

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

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SENATE BILL 1138

Short Title: Credit for Probationary Employment.

(Public)

Sponsors: Senator Hartsell.

Referred to: Pensions & Retirement and Insurance.

May 18, 1998

A BILL TO BE ENTITLED

1 AN ACT TO ALLOW MEMBERS OF THE TEACHERS' AND STATE EMPLOYEES'
2 RETIREMENT SYSTEM TO PURCHASE CREDIT FOR PROBATIONARY
3 EMPLOYMENT WITH A LOCAL GOVERNMENT.
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5 The General Assembly of North Carolina enacts:

6 Section 1. G.S. 135-4 is amended by adding a new subsection to read:

7 "(bb) Credit at Full Cost for Probationary Local Government Employment. –
8 Notwithstanding any other provision of this Chapter, a member may purchase creditable
9 service, prior to retirement, for employment with any local employer as defined in G.S.
10 128-21(11) when considered to be in a probationary or employer-imposed waiting period
11 status, between the date of employment and the date of membership service with the
12 Local Governmental Employees' Retirement System, provided that the former employer
13 of such a member has revoked this probationary employment or waiting period policy.

14 The member shall purchase this service by making a lump-sum amount payable to the
15 Annuity Savings Fund equal to the full liability of the service credits calculated on the
16 basis of the assumptions used for purposes of the actuarial valuation of the liabilities of
17 the retirement system, and the calculation of the amount payable shall take into account
18 the retirement allowance arising on account of the additional service credit commencing
19 at the earliest age at which the member could retire on an unreduced retirement
20 allowance, as determined by the Board of Trustees upon the advice of the consulting

1 actuary, plus an administrative fee to be set by the Board of Trustees. Notwithstanding
2 the provisions of this subsection that provide for the purchase of service credits, the term
3 'full liability' includes assumed annual postretirement allowance increases, as determined
4 by the Board of Trustees, from the earliest age at which a member could retire on an
5 unreduced service allowance."

6 Section 2. This act becomes effective July 1, 1998.