

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1995

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HOUSE BILL 1045

Short Title: 28-Year Retirement Window.

(Public)

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Sponsors: Representatives Black, Grady, Preston, Warner; Buchanan, Hurley, Luebke, and Sexton.

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Referred to: Appropriations.

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May 8, 1995

A BILL TO BE ENTITLED

1 AN ACT TO ESTABLISH A ONE-YEAR WINDOW FOR RETIREMENT BY  
2 MEMBERS OF THE TEACHERS' AND STATE EMPLOYEES' RETIREMENT  
3 SYSTEM WITH UNREDUCED BENEFITS AFTER COMPLETING TWENTY-  
4 EIGHT YEARS OF SERVICE AND TO APPROPRIATE FUNDS TO  
5 IMPLEMENT THE ACT.  
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7 The General Assembly of North Carolina enacts:

8 Section 1. G.S. 135-5 is amended by adding a new subsection to read:

9 "(b16) Window Retirement Allowance of Members Retiring on or after July 1,  
10 1995, but before July 1, 1996. – Upon retirement from service in accordance with  
11 subsection (a) or (a1) above, on or after July 1, 1995, but before July 1, 1996, a member  
12 shall receive the following service retirement allowance:

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

16 a. If the member's service retirement date occurs on or after his  
17 55th birthday, and completion of five years of creditable service  
18 as a law enforcement officer, or after the completion of 28 years  
19 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 on or after his  
5            50th birthday and before his 55th birthday with 15 or more years  
6            of creditable service as a law enforcement officer and prior to the  
7            completion of 28 years of creditable service, his retirement  
8            allowance shall be equal to the greater of:
- 9                    1. The service retirement allowance payable under G.S. 135-  
10                    5(b15)(1)a. reduced by one-third of one percent (1/3 of  
11                    1%) thereof for each month by which his retirement date  
12                    precedes the first day of the month coincident with or next  
13                    following the month the member would have attained his  
14                    55th birthday; or
- 15                    2. The service retirement allowance as computed under G.S.  
16                    135-5(b15)(1)a. reduced by five percent (5%) times the  
17                    difference between 30 years and his creditable service at  
18                    retirement.
- 19            (2)   A member who is not a law enforcement officer or an eligible former  
20            law enforcement officer shall receive a service retirement allowance  
21            computed as follows:
- 22                    a. If the member's service retirement date occurs on or after his  
23                    65th birthday upon the completion of five years of creditable  
24                    service or after the completion of 28 years of creditable service  
25                    or on or after his 60th birthday upon the completion of 25 years  
26                    of creditable service, the allowance shall be equal to one and  
27                    seventy-three hundredths percent (1.73%) of his average final  
28                    compensation, multiplied by the number of years of creditable  
29                    service.
- 30                    b. If the member's service retirement date occurs after his 60th and  
31                    before his 65th birthday and prior to his completion of 25 years  
32                    or more of creditable service, his retirement allowance shall be  
33                    computed as in G.S. 135-5(b15)(2)a. but shall be reduced by one-  
34                    quarter of one percent (1/4 of 1%) thereof for each month by  
35                    which his retirement date precedes the first day of the month  
36                    coincident with or next following his 65th birthday.
- 37                    c. If the member's early service retirement date occurs on or after  
38                    his 50th birthday and before his 60th birthday and after  
39                    completion of 20 years of creditable service but prior to the  
40                    completion of 28 years of creditable service, his early service  
41                    retirement allowance shall be equal to the greater of:
- 42                    1. The service retirement allowance as computed under G.S.  
43                    135-5(b15)(2)a. but reduced by the sum of five-twelfths of

1                   one percent (5/12 of 1%) thereof for each month by which  
2                   his retirement date precedes the first day of the month  
3                   coincident with or next following the month the member  
4                   would have attained his 60th birthday, plus one-quarter of  
5                   one percent (1/4 of 1%) thereof for each month by which  
6                   his 60th birthday precedes the first day of the month  
7                   coincident with or next following his 65th birthday; or

8                   2. The service retirement allowance as computed under G.S.  
9                   135-5(b15)(2)a. reduced by five percent (5%) times the  
10                   difference between 28 years and his creditable service at  
11                   retirement; or

12                   3. If the member's creditable service commenced prior to  
13                   July 1, 1994, the service retirement allowance provided by  
14                   G.S. 135-5(b14)(2)c.

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

18                   Sec. 2. It is the intent of the General Assembly to protect or enhance the  
19 present retirement formula and cost-of-living increases for retirees from the Teachers' and  
20 State Employees' Retirement System.

21                   Sec. 3. There is appropriated from the General Fund to the Teachers' and State  
22 Employees' Retirement System the sum of fourteen million seven hundred ninety-one  
23 thousand dollars (\$14,791,000) for the 1995-96 fiscal year to implement the provisions of  
24 this act.

25                   Sec. 4. There is appropriated from the Highway Fund to the Teachers' and  
26 State Employees' Retirement System the sum of one million three hundred twenty  
27 thousand dollars (\$1,320,000) for the 1995-96 fiscal year to implement the provisions of  
28 this act.

29                   Sec. 5. This act becomes effective July 1, 1995, and Section 1 of this act  
30 applies to persons retiring on or after that date but before July 1, 1996.