

GENERAL ASSEMBLY OF NORTH CAROLINA
1985 SESSION

CHAPTER 649
HOUSE BILL 712

AN ACT TO PROVIDE FOR VARIOUS CHANGES IN STATE AND LOCAL
RETIREMENT.

The General Assembly of North Carolina enacts:

Section 1. G.S. 128-26, 135-4 and 135-56 are amended by adding new subsections (h1), (j1) and (e) respectively to read:

"Any member may purchase creditable service for service as a member of the General Assembly not otherwise creditable under this section, provided the service is not credited in the Legislative Retirement Fund nor the Legislative Retirement System, and further provided the member pays a lump sum amount equal to the full cost of the additional service credits calculated on the basis of the assumptions used for the purposes of the actuarial valuation of the System's liabilities, taking into account the additional retirement allowance arising on account of the additional service credits commencing at the earliest age at which a member could retire on an unreduced retirement allowance as determined by the Board of Trustees upon the advice of the consulting actuary, plus an administrative fee to be set by the Board of Trustees."

Sec. 2. Section 5 of Chapter 1106 of the 1983 Session Laws, Regular Session 1984, is amended by adding between the numbers "1985" and the comma the phrase "except for Section 1 which shall become effective September 1, 1986."

Sec. 3. G.S. 128-21(5) and G.S. 135-1(5) are each amended after the word "average" and before the period by inserting a semicolon and the phrase "but shall not include any compensation, as determined by the Board of Trustees, for the reimbursement of expenses or payments for housing or any other allowances whether or not classified as salary and wages."

Sec. 4. G.S. 128-26(e) and G.S. 135-4(c) are amended by adding a sentence at the end to read:

"Creditable service for unused sick leave shall be allowed only for sick leave accrued monthly during employment under a duly adopted sick leave policy and for which the member may be able to take credits and be paid for sick leave without restriction."

Sec. 5. G.S. 120-4.29, 128-31, 135-9 and 143-166(g) are amended by adding a sentence to read:

"Notwithstanding any provisions to the contrary, any overpayment of benefits to a member in a State-administered retirement system or Disability Salary Continuation Plan may be offset against any retirement allowance, return of contributions or any

other right accruing under this Chapter to the same person, the person's estate, or designated beneficiary."

Sec. 6. G.S. 105A-2 is amended by adding new subsection p. to read:

"p. The Board of Trustees of the Teachers' and State Employees' Retirement System and the Board of Trustees of the Local Governmental Employees' Retirement System in the performance of their duties pursuant to Chapters 120, 128, 135 and 143 of the General Statutes."

Sec. 7. G.S. 135-58(a) is amended in the tenth line by inserting between the words "System" and "or" the phrase ", the Legislative Retirement System."

Sec. 8. G.S. 128-27(e) and G.S. 135-5(e) are each amended by adding a new subdivision (3a) to read:

"(3a) Notwithstanding the foregoing, a member retired on a disability retirement allowance who is restored to service and subsequently retires on or after July 1, 1985, shall be entitled to an allowance to which he would have been entitled if he were retiring for the first time, calculated on the basis of his total creditable service represented by the sum of his creditable service at the time of his first retirement and his creditable service after he was restored to service. Provided, however, any election of an optional allowance cannot be changed unless the member subsequently completes three years of membership service after being restored to service."

Sec. 9. G.S. 120-4.26 is amended by adding a new sentence at the end of the first paragraph to read:

"Provided, however, any member having elected Options 2 or 3 and nominated his or her spouse to receive a retirement allowance upon the member's death may, after divorce from his or her spouse, revoke the nomination and elect a new option, effective on the first day of the month in which the new option is elected, providing for a retirement allowance computed to be the actuarial equivalent to the retirement allowance in effect immediately prior to the effective date of the new option."

Sec. 10. G.S. 128-27(e) and G.S. 135-5(e) are each amended by adding a new subdivision (5) to read:

"(5) Notwithstanding any other provisions of this Article to the contrary, a beneficiary who was a beneficiary retired on a disability retirement with the Law Enforcement Officers' Retirement System at the time of the transfer of law enforcement officers employed by a participating employer and beneficiaries last employed by a participating employer to this Retirement System and who also was a contributing member of this Retirement System at that time, shall continue to be paid his retirement allowance without restriction and may continue as a member of this Retirement System with all the rights and privileges appendant to membership. Any beneficiary who retired on a disability retirement allowance as an employee of any participating employer under the Law Enforcement Officers' Retirement System and becomes employed as an employee other than as a law enforcement officer by an employer participating in the Retirement System after the aforementioned transfer shall continue to be paid his retirement allowance without restriction and may continue as a member of this Retirement System with all the rights and privileges appendant to membership until January 1, 1989, at which time his retirement allowance shall cease and his subsequent

retirement shall be determined in accordance with the preceding subdivision (3a) of this section. Any beneficiary as hereinbefore described who becomes employed as a law enforcement officer by an employer participating in the Retirement System shall cease to be a beneficiary and shall immediately commence membership and his subsequent retirement shall be determined in accordance with subdivision (3a) of this section."

Sec. 11. G.S. 135-3(8a) is amended by deleting the phrase "paragraphs b1 and b2" and substituting the phrase "paragraphs c and d".

Sec. 12. This act is effective upon ratification.

In the General Assembly read three times and ratified, this the 8th day of July, 1985.