

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2005

H

1

HOUSE BILL 2061

Short Title: Legislative Retiree Repayment and Transfer. (Public)

Sponsors: Representatives B. Allen, Jeffus, Womble (Primary Sponsors); Adams, Carney, Coleman, Cunningham, Jones, Luebke, McLawhorn, Ross, Wainwright, and Wright.

Referred to: Pensions and Retirement.

May 18, 2006

A BILL TO BE ENTITLED

AN ACT TO ALLOW FOR CERTAIN TRANSFERS OF SERVICE FROM THE
LEGISLATIVE RETIREMENT SYSTEM.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 120-4.13 is amended by adding a new subsection to read:

"(d) Any member who retired from this Retirement System on or before January 1, 2004, and who is also a member of the Teachers' and State Employees' Retirement System or the Consolidated Judicial Retirement System, may elect to rescind the member's retirement by repaying all retirement allowances received as a retiree of this Retirement System and thereby qualify for the transfers of service authorized by subsections (b) and (c) of this section."

SECTION 2. G.S. 135-18.9 reads as rewritten:

"§ 135-18.9. Transfer of members from the Legislative Retirement System or the Consolidated Judicial Retirement System.

(a) The accumulated contributions, creditable service, and reserves, if any, of a member of the Legislative Retirement System, as provided for in Article 1A of G.S. 120, or the Consolidated Judicial Retirement System, as provided for in Article 4 of G.S. 135, who later becomes a member of the Teachers' and State Employees' Retirement System for a period of five or more years may, upon application of the member, be transferred from the Legislative Retirement System or the Consolidated Judicial Retirement System. The accumulated contributions, creditable service, and reserves of any member whose service as a member of the Legislative Retirement System or the Consolidated Judicial Retirement System is terminated other than by retirement or death and who later becomes a member of the Teachers' and State Employees' Retirement System may, upon application of the member, be transferred from the Legislative Retirement System or the Consolidated Judicial Retirement System to the Teachers' and State Employees' Retirement System. In order to effect the transfer

1 of a member's creditable service from the Legislative Retirement System or the
2 Consolidated Judicial Retirement System to the Teachers' and State Employees'
3 Retirement System, the accumulated contributions of each member credited in the
4 annuity savings fund in the Legislative Retirement System or the Consolidated Judicial
5 Retirement System shall be transferred and credited to the annuity savings fund in the
6 Teachers' and State Employees' Retirement System.

7 (a1) In the event that a retired member of the Legislative Retirement System elects
8 to transfer accumulated contributions, creditable service, and reserves, if any, to this
9 Retirement System, as authorized by G.S. 120-4.13(d):

10 (1) If the member is also a retired member of this Retirement System, the
11 member's retirement allowance shall be increased the month the
12 member rescinds the member's retirement in the Legislative
13 Retirement System. The increase in the retirement allowance shall be
14 the difference between the initial retirement allowance, under any
15 optional allowance elected at the time of retirement, and the amount of
16 the retirement allowance, under any optional allowance elected at the
17 time of retirement, to which the retired member would have been
18 entitled had the service been transferred prior to retirement, adjusted
19 by any increases in the retirement accrual rate occurring between the
20 member's date of retirement and the date the member rescinds the
21 member's retirement in the Legislative Retirement System. The
22 increase in the retirement allowance shall not include any adjustment
23 for cost-of-living increases granted since the date of retirement.

24 Upon the death of a retired member who has transferred service
25 from the Legislative Retirement System as authorized by
26 G.S. 120-4.13(d), the person or persons the retiree has nominated by
27 written designation duly acknowledged and filed with the Board of
28 Trustees for the death benefit provided by G.S. 135-5(g1), if the
29 person or persons are living at the time of the retiree's death, or
30 otherwise to the retiree's legal representatives, shall be paid an
31 additional death benefit equal to the excess, if any, of the accumulated
32 contributions transferred from the Legislative Retirement System over
33 the total of the increases in the retirement allowance attributable to
34 creditable service transferred from the Legislative Retirement System,
35 paid from the month in which the member rescinded the member's
36 retirement in the Legislative Retirement System until the death of the
37 retiree.

