

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1999

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SENATE BILL 591

Short Title: Retirement System Transfer.

(Public)

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Sponsors: Senators Cooper, Perdue; Albertson, Carter, Dalton, Hoyle, Kinnaird, Lucas, Martin of Guilford, Odom, Rand, Shaw of Cumberland, and Soles.

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Referred to: Pensions & Retirement and Aging.

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March 29, 1999

A BILL TO BE ENTITLED

1 AN ACT TO PROVIDE FOR MEMBERS OF THE CONSOLIDATED JUDICIAL  
2 RETIREMENT SYSTEM TO TRANSFER CREDITABLE SERVICE FROM THE  
3 TEACHERS' AND STATE EMPLOYEES' RETIREMENT SYSTEM AND THE  
4 LOCAL GOVERNMENTAL EMPLOYEES' RETIREMENT SYSTEM TO THE  
5 CONSOLIDATED JUDICIAL RETIREMENT SYSTEM.  
6

7 The General Assembly of North Carolina enacts:

8 Section 1. G.S. 128-34 is amended by adding a new subsection to read:

9 "(d) The accumulated contributions and creditable service of any member whose  
10 service as an employee has been or is terminated other than by retirement or death and  
11 who, while still a member of this Retirement System, became or becomes a member, as  
12 defined in G.S. 135-53(11), of the Consolidated Judicial Retirement System for a period  
13 of five or more years shall be transferred from this Retirement System to the  
14 Consolidated Judicial Retirement System. In order to effect the transfer of a member's  
15 creditable service from the Local Governmental Employees' Retirement System to the  
16 Consolidated Judicial Retirement System, there shall be transferred from the Local  
17 Governmental Employees' Retirement System to the Consolidated Judicial Retirement  
18 System the sum of (i) the accumulated contributions of the member credited in the  
19 annuity savings fund and (ii) the amount of reserve held in the Local Governmental

1 Employees' Retirement System as a result of previous contributions by the employer on  
2 behalf of the transferring member."

3 Section 2. G.S. 135-28.1 is amended by adding a new subsection to read:

4 "(f) Notwithstanding the provisions of subsections (a), (b), (c), (d), and (e) of this  
5 section, the accumulated contributions and creditable service of any member whose  
6 service as a teacher or employee has been or is terminated other than by retirement or  
7 death and who, while still a member of this Retirement System, became or becomes a  
8 member, as defined in G.S. 135-53(11), of the Consolidated Judicial Retirement System  
9 for a period of five or more years shall be transferred from this Retirement System to the  
10 Consolidated Judicial Retirement System. In order to effect the transfer of a member's  
11 creditable service from the Teachers' and State Employees' Retirement System to the  
12 Consolidated Judicial Retirement System, there shall be transferred from the Teachers'  
13 and State Employees' Retirement System to the Consolidated Judicial Retirement System  
14 the sum of (i) the accumulated contributions of the member credited in the annuity  
15 savings fund and (ii) the amount of reserve held in the Teachers' and State Employees'  
16 Retirement System as a result of previous contributions by the employer on behalf of the  
17 transferring member."

18 Section 3. G.S. 135-56 is amended by adding a new subsection to read:

19 "(f) The creditable service of a member who was a member of the Local  
20 Governmental Employees' Retirement System or the Teachers' and State Employees'  
21 Retirement System and whose accumulated contributions and reserves are transferred  
22 from that System to this System, includes service that was creditable in the Local  
23 Governmental Employees' Retirement System or the Teachers' and State Employees'  
24 Retirement System, and membership service with those Retirement Systems is  
25 membership service with this Retirement System."

26 Section 4. G.S. 135-58(a1) reads as rewritten:

27 "(a1) Any member who retires under the provisions of subsection (a) or subsection  
28 (c) of G.S. 135-57 on or after July 1, 1990, but before July 1, 1999, after he either has  
29 attained his 65th birthday or has completed 24 years or more of creditable service shall  
30 receive an annual retirement allowance, payable monthly, which shall commence on the  
31 effective date of his retirement and shall be continued on the first day of each month  
32 thereafter during his lifetime, the amount of which shall be computed as the sum of (1),  
33 (2), and (3) following, provided that in no event shall the annual allowance payable to  
34 any member be greater than an amount which, when added to the allowance, if any, to  
35 which he is entitled under the Teachers' and State Employees' Retirement System, the  
36 Legislative Retirement System or the North Carolina Local Governmental Employees'  
37 Retirement System (prior in any case to any reduction for early retirement or for an  
38 optional mode of payment) would total three-fourths of his final compensation:

39 (1) Four and two-hundredths percent (4.02%) of his final compensation,  
40 multiplied by the number of years of his creditable service rendered as a  
41 justice of the Supreme Court or judge of the Court of Appeals;

42 (2) Three and fifty-two hundredths percent (3.52%) of his final  
43 compensation, multiplied by the number of years of his creditable

1 service rendered as a judge of the superior court or as administrative  
2 officer of the courts;

- 3 (3) Three and two-hundredths percent (3.02%) of his final compensation,  
4 multiplied by the number of years of his creditable service rendered as a  
5 judge of the district court, district attorney, or clerk of superior court."

