

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

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HOUSE BILL 544

Short Title: Local Retire/Employer Payment.

(Public)

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Sponsors: Representatives Sherrill; Nesbitt and H. Hunter.

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Referred to: Pensions and Retirement.

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March 19, 1997

A BILL TO BE ENTITLED

1 AN ACT TO PROVIDE FOR THE PARTIAL PAYMENT OF EMPLOYEE  
2 CONTRIBUTIONS BY EMPLOYERS UNDER THE LOCAL GOVERNMENTAL  
3 EMPLOYEES' RETIREMENT SYSTEM.  
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5 The General Assembly of North Carolina enacts:

6 Section 1. G.S. 128-30 is amended by adding a new subsection to read:

7 "(b2) Partial Payment of Employee Contributions. – Notwithstanding any other  
8 provisions of this section, effective July 1, 1997, an employer may make an irrevocable  
9 election to pay all or any specified portion of the contributions which would be payable  
10 by the employees as members under subsection (b) of this section with respect to the  
11 service of employees on or after July 1, 1997, and have those contributions treated under  
12 the provisions of this subsection in lieu of the provisions of subsection (b1) of this  
13 section. An election made under this subsection is irrevocable, and the portion of the  
14 contributions to be paid by the employer cannot be reduced; however, an employer who  
15 has made an election under this subsection may increase the portion paid at any time.

16 The members' contributions paid by an employer pursuant to this subsection shall be  
17 credited to the annuity savings fund and accumulated within that fund in a member's  
18 account that shall be separately established for the purpose of accounting for  
19 contributions made pursuant to the provisions of subsection (b1) of this section and the  
20 provisions of this subsection.

1       The contributions paid by an employer pursuant to this subsection shall be paid  
2 directly by the employer and shall not be deducted from the member's compensation or  
3 be included in the member's compensation as defined in G.S. 128-21(7a).

4       Contributions made under this subsection shall be transmitted to the System monthly  
5 for the preceding month by means of a warrant drawn by the employer and payable to the  
6 Local Governmental Employees' Retirement System and shall be accompanied by a  
7 schedule of the contributions on forms to be prescribed. In the case of a failure to fulfill  
8 these conditions, the provisions of subdivision (g)(3) of this section shall apply.

9       The contributions paid by an employer pursuant to this subsection shall for all  
10 purposes, except as otherwise provided in this subsection, be treated as picked-up  
11 contributions made pursuant to the provisions of subsection (b1) of this section."

12       Section 2. This act becomes effective July 1, 1997, and applies to  
13 contributions payable with respect to service of employees on or after that date.