

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1995

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HOUSE BILL 442\*

Short Title: Retirement/Federal Compliance/AB.

(Public)

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Sponsors: Representatives Linney; Arnold, Berry, Brawley, Buchanan, Cansler, Clary, Cocklereece, Ellis, Pulley, Reynolds, and Robinson.

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Referred to: Pensions and Retirement.

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March 9, 1995

A BILL TO BE ENTITLED

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2 AN ACT TO BRING THE TEACHERS' AND STATE EMPLOYEES' RETIREMENT  
3 SYSTEM, THE CONSOLIDATED JUDICIAL RETIREMENT SYSTEM, THE  
4 LOCAL GOVERNMENTAL EMPLOYEES' RETIREMENT SYSTEM, AND THE  
5 LEGISLATIVE RETIREMENT SYSTEM INTO COMPLIANCE WITH THE  
6 INTERNAL REVENUE CODE AND TO BRING THE SUPPLEMENTAL  
7 RETIREMENT INCOME PLANS FOR STATE AND LOCAL LAW  
8 ENFORCEMENT OFFICERS INTO COMPLIANCE WITH THE UNIFORMED  
9 SERVICES EMPLOYMENT AND REEMPLOYMENT RIGHTS ACT.

10 The General Assembly of North Carolina enacts:

11 Section 1. G.S. 135-18.7(a) reads as rewritten:

12 "(a) Notwithstanding any other provisions of law to the contrary, compensation for  
13 any calendar year after 1988 in which employee or employer contributions are made and  
14 for which annual compensation is used for computing any benefit under this Article shall  
15 not exceed the higher of two hundred thousand dollars (\$200,000) or the amount  
16 determined by the Commissioner of Internal Revenue as the limitation for calendar years  
17 after 1989; provided the imposition of the limitation shall not reduce a member's benefit  
18 below the amount determined as of December 31, 1988.

1 Effective January 1, 1996, the annual compensation of a member taken into account  
2 for determining all benefits provided under this Article shall not exceed one hundred fifty  
3 thousand dollars (\$150,000), as adjusted pursuant to section 401(a)(17)(B) of the Internal  
4 Revenue Code and any regulations issued under the Code. However, with respect to a  
5 person who became a member of the Retirement System prior to January 1, 1996, the  
6 imposition of this limitation on compensation shall not reduce the amount of  
7 compensation which may be taken into account for determining the benefits of that  
8 member under this Article below the amount of compensation which would have been  
9 recognized under the provisions of this Article in effect on July 1, 1993."

10 Sec. 2. G.S. 135-74(a) reads as rewritten:

11 "(a) Notwithstanding any other provisions of law to the contrary, compensation for  
12 any calendar year after 1988 in which employee or employer contributions are made and  
13 for which annual compensation is used for computing any benefit under this Article shall  
14 not exceed the higher of two hundred thousand dollars (\$200,000) or the amount  
15 determined by the Commissioner of Internal Revenue as the limitation for calendar years  
16 after 1989; provided the imposition of the limitation shall not reduce a member's benefit  
17 below the amount determined as of December 31, 1988.

18 Effective January 1, 1996, the annual compensation of a member taken into account  
19 for determining all benefits provided under this Article shall not exceed one hundred fifty  
20 thousand dollars (\$150,000), as adjusted pursuant to section 401(a)(17)(B) of the Internal  
21 Revenue Code and any regulations issued under the Code. However, with respect to a  
22 person who became a member of the Retirement System prior to January 1, 1996, the  
23 imposition of this limitation on compensation shall not reduce the amount of  
24 compensation which may be taken into account for determining the benefits of that  
25 member under this Article below the amount of compensation which would have been  
26 recognized under the provisions of this Article in effect on July 1, 1993."

27 Sec. 3. G.S. 128-38.2(a) reads as rewritten:

28 "(a) Notwithstanding any other provisions of law to the contrary, compensation for  
29 any calendar year after 1988 in which employee or employer contributions are made and  
30 for which annual compensation is used for computing any benefit under this Article shall  
31 not exceed the higher of two hundred thousand dollars (\$200,000) or the amount  
32 determined by the Commissioner of Internal Revenue as the limitation for calendar years  
33 after 1989; provided the imposition of the limitation shall not reduce a member's benefit  
34 below the amount determined as of December 31, 1988.

35 Effective January 1, 1996, the annual compensation of a member taken into account  
36 for determining all benefits provided under this Article shall not exceed one hundred fifty  
37 thousand dollars (\$150,000), as adjusted pursuant to section 401(a)(17)(B) of the Internal  
38 Revenue Code and any regulations issued under the Code. However, with respect to a  
39 person who became a member of the Retirement System prior to January 1, 1996, the  
40 imposition of this limitation on compensation shall not reduce the amount of  
41 compensation which may be taken into account for determining the benefits of that  
42 member under this Article below the amount of compensation which would have been  
43 recognized under the provisions of this Article in effect on July 1, 1993."

1           Sec. 4. G.S. 120-4.31(a) reads as rewritten:

2           "(a) Notwithstanding any other provisions of law to the contrary, compensation for  
3 any calendar year after 1988 in which employee or employer contributions are made and  
4 for which annual compensation is used for computing any benefit under this Article shall  
5 not exceed the higher of two hundred thousand dollars (\$200,000) or the amount  
6 determined by the Commissioner of Internal Revenue as the limitation for calendar years  
7 after 1989; provided the imposition of the limitation shall not reduce a member's benefit  
8 below the amount determined as of December 31, 1988.

9           Effective January 1, 1996, the annual compensation of a member taken into account  
10 for determining all benefits provided under this Article shall not exceed one hundred fifty  
11 thousand dollars (\$150,000), as adjusted pursuant to section 401(a)(17)(B) of the Internal  
12 Revenue Code and any regulations issued under the Code. However, with respect to a  
13 person who became a member of the Retirement System prior to January 1, 1996, the  
14 imposition of this limitation on compensation shall not reduce the amount of  
15 compensation which may be taken into account for determining the benefits of that  
16 member under this Article below the amount of compensation which would have been  
17 recognized under the provisions of this Article in effect on July 1, 1993."

18           Sec. 5. G.S. 143-166.30 is amended by adding a new subsection to read:

19           "(e1) Rights of Participants under the Uniformed Services Employment and  
20 Reemployment Rights Act. – A participant whose employment is interrupted by reason of  
21 service in the Uniformed Services, as that term is defined in section 4303(16) of the  
22 Uniformed Services Employment and Reemployment Rights Act, Public Law 103-353,  
23 hereafter referred to as 'USERRA', shall be entitled to all rights and benefits that the  
24 participant would have been entitled to under this section had the participant's  
25 employment not been interrupted, provided that the participant returns to service as a law  
26 enforcement officer while the participant's reemployment rights are protected under the  
27 provisions of USERRA."

28           Sec. 6. G.S. 143-166.50 is amended by adding a new subsection to read:

29           "(e1) Rights of Participants under the Uniformed Services Employment and  
30 Reemployment Rights Act. – A participant whose employment is interrupted by reason of  
31 service in the Uniformed Services, as that term is defined in section 4303(16) of the  
32 Uniformed Services Employment and Reemployment Rights Act, Public Law 103-353,  
33 hereafter referred to as 'USERRA', shall be entitled to all rights and benefits that the  
34 participant would have been entitled to under this section had the participant's  
35 employment not been interrupted, provided that the participant returns to service as a law  
36 enforcement officer while the participant's reemployment rights are protected under the  
37 provisions of USERRA."

38           Sec. 7. This act becomes effective January 1, 1996.