6 Section 5. G.S. 135-58 is amended by adding a new subsection to read:

7 "(a2) Any member who retires under the provisions of G.S. 135-57(a) or G.S. 135-  
8 57(c) on or after July 1, 1999, after the member has either attained the member's 65th  
9 birthday or has completed 24 years or more of creditable service, shall receive an annual  
10 retirement allowance, payable monthly, which shall commence on the effective date of  
11 the member's retirement and shall be continued on the first day of each month thereafter  
12 during the member's lifetime, the amount of which shall be computed as the sum of the  
13 amounts in subdivisions (1), (2), (3), (4), and (5) following, provided that in no event  
14 shall the annual allowance payable to any member be greater than an amount which,  
15 when added to the allowance, if any, to which the member is entitled under the Teachers'  
16 and State Employees' Retirement System, the Legislative Retirement System, or the  
17 Local Governmental Employees' Retirement System (prior in any case to any reduction  
18 for early retirement or for an optional mode of payment) would total three-fourths of the  
19 member's final compensation:

- 20 (1) Four and two-hundredths percent (4.02%) of the member's final  
21 compensation, multiplied by the number of years of creditable service  
22 rendered as a justice of the Supreme Court or judge of the Court of  
23 Appeals;

- 24 (2) Three and fifty-two hundredths percent (3.52%) of the member's final  
25 compensation, multiplied by the number of years of creditable service  
26 rendered as a judge of the superior court or as Administrative Officer of  
27 the Courts;

- 28 (3) Three and two-hundredths percent (3.02%) of the member's final  
29 compensation, multiplied by the number of years of creditable service,  
30 rendered as a judge of the district court, district attorney, or clerk of  
31 superior court;

- 32 (4) A service retirement allowance computed in accordance with the service  
33 retirement provisions of Article 3 of Chapter 128 of the General Statutes  
34 using an average final compensation as defined in G.S. 135-53(2a) and  
35 creditable service equal to the number of years of the member's  
36 creditable service that was transferred from the Local Governmental  
37 Employees' Retirement System to this System as provided in G.S. 135-  
38 56; and

- 39 (5) A service retirement allowance computed in accordance with the service  
40 retirement provisions of Article 1 of this Chapter using an average final  
41 compensation as defined in G.S. 135-53(2a) and creditable service equal  
42 to the number of years of the member's creditable service that was

1 transferred from the Teachers' and State Employees' Retirement System  
2 to this System as provided in G.S. 135-56."

3 Section 6. G.S. 135-53 is amended by adding a new subdivision to read:

4 "(2a) "Average final compensation" shall mean the average annual  
5 compensation of a member during the 48 consecutive calendar months  
6 of membership service producing the highest such average."

7 Section 7. G.S. 135-60(a) reads as rewritten:

8 "(a) Upon retirement for disability in accordance with G.S. 135-59, a member shall  
9 receive a disability retirement allowance computed and payable as provided for service  
10 retirement in G.S. ~~135-58(a)~~ 135-58(a2) except that the member's creditable service shall  
11 be taken as the creditable service he would have had had he continued in service to the  
12 earliest date he could have retired on an unreduced service retirement allowance as a  
13 member in the same division of the General Court of Justice in which he was serving on  
14 his disability retirement date."

15 Section 8. Chapter 135 of the General Statutes is amended by adding a new  
16 section to read:

17 "**§ 135-70A. Transfer of members from the Local Governmental Employees'**  
18 **Retirement System or the Teachers' and State Employees' Retirement**  
19 **System.**

20 (a) The accumulated contributions, creditable service, and reserves, if any, of a  
21 former teacher or employee, as defined in G.S. 135-1(25), 135-1(10), and 128-21(10),  
22 respectively, who is a member of the Consolidated Judicial Retirement System for a  
23 period of five or more years shall be transferred from the Local Governmental  
24 Employees' Retirement System or the Teachers' and State Employees' Retirement System  
25 to the Consolidated Judicial Retirement System. The accumulated contributions,  
26 creditable service, and reserves of any member whose service as a teacher or employee is  
27 terminated other than by retirement or death and who becomes a member of the  
28 Consolidated Judicial Retirement System shall be transferred from the Local  
29 Governmental Employees' Retirement System or the Teachers' and State Employees'  
30 Retirement System to the Consolidated Judicial Retirement System. In order to effect the  
31 transfer of a member's creditable service from the Local Governmental Retirement  
32 System or the Teachers' and State Employees' Retirement System to the Consolidated  
33 Judicial Retirement System, the accumulated contributions of each member credited in  
34 the annuity savings fund in the Local Governmental Employees' Retirement System or  
35 the Teachers' and State Employees' Retirement System shall be transferred and credited  
36 to the annuity savings fund in the Consolidated Judicial Retirement System.

37 (b) The Board of Trustees shall effect such rules as it may deem necessary to  
38 administer the preceding subsection and to prevent any duplication of service credits or  
39 benefits that might otherwise occur."

40 Section 9. This act is effective when it becomes law.