

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1989

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HOUSE BILL 1107

Short Title: Retirement/Closed Membership.

(Public)

Sponsors: Representatives Foster; and Bowman.

Referred to: Pensions and Retirement.

April 7, 1989

A BILL TO BE ENTITLED

1 AN ACT TO ALLOW A PERSON WHOSE MEMBERSHIP WAS
2 INVOLUNTARILY TERMINATED IN THE TEACHERS' AND STATE
3 EMPLOYEES' RETIREMENT SYSTEM TO RECEIVE A RETIREMENT
4 ALLOWANCE UNDER CERTAIN CONDITIONS.
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6 The General Assembly of North Carolina enacts:

7 Section 1. G.S. 135-3(3) reads as rewritten:

8 "(3) Should any member in any period of six consecutive years after becoming a
9 member be absent from service more than five years, or should he withdraw his
10 accumulated contributions, or should he become a beneficiary or die, he shall thereupon
11 cease to be a member: Provided that on and after July 1, 1967, should any member in
12 any period of eight consecutive years after becoming a member be absent from service
13 more than seven years, or should he withdraw his accumulated contributions, or should
14 he become a beneficiary or die, he shall thereupon cease to be a member; provided
15 further that the period of absence from service shall be computed from January 1, 1962,
16 or later date of separation for any member whose contributions were not withdrawn
17 prior to July 1, 1967: Provided that on and after July 1, 1971, a member shall cease to
18 be a member only if he withdraws his accumulated contributions, or becomes a
19 beneficiary, or dies.

20 Notwithstanding the foregoing, any persons whose membership was terminated
21 under the provisions set forth above who had five or more years of creditable service
22 and had not effected a return of contributions may elect to receive a retirement
23 allowance on or after age 60; provided that this member may retire only upon written

1 application to the Board of Trustees setting forth at which time, not less than 30 days
2 nor more than 90 days subsequent to the execution and filing, he desires to be retired."

3 Sec. 2. In order to fund the provisions of this act, the Board of Trustees of the
4 Teachers' and State Employees' Retirement System, with the advice of its consulting
5 actuary, shall apply unencumbered actuarial gain remaining after application of this gain
6 to cost-of-living increases for retired members and any other increases in retirement
7 benefits contained in the 1989-90 Current Operating Appropriations Act, and shall
8 allocate the percentage of payroll contribution rates for employers among the normal
9 and accrued liability contributions to the Retirement System without an increase in the
10 total employer contribution rate and without an increase in the scheduled amortization
11 period for liquidation of unfunded accrued liabilities in the Retirement System.

12 Sec. 3. This act shall become effective July 1, 1989.