

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1991

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HOUSE BILL 1503

Short Title: Clarify Purchase Window.

(Public)

Sponsors: Representatives Nye; and Bowman.

Referred to: Pensions and Retirement.

June 2, 1992

A BILL TO BE ENTITLED

1 AN ACT TO RESOLVE LEGAL ISSUES BY MAKING CLEAR THAT THE
2 THREE-YEAR WINDOW FOR THE PURCHASE OF CERTAIN CREDITABLE
3 SERVICE BY MEMBERS OF THE TEACHERS' AND STATE EMPLOYEES'
4 RETIREMENT SYSTEM, THE LOCAL GOVERNMENTAL EMPLOYEES'
5 RETIREMENT SYSTEM, AND THE CONSOLIDATED JUDICIAL
6 RETIREMENT SYSTEM IS AND HAS BEEN IN FULL FORCE AND EFFECT
7 SINCE ENACTMENT.
8

9 The General Assembly of North Carolina enacts:

10 Section 1. G.S. 128-26(k) reads as rewritten:

11 "(k) ~~All~~ Notwithstanding any language to the contrary of any provision of this
12 section, or of any repealed provision of this section that was repealed with the inchoate
13 and accrued rights preserved, all repayments and purchases of service credits, allowed
14 under the provisions of this section, section or of any repealed provision of this section
15 that was repealed with inchoate and accrued rights preserved, must be made within three
16 years after the member first becomes eligible to make such repayments and purchases.
17 Any member who does not repay or purchase service credits within said three years
18 after first eligibility to make such repayments and purchases may, under the same
19 conditions as are otherwise required, repay or purchase service credits provided that the
20 repayment or purchase equals the full cost of the service credits calculated on the basis
21 of the assumptions used for purchases of the actuarial valuation of the System's
22 liabilities and shall take into account the additional retirement allowance arising on
23 account of such additional service credit commencing at the earliest age at which such
24 member could retire on an unreduced retirement allowance as determined by the Board

1 of Trustees upon the advice of the consulting actuary. Notwithstanding the foregoing
2 provisions of this subsection that provide for the purchase of service credits, the terms
3 'full cost', 'full liability', and 'full actuarial cost' include assumed annual post-retirement
4 allowance increases, as determined by the Board of Trustees, from the earliest age at
5 which a member could retire on an unreduced service allowance."

6 Sec. 2. G.S. 135-4(m) reads as rewritten:

7 "(m) All Notwithstanding any language to the contrary of any provision of this
8 section, or of any repealed provision of this section that was repealed with the inchoate
9 and accrued rights preserved, all repayments and purchases of service credits, allowed
10 under the provisions of this section, section or of any repealed provision of this section
11 that was repealed with inchoate and accrued rights preserved, must be made within three
12 years after the member first becomes eligible to make such repayments and purchases.
13 Any member who does not repay or purchase service credits within said three years
14 after first eligibility to make such repayments and purchases may, under the same
15 conditions as are otherwise required, repay or purchase service credits provided that the
16 repayment or purchase equals the full cost of the service credits calculated on the basis
17 of the assumptions used for purposes of the actuarial valuation of the system's liabilities
18 and shall take into account the additional retirement allowance arising on account of
19 such additional service credit commencing at the earliest age at which such member
20 could retire on an unreduced retirement allowance as determined by the Board of
21 Trustees upon the advice of the consulting actuary. Notwithstanding the foregoing
22 provisions of this subsection that provide for the purchase of service credits, the terms
23 'full cost', 'full liability', and 'full actuarial cost' include assumed annual post-retirement
24 allowance increases, as determined by the Board of Trustees, from the earliest age at
25 which a member could retire on an unreduced service allowance."

26 Sec. 3. This act is effective on and after July 1, 1979.