

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2001

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HOUSE BILL 1722

Short Title: Purchase of Withdrawn Local Service.

(Public)

Sponsors: Representative Cole.

Referred to: Pensions and Retirement.

June 13, 2002

A BILL TO BE ENTITLED

AN ACT TO ALLOW THE PURCHASE OF WITHDRAWN SERVICE IN THE
LOCAL GOVERNMENTAL EMPLOYEES' RETIREMENT SYSTEM.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 128-26(i) reads as rewritten:

"(i) Notwithstanding any other provision of this Chapter, any person who withdrew his contributions in accordance with the provisions of G.S. 128-27(f) or 135-5(f) or the rules and regulations of the Law Enforcement Officers' Retirement System and who subsequently returns to service may, upon completion of ~~10~~five years of prior and current membership service, repay in a total lump sum any and all of the accumulated contributions previously withdrawn with ~~sufficient interest added thereto to cover one half of the cost of providing such additional credit plus a fee to cover expense of handling which shall be determined by the Board of Trustees and receive credit for the service forfeited at time of withdrawal(s), provided that he left service prior to July 1, 1975;~~interest compounded annually at the rate of six and one-half percent (6.5%) for each calendar year from the year of withdrawal to the year of repayment plus a fee to cover expense of handling, which shall be determined by the Board of Trustees, and receive credit for the service forfeited at time of withdrawal(s). ~~Any person who leaves service after June 30, 1975, and who withdraws his contributions in accordance with G.S. 128-27(f) or 135-5(f) or the rules and regulations of the Law Enforcement Officers' Retirement System and who subsequently returns to service may, upon completion of 10 years of prior and current membership service, repay in a total lump sum any and all of the accumulated contributions previously withdrawn with sufficient interest added thereto to cover the full cost of providing such additional credit plus a fee to cover expense of handling which shall be determined by the Board of Trustees and receive credit for the service forfeited at time of withdrawal(s).~~ These provisions shall apply equally to retired members who had attained ~~10~~five years of prior and current membership service prior to retirement. ~~Cost~~ as used in this subsection shall mean the amount of money required to provide

1 ~~additional retirement benefits based on service credit allowed at the time any adjustment~~
2 ~~to the service credit of a member is made.~~The retirement allowance of a retired member
3 who restores service under this subsection shall be increased the month following the
4 month payment is received. The increase in the retirement allowance shall be the
5 difference between the initial retirement allowance, under any optional allowance
6 elected at the time of retirement, and the amount of the retirement allowance, under any
7 optional allowance elected at the time of retirement, to which the retired member would
8 have been entitled had the service not been previously forfeited, adjusted by any
9 increases in the retirement accrual rate occurring between the member's date of
10 retirement and the date of payment. The increase in the retirement allowance shall not
11 include any adjustment for cost-of-living increases granted since the date of retirement."

12 **SECTION 2.** This act becomes effective January 1, 2003.