38 (2) If the member has not yet retired from this Retirement System, then
39 upon retirement the member shall receive an allowance calculated in
40 accordance with G.S. 135-5.

41 (b) The Board of Trustees shall effect such rules as it may deem necessary to
42 administer ~~subsection (a)~~ subsections (a) and (a1) of this section and to prevent any
43 duplication of service credits or benefits that might otherwise occur."

44 **SECTION 3.** G.S. 135-70.1 reads as rewritten:

1 **"§ 135-70.1. Transfer of members from the Local Governmental Employees'**
2 **Retirement System, the Teachers' and State Employees' Retirement**
3 **System, or the Legislative Retirement System.**

4 (a) The accumulated contributions, creditable service, and reserves, if any, of a
5 former teacher or employee, as defined in G.S. 135-1(25), 135-1(10), and 128-21(10),
6 respectively, or a former member of the General Assembly who is a member of the
7 Consolidated Judicial Retirement System for a period of five or more years may, upon
8 application of the member, be transferred from the Local Governmental Employees'
9 Retirement System, the Teachers' and State Employees' Retirement System, or the
10 Legislative Retirement System to the Consolidated Judicial Retirement System. The
11 accumulated contributions, creditable service, and reserves of any member whose
12 service as a teacher or employee or member of the General Assembly is terminated
13 other than by retirement or death and who becomes a member of the Consolidated
14 Judicial Retirement System may, upon application of the member, be transferred from
15 the Local Governmental Employees' Retirement System, the Teachers' and State
16 Employees' Retirement System, or the Legislative Retirement System to the
17 Consolidated Judicial Retirement System. In order to effect the transfer of a member's
18 creditable service from the Local Governmental Retirement System, the Teachers' and
19 State Employees' Retirement System, or the Legislative Retirement System, to the
20 Consolidated Judicial Retirement System, the accumulated contributions of each
21 member credited in the annuity savings fund in the Local Governmental Employees'
22 Retirement System, the Teachers' and State Employees' Retirement System, or the
23 Legislative Retirement System shall be transferred and credited to the annuity savings
24 fund in the Consolidated Judicial Retirement System.

25 (a1) In the event that a retired member of the Legislative Retirement System elects
26 to transfer accumulated contributions, creditable service, and reserves, if any, to this
27 Retirement System, as authorized by G.S. 120-4.13(d):

28 (1) If the member is also a retired member of this Retirement System, the
29 member's retirement allowance shall be increased the month the
30 member rescinds the member's retirement in the Legislative
31 Retirement System. The increase in the retirement allowance shall be
32 the difference between the initial retirement allowance, under any
33 optional allowance elected at the time of retirement, and the amount of
34 the retirement allowance, under any optional allowance elected at the
35 time of retirement, to which the retired member would have been
36 entitled had the service been transferred prior to retirement, adjusted
37 by any increases in the retirement accrual rate occurring between the
38 member's date of retirement and the date the member rescinds the
39 member's retirement in the Legislative Retirement System. The
40 increase in the retirement allowance shall not include any adjustment
41 for cost-of-living increases granted since the date of retirement.

42 Upon the death of a retired member who has transferred service
43 from the Legislative Retirement System as authorized by
44 G.S. 120-4.13(d), the person or persons the retiree has nominated by

1 written designation duly acknowledged and filed with the Board of
2 Trustees for the death benefit provided by G.S. 135-64(c) or (d), if the
3 person or persons are living at the time of the retiree's death, or
4 otherwise to the retiree's legal representatives, shall be paid an
5 additional death benefit equal to the excess, if any, of the accumulated
6 contributions transferred from the Legislative Retirement System over
7 the total of the increases in the retirement allowance attributable to
8 creditable service transferred from the Legislative Retirement System,
9 paid from the month in which the member rescinded the member's
10 retirement in the Legislative Retirement System until the death of the
11 retiree.

12 (2) If the member has not yet retired from this Retirement System, then
13 upon retirement the member shall receive a allowance calculated in
14 accordance with G.S. 135-58 or G.S. 135-60.

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

18 **SECTION 4.** This act becomes effective January 1, 2007, and expires
19 December 31, 2007.