

**GENERAL ASSEMBLY OF NORTH CAROLINA**  
**SESSION 2003**

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**HOUSE BILL 1707**

Short Title: Purchase Military Service/Local Retirement. (Public)

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Sponsors: Representatives Glazier, Eddins (Primary Sponsors); Pate, Blackwood, Sauls, Bordsen, Wainwright, and Dickson.

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Referred to: Pensions and Retirement.

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May 27, 2004

A BILL TO BE ENTITLED

1 AN ACT TO REINSTATE THE PURCHASE OF SERVICE CREDIT FOR CERTAIN  
2 PERIODS OF ACTIVE MILITARY DUTY BY MEMBERS OF THE LOCAL  
3 GOVERNMENTAL RETIREMENT SYSTEM.  
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5 The General Assembly of North Carolina enacts:

6 **SECTION 1.** G.S. 128-26 is amended by adding a new subsection to read:

7 "(w) Notwithstanding any other provision of this Chapter, members not otherwise  
8 allowed service credit for service in the armed forces of the United States may, upon  
9 completion of 10 years of prior and current membership service, purchase such service  
10 credit by paying in a total lump sum an amount based on the compensation the member  
11 earned when he first entered membership and the employee contribution rate at that  
12 time, with sufficient interest added thereto so as to equal one-half the cost of allowing  
13 such service plus a fee to cover expense of handling payment to be determined by the  
14 Board of Trustees and assessed the member at the time of payment; provided that credit  
15 will be allowed only for the initial period of active duty in the armed forces of the  
16 United States up to the time the member was first eligible to be separated or released  
17 therefrom and subsequent periods of such active duty as required by the armed forces of  
18 the United States up to the date of first eligibility for separation or release therefrom;  
19 and further provided that the member submit satisfactory evidence of the service  
20 claimed and that service credit be allowed only for that period of active service in the  
21 armed forces of the United States not creditable in any other retirement system, except  
22 the national guard or any reserve component of the armed forces of the United States.  
23 These provisions shall apply equally to retired members who had attained 10 years of  
24 prior and current membership service prior to retirement. Cost as used in this subsection  
25 shall mean the amount of money required to provide additional retirement benefits  
26 based on service credit allowed at the time any adjustment to the service credit of a  
27 member is made."

28 **SECTION 2.** This act becomes effective July 1, 2004.