

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2009

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HOUSE BILL 725*

Short Title: Purchase Service/Certain Employment. (Public)

Sponsors: Representative Cole.

Referred to: Pensions and Retirement.

March 23, 2009

1 A BILL TO BE ENTITLED
2 AN ACT TO PROVIDE FOR THE PURCHASE OF CREDITABLE SERVICE BY
3 MEMBERS OF THE LOCAL GOVERNMENTAL EMPLOYEES' RETIREMENT
4 SYSTEM FOR CERTAIN PERIODS OF NONQUALIFIED EMPLOYMENT.

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 "(u1) Credit at Full Cost for Nonqualified Employment. – Notwithstanding any other
8 provisions of this Chapter, any member may purchase a maximum of 10 years of creditable
9 service for nonqualified employment with an economic development organization that receives
10 at least fifty percent (50%) of its funding from local government, upon the completion of five
11 years of membership service, by making a lump-sum payment into the Annuity Savings Fund.
12 The member shall obtain written verification of the service from the nonprofit corporation. The
13 payment by the member shall be equal to the full liability of the service credits calculated on
14 the basis of the assumptions used for purposes of the actuarial valuation of the Retirement
15 Systems liabilities, and the calculation of the amount payable shall take into account the
16 additional retirement allowance arising on account of the additional service credits
17 commencing at the earliest age at which the member could retire with an unreduced retirement
18 allowance, as determined by the Board of Trustees upon the advice of the actuary plus an
19 administrative fee to be determined by the Board of Trustees. Notwithstanding the foregoing
20 provisions of this subsection that provide for the purchase of service credits, the terms "full
21 cost," "full liability," and "full actuarial cost" include assumed annual postretirement allowance
22 increases, as determined by the Board of Trustees, from the earliest age at which a member
23 could retire on an unreduced service allowance."

24 **SECTION 2.** This act becomes effective July 1, 2009.

