

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2009

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SENATE DRS15135-LL-27* (1/5)

Short Title: Purchase Service/Certain Employment.

(Public)

Sponsors: Senator Berger of Rockingham.

Referred to:

A BILL TO BE ENTITLED

AN ACT TO PROVIDE FOR THE PURCHASE OF CREDITABLE SERVICE BY MEMBERS OF THE LOCAL GOVERNMENTAL EMPLOYEES' RETIREMENT SYSTEM FOR CERTAIN PERIODS OF NONQUALIFIED EMPLOYMENT.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 128-26 is amended by adding a new subsection to read:

"(u1) Credit at Full Cost for Nonqualified Employment. – Notwithstanding any other provisions of this Chapter, any member may purchase a maximum of 10 years of creditable service for nonqualified employment with an economic development organization that receives at least fifty percent (50%) of its funding from local government, upon the completion of five years of membership service, by making a lump-sum payment into the Annuity Savings Fund. The member shall obtain written verification of the service from the nonprofit corporation. The payment by the member shall be equal to the full liability of the service credits calculated on the basis of the assumptions used for purposes of the actuarial valuation of the Retirement Systems liabilities, and the calculation of the amount payable shall take into account the additional retirement allowance arising on account of the additional service credits commencing at the earliest age at which the member could retire with an unreduced retirement allowance, as determined by the Board of Trustees upon the advice of the actuary plus an administrative fee to be determined by the Board of Trustees. Notwithstanding the foregoing provisions of this subsection that provide for the purchase of service credits, the terms "full cost," "full liability," and "full actuarial cost" include assumed annual postretirement allowance increases, as determined by the Board of Trustees, from the earliest age at which a member could retire on an unreduced service allowance."

SECTION 2. This act becomes effective July 1, 2009.

