

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1995

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HOUSE BILL 938
Committee Substitute Favorable 5/31/95

Short Title: Legislative Compensation.

(Public)

Sponsors:

Referred to:

April 12, 1995

A BILL TO BE ENTITLED

AN ACT TO ALLOW MEMBERS OF THE GENERAL ASSEMBLY TO MAKE A ONE-TIME ELECTION TO EXCLUDE EXPENSE ALLOWANCES FROM THE DEFINITION OF COMPENSATION FOR PURPOSES OF COMPUTING A SERVICE RETIREMENT ALLOWANCE UNDER THE LEGISLATIVE RETIREMENT SYSTEM.

The General Assembly of North Carolina enacts:

Section 1. G.S. 120-4.8(5) reads as rewritten:

"(5) 'Compensation' means salary and expense allowance paid for service as a legislator in the North Carolina General Assembly, exclusive of travel and per diem; except that compensation shall not include any amounts paid to a legislator as expense allowance if the legislator has made an election pursuant to G.S. 120-4.21(d)."

Sec. 2. G.S.120-4.21 is amended by adding a new subsection to read:

"(d) Election to Exclude Expense Allowance from Compensation. – A member of the General Assembly who has credit for less than five years of membership service may make an irrevocable election to exclude the expense allowance paid to the member in accordance with G.S. 120-3 from the definition of compensation for purposes of computing a benefit under this section. The member shall file a written election with the

1 Board of Trustees stating that the member wishes to have any benefit to which the
2 member is entitled, computed without inclusion of the expense allowance as
3 compensation, and the member understands that the election is irrevocable and may not
4 be changed for the remainder of the member's service in the General Assembly. Any
5 contributions attributable to the expense allowance made by a member prior to making
6 the election set forth in this subsection shall be refunded to the member within 90 days of
7 receipt of a filed election."

8 Sec. 3. This act becomes effective upon ratification, and applies to members of
9 the Legislative Retirement System with less than five years of membership service on or
10 after that date, and to contributions made by members on or after January 1, 1994.