

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1993

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HOUSE BILL 1695\*

Short Title: Increase Retirement Allowance.

(Public)

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Sponsors: Representatives Hensley; Bowman, Crawford, Cromer, Esposito, Flaherty, Gardner, H. Hunter, Jeffus, Kuczmariski, McLawhorn, Mosley, J. Preston, Thompson, Wainwright, and Warner.

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Referred to: Pensions and Retirement.

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May 26, 1994

A BILL TO BE ENTITLED

1 AN ACT TO INCREASE THE RETIREMENT FORMULA WITH AN ADJUSTING  
2 INCREASE TO RETIREES OF THE TEACHERS' AND STATE EMPLOYEES'  
3 RETIREMENT SYSTEM.  
4

5 The General Assembly of North Carolina enacts:

6 Section 1. G.S. 135-5(b14) reads as rewritten:

7 "(b14) Service Retirement Allowance of Members Retiring on or after July 1,  
8 ~~1993-1993, but before July 1, 1994.~~ – Upon retirement from service in accordance with  
9 subsection (a) above, on or after July 1, 1993, but before July 1, 1994, a member shall  
10 receive the following service retirement allowance:

11 (1) A member who is a law enforcement officer or an eligible former law  
12 enforcement officer shall receive a service retirement allowance  
13 computed as follows:

14 a. If the member's service retirement date occurs on or after his  
15 55th birthday, and completion of five years of creditable service  
16 as a law enforcement officer, or after the completion of 30 years  
17 of creditable service, the allowance shall be equal to one and  
18 seventy-one hundredths percent (1.71%) of his average final  
19 compensation, multiplied by the number of years of his  
20 creditable service.

21 b. If the member's service retirement date occurs after his 50th and  
22 before his 55th birthday with 15 or more years of creditable

1 service as a law enforcement officer and prior to the completion  
2 of 30 years of creditable service, the allowance shall be  
3 computed as in G.S. 135-5(b14)(1)a., but shall be reduced by  
4 one-third of one percent (1/3 of 1%) thereof for each month by  
5 which the retirement date precedes the first day of the month  
6 coincident with or next following his 55th birthday.

7 (2) A member who is not a law enforcement officer or an eligible former  
8 law enforcement officer shall receive a service retirement allowance  
9 computed as follows:

10 a. If the member's service retirement date occurs on or after his  
11 65th birthday upon the completion of five years of creditable  
12 service or after the completion of 30 years of creditable service  
13 or on or after his 60th birthday upon the completion of 25 years  
14 of creditable service, the allowance shall be equal to one and  
15 seventy-one hundredths percent (1.71%) of his average final  
16 compensation, multiplied by the number of years of creditable  
17 service.

18 b. If the member's service retirement date occurs after his 60th  
19 birthday and before his 65th birthday and prior to the  
20 completion of 25 years or more of creditable service, the  
21 retirement allowance shall be computed as in G.S. 135-  
22 5(b14)(2)a. but shall be reduced by one-quarter of one percent  
23 (1/4 of 1%) thereof for each month by which his retirement date  
24 precedes the first day of the month coincident with or next  
25 following his 65th birthday.

26 c. If the member's service retirement date occurs before his 60th  
27 birthday and prior to the completion of 30 or more years of  
28 creditable service, the service retirement allowance shall be the  
29 actuarial equivalent of the allowance payable at the age of 60  
30 years as computed in G.S. 135(b14)(2)b [G.S. 135-5(b14)(2)b.].

31 d. Notwithstanding the foregoing provisions, any member whose  
32 creditable service commenced prior to July 1, 1963, shall  
33 receive not less than the benefit provided by G.S 135-5(b)."

34 Sec. 2. G.S. 135-5 is amended by adding two new subsections to read:

35 "(b15) Service Retirement Allowance of Members Retiring on or after July 1,  
36 1994. – Upon retirement from service in accordance with subsection (a) above, on or  
37 after July 1, 1994, a member shall receive the following service retirement allowance:

38 (1) A member who is a law enforcement officer or an eligible former law  
39 enforcement officer shall receive a service retirement allowance  
40 computed as follows:

41 a. If the member's service retirement date occurs on or after his  
42 55th birthday, and completion of five years of creditable service  
43 as a law enforcement officer, or after the completion of 30 years  
44 of creditable service, the allowance shall be equal to one and

1                   seventy-three hundredths percent (1.73%) of his average final  
2                   compensation, multiplied by the number of years of his  
3                   creditable service.

4                   b. If the member's service retirement date occurs after his 50th and  
5                   before his 55th birthday with 15 or more years of creditable  
6                   service as a law enforcement officer and prior to the completion  
7                   of 30 years of creditable service, the allowance shall be  
8                   computed as in G.S. 135-5(b15)(1)a., but shall be reduced by  
9                   one-third of one percent (1/3 of 1%) thereof for each month by  
10                   which the retirement date precedes the first day of the month  
11                   coincident with or next following his 55th birthday.

12                   (2) A member who is not a law enforcement officer or an eligible former  
13                   law enforcement officer shall receive a service retirement allowance  
14                   computed as follows:

15                   a. If the member's service retirement date occurs on or after his  
16                   65th birthday upon the completion of five years of creditable  
17                   service or after the completion of 30 years of creditable service  
18                   or on or after his 60th birthday upon the completion of 25 years  
19                   of creditable service, the allowance shall be equal to one and  
20                   seventy-three hundredths percent (1.73%) of his average final  
21                   compensation, multiplied by the number of years of creditable  
22                   service.

23                   b. If the member's service retirement date occurs after his 60th  
24                   birthday and before his 65th birthday and prior to the  
25                   completion of 25 years or more of creditable service, the  
26                   retirement allowance shall be computed as in G.S. 135-  
27                   5(b15)(2)a. but shall be reduced by one-quarter of one percent  
28                   (1/4 of 1%) thereof for each month by which his retirement date  
29                   precedes the first day of the month coincident with or next  
30                   following his 65th birthday.

31                   c. If the member's service retirement date occurs before his 60th  
32                   birthday and prior to the completion of 30 or more years of  
33                   creditable service, the service retirement allowance shall be the  
34                   actuarial equivalent of the allowance payable at the age of 60  
35                   years as computed in G.S. 135-5(b15)(2)b.

36                   d. Notwithstanding the foregoing provisions, any member whose  
37                   creditable service commenced prior to July 1, 1963, shall  
38                   receive not less than the benefit provided by G.S 135-5(b)."

39                   "(xx) Increase in Allowance as to Persons on Retirement Rolls as of June 1, 1994. –  
40                   From and after July 1, 1994, the retirement allowance to or on account of beneficiaries  
41                   on the retirement rolls as of June 1, 1994, shall be increased by one and two-tenths of  
42                   one percent (1.2%) of the allowance payable on June 1, 1994. This allowance shall be  
43                   calculated on the allowance payable and in effect on June 30, 1994, so as not to be

- 1 compounded on any other increase granted by act of the 1993 General Assembly, 1994  
2 Regular Session."  
3           Sec. 3. This act becomes effective July 1, 1994.