

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2007

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HOUSE BILL 383

Short Title: Purchase of Federal Retirement Service. (Public)

Sponsors: Representatives Tucker; and Wainwright.

Referred to: Pensions and Retirement.

February 27, 2007

1 A BILL TO BE ENTITLED
2 AN ACT TO PROVIDE FOR THE PURCHASE OF SERVICE CREDIT FOR
3 PERIODS OF SERVICE AS A TEACHER IN FEDERAL EMPLOYMENT.

4 The General Assembly of North Carolina enacts:

5 **SECTION 1.** G.S. 135-4 is amended by adding a new subsection to read:

6 "(gg) Notwithstanding any other provision of this Chapter, any member and any
7 retired member who completed 10 years of membership service, and retired members
8 who completed 10 years of membership service prior to retirement, may purchase
9 creditable service as a teacher employed by the federal government, not otherwise
10 allowed, by paying a total-lump sum payment equal to the monthly compensation the
11 member earned when the member first entered membership service times the employee
12 contribution rate at that time times the months of service to be purchased, with
13 sufficient interest added thereto so as to equal one-half of the cost of allowing this
14 service, plus an administrative fee to be set by the Board of Trustees.

15 The retirement allowance of a retired member who purchases creditable service
16 under this subsection shall be increased the month following the month payment is
17 received. The increase in the retirement allowance shall be the difference between the
18 initial retirement allowance, under any optional allowance elected at the time of
19 retirement, and the amount of the retirement allowance, under any optional allowance
20 elected at the time of retirement, to which the retired member would have been entitled
21 had the purchased creditable service been creditable at the time of retirement, adjusted
22 by any increases in the retirement accrual rate occurring between the member's date of
23 retirement and the date of payment. The increase in the retirement allowance shall not
24 include any adjustment for cost-of-living increases granted since the date of retirement."

25 **SECTION 2.** This act is effective when it becomes law.