

GENERAL ASSEMBLY OF NORTH CAROLINA
1989 SESSION

CHAPTER 791
HOUSE BILL 1107

AN ACT TO ALLOW A PERSON WHOSE MEMBERSHIP WAS INVOLUNTARILY TERMINATED IN THE TEACHERS' AND STATE EMPLOYEES' RETIREMENT SYSTEM TO RECEIVE A RETIREMENT ALLOWANCE UNDER CERTAIN CONDITIONS.

The General Assembly of North Carolina enacts:

Section 1. G.S. 135-3(3) reads as rewritten:

"(3) Should any member in any period of six consecutive years after becoming a member be absent from service more than five years, or should he withdraw his accumulated contributions, or should he become a beneficiary or die, he shall thereupon cease to be a member: Provided that on and after July 1, 1967, should any member in any period of eight consecutive years after becoming a member be absent from service more than seven years, or should he withdraw his accumulated contributions, or should he become a beneficiary or die, he shall thereupon cease to be a member; provided further that the period of absence from service shall be computed from January 1, 1962, or later date of separation for any member whose contributions were not withdrawn prior to July 1, 1967: Provided that on and after July 1, 1971, a member shall cease to be a member only if he withdraws his accumulated contributions, or becomes a beneficiary, or dies.

Notwithstanding the foregoing, any persons whose membership was terminated under the provisions set forth above who had five or more years of creditable service and had not effected a return of contributions may elect to receive a retirement allowance on or after age 60; provided that this member may retire only upon written application to the Board of Trustees setting forth at which time, not less than 30 days nor more than 90 days subsequent to the execution and filing, he desires to be retired."

Sec. 2. In order to fund the provisions of this act, the Board of Trustees of the Teachers' and State Employees' Retirement System, with the advice of its consulting actuary, shall apply unencumbered actuarial gain remaining after application of this gain to cost-of-living increases for retired members and any other increases in retirement benefits contained in the 1989-90 Current Operating Appropriations Act, and shall allocate the percentage of payroll contribution rates for employers among the normal and accrued liability contributions to the Retirement System without an increase in the

total employer contribution rate and without an increase in the scheduled amortization period for liquidation of unfunded accrued liabilities in the Retirement System.

Sec. 3. This act shall become effective July 1, 1989.

In the General Assembly read three times and ratified this the 12th day of August, 1989.