

GENERAL ASSEMBLY OF NORTH CAROLINA
1985 SESSION

CHAPTER 400
HOUSE BILL 244

AN ACT TO MAKE TECHNICAL AMENDMENTS IN LEGISLATIVE
RETIREMENT AND HEALTH BENEFITS.

The General Assembly of North Carolina enacts:

Section 1. G.S. 120-4.11 is rewritten to read:

"§ 120-4.11. **Membership.** – The following members of the General Assembly and former members of the General Assembly are eligible for membership in the Retirement System, provided they are not contributing to nor are qualified to contribute to the North Carolina Teachers' and State Employees' Retirement System, the Local Governmental Employees' Retirement System, the Law Enforcement Officers' Retirement System, the Uniform Judicial Retirement System, the Uniform Solicitorial Retirement System, or the Uniform Clerks of Superior Court Retirement System:

- (1) Members of the General Assembly who serve on and after June 15, 1983; and
- (2) Former members of the General Assembly who served prior to June 15, 1983; and
 - a. Who elect to transfer current and future entitlements, or contributions, from the Legislative Retirement Fund established by Chapter 1269 of the 1969 Session Laws; or
 - b. Who have eight or more years of service as a member of the General Assembly."

Sec. 2. G.S. 120-4.14 is amended by inserting the words "final legislative" between the words "For" and "terms" in the first line of subdivisions (1) and (2).

Sec. 3. G.S. 120-4.28 is amended in the first line by inserting the words "in service" between the words "dies" and "before".

Sec. 4. Section 239 of Chapter 761 of the 1983 Session Laws is repealed effective December 31, 1984.

Sec. 5. Retroactive to October 1, 1982, G.S. 135- 40.2(a) and G.S. 135- 40.2(b) are each amended by adding the following subdivision to read:

"(3a) Employees of the General Assembly, not otherwise covered by this section, as determined by the Legislative Services Commission, except for legislative interns and pages."

Sec. 6. Retroactive to October 1, 1982, G.S. 135- 40.2(b) is amended by adding the following subdivision to read:

"(7) The spouses and eligible dependents of enrolled members of the General Assembly."

Sec. 7. Effective January 1, 1985, G.S. 120-4.11, as rewritten by Section 1 of this act, is amended by deleting "the Uniform Judicial Retirement System, the Uniform Solicitorial Retirement System, or the Uniform Clerks of Superior Court Retirement System", and substituting "or the Consolidated Judicial Retirement System of North Carolina".

Sec. 8. Effective upon the first day of the calendar month following 60 days after receipt of a favorable determination or ruling from the United States Department of Treasury's Internal Revenue Service that the Legislative Retirement System is a trust qualified under Section 401(a) of the Internal Revenue Code of 1954, as amended, G.S. 120-4.19 is amended by adding the following paragraph to read:

"Anything within this Article to the contrary notwithstanding, the State, pursuant to the provisions of Section 414(h)(2) of the Internal Revenue Code of 1954 as amended, shall pick up and pay the contributions which would be payable by the members under this section with respect to the services of such members rendered after the effective date of this paragraph. The members' contributions picked up by the State shall be designated for all purposes of the Retirement System as member contributions, except for the determination of tax upon a distribution from the System. These contributions shall be credited to the Annuity Savings Fund and accumulated within the Fund in a member's account which shall be separately established for the purpose of accounting for picked-up contributions. Member contributions picked up by the State shall be payable from the same source of funds used for the payment of compensation to a member. A deduction shall be made from a member's compensation equal to the amount of his contributions picked up by the State. This deduction, however, shall not reduce a member's compensation as defined in G.S. 120-4.8(1). Picked-up contributions shall be transmitted to the Retirement System monthly for the preceding month by means of a warrant drawn by the State payable to the Retirement System and shall be accompanied by a schedule of the picked-up contributions on such forms as may be prescribed."

Sec. 9. Effective upon the convening of the 1985 General Assembly, G.S. 120-4.27 is amended by adding a paragraph to read:

"The death benefit provided by this section shall be designated a group life insurance benefit payable under an employee welfare benefit plan that is separate and apart from the Retirement System but under which the members of the Retirement System shall participate and be eligible for group life insurance benefits. The Board of Trustees is authorized to provide the death benefit in the form of group life insurance either by purchasing a contract or contracts of group life insurance with any life insurance company or companies licensed and authorized to transact business in the State of North Carolina for the purpose of insuring the lives of qualified members in service, or by establishing or affiliating with a separate trust fund qualified under Section 501(c)(9) of the Internal Revenue Code of 1954, as amended."

Sec. 10. Effective upon ratification of this act, G.S. 120-111.3 is amended in the fifth line by deleting the word "that" and substituting in lieu thereof the word "each".

Sec. 11. Unless otherwise stated, this act is effective July 1, 1984.

In the General Assembly read three times and ratified, this the 17th day of June, 1985.