall be considered full-time.
4 ~~Notwithstanding the foregoing provisions of this subdivision that~~
5 ~~provide for the purchase of service credits, the terms "full cost", "full~~
6 ~~liability", and "full actuarial cost" include assumed annual~~
7 ~~post retirement allowance increases, as determined by the Board of~~
8 ~~Trustees, from the earliest age at which a member could retire on an~~
9 ~~unreduced service allowance."~~

10 **SECTION 2.** This act is effective when it becomes law.