

NORTH CAROLINA GENERAL ASSEMBLY
1965 SESSION

CHAPTER 365
SENATE BILL 107

1 AN ACT TO AUTHORIZE THE PURCHASE OF ANNUITY CONTRACTS FOR
2 FACULTY MEMBERS, OFFICERS AND EMPLOYEES OF UNIVERSITIES,
3 COLLEGES AND INSTITUTIONS OF HIGHER LEARNING.
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5 The General Assembly of North Carolina do enact:
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7 **Section 1.** Amend Article 2 of Chapter 116 of the General Statutes, as the same
8 appears in the 1963 Cumulative Supplement of Volume 3A, by adding at the end of said Article
9 2, and immediately after Section 116-46.1, a new Section which shall be designated as "Section
10 116-46.2", and which new Section shall read as follows:

11 **"Sec. 116-46.2. Authority of Boards of Trustees to Authorize the Purchase of Annuity or
12 Retirement Income Contracts for Faculty Members, Officers and Employees.**

13 Notwithstanding any provision of law relating to salaries and /or salary schedules for the pay of
14 faculty members, administrative officers, or any other employees of universities, colleges and
15 institutions of higher learning as named and set forth in Articles 1 and 2 of Chapter 116 of the
16 General Statutes, as amended, and other State agencies qualified as educational institutions
17 under Section 501(c) (3) of the United States Internal Revenue Code, the board of trustees of
18 any such universities, colleges and institutions of higher learning may authorize the business
19 officer or agent of same to enter into annual contracts with any of the faculty members,
20 administrative officers and employees of said institutions of higher learning which provide for
21 a reduction in salary below the total established compensation or salary schedule for a term of
22 one (1) year. The financial officer or agent shall use the funds derived from the reduction in the
23 salary of the faculty member, administrative officer or employee to purchase a nonforfeitable
24 annuity or retirement income contract for the benefit of said faculty member, administrative
25 officer or employee of said universities, colleges and institutions of higher learning. A faculty
26 member, administrative officer or employee who has agreed to a salary reduction for this
27 purpose shall not have the right to receive the amount of the salary reduction in cash or in any
28 other way except the annuity or retirement income contract. Funds used for the purchase of an
29 annuity or retirement income contract shall not be in lieu of any amount earned by the faculty
30 member, administrative officer or employee before his election for a salary reduction has
31 become effective. The agreement for salary reductions referred to herein shall be effected under
32 any necessary regulations and procedures adopted by the various boards of trustees of the
33 various institutions of higher learning and on forms prepared by said boards of trustees.
34 Notwithstanding any other provision of this Section or law, the amount by which the salary of
35 any faculty member, administrative officer or employee is reduced pursuant to this Section
36 shall not be excluded, but shall be included, in computing and making payroll deductions for
37 Social Security and retirement system purposes, and in computing and providing matching
38 funds for retirement system purposes."

39 **Sec. 2.** All laws and clauses of laws in conflict with the provisions of this Act are
40 hereby repealed.

41 **Sec. 3.** This Act shall be in full force and effect upon its ratification.

42 In the General Assembly read three times and ratified, this the 29th day of April,
43 1965.