

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1995

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SENATE BILL 341

Short Title: Retirement/Federal Compliance/AB.

(Public)

Sponsors: Senators Soles and Conder.

Referred to: Pensions and Retirement/Insurance/State Personnel

March 8, 1995

A BILL TO BE ENTITLED

1 AN ACT TO BRING THE TEACHERS' AND STATE EMPLOYEES' RETIREMENT
2 SYSTEM, THE CONSOLIDATED JUDICIAL RETIREMENT SYSTEM, THE
3 LOCAL GOVERNMENTAL EMPLOYEES RETIREMENT SYSTEM, AND THE
4 LEGISLATIVE RETIREMENT SYSTEM INTO COMPLIANCE WITH THE
5 INTERNAL REVENUE CODE AND TO BRING THE SUPPLEMENTAL
6 RETIREMENT INCOME PLANS FOR STATE AND LOCAL LAW
7 ENFORCEMENT OFFICERS INTO COMPLIANCE WITH THE UNIFORMED
8 SERVICES EMPLOYMENT AND REEMPLOYMENT RIGHTS ACT.
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10 The General Assembly of North Carolina enacts:

11 Section 1. G.S. 135-18.7(a) reads as rewritten:

12 "(a) Notwithstanding any other provisions of law to the contrary, compensation for
13 any calendar year after 1988 in which employee or employer contributions are made and
14 for which annual compensation is used for computing any benefit under this Article shall
15 not exceed the higher of two hundred thousand dollars (\$200,000) or the amount
16 determined by the Commissioner of Internal Revenue as the limitation for calendar years
17 after 1989; provided the imposition of the limitation shall not reduce a member's benefit
18 below the amount determined as of December 31, 1988.

19 Effective January 1, 1996, the annual compensation of a member taken into account
20 for determining all benefits provided under this Article shall not exceed one hundred fifty

1 thousand dollars (\$150,000), as adjusted pursuant to section 401(a)(17)(B) of the Internal
2 Revenue Code and any regulations issued under the Code. However, with respect to a
3 person who became a member of the Retirement System prior to January 1, 1996, the
4 imposition of this limitation on compensation shall not reduce the amount of
5 compensation which may be taken into account for determining the benefits of that
6 member under this Article below the amount of compensation which would have been
7 recognized under the provisions of this Article in effect on July 1, 1993."

8 Sec. 2. G.S. 135-74(a) reads as rewritten:

9 "(a) Notwithstanding any other provisions of law to the contrary, compensation for
10 any calendar year after 1988 in which employee or employer contributions are made and
11 for which annual compensation is used for computing any benefit under this Article shall
12 not exceed the higher of two hundred thousand dollars (\$200,000) or the amount
13 determined by the Commissioner of Internal Revenue as the limitation for calendar years
14 after 1989; provided the imposition of the limitation shall not reduce a member's benefit
15 below the amount determined as of December 31, 1988.

16 Effective January 1, 1996, the annual compensation of a member taken into account
17 for determining all benefits provided under this Article shall not exceed one hundred fifty
18 thousand dollars (\$150,000), as adjusted pursuant to section 401(a)(17)(B) of the Internal
19 Revenue Code and any regulations issued under the Code. However, with respect to a
20 person who became a member of the Retirement System prior to January 1, 1996, the
21 imposition of this limitation on compensation shall not reduce the amount of
22 compensation which may be taken into account for determining the benefits of that
23 member under this Article below the amount of compensation which would have been
24 recognized under the provisions of this Article in effect on July 1, 1993."

25 Sec. 3. G.S. 128-38.2(a) reads as rewritten:

26 "(a) Notwithstanding any other provisions of law to the contrary, compensation for
27 any calendar year after 1988 in which employee or employer contributions are made and
28 for which annual compensation is used for computing any benefit under this Article shall
29 not exceed the higher of two hundred thousand dollars (\$200,000) or the amount
30 determined by the Commissioner of Internal Revenue as the limitation for calendar years
31 after 1989; provided the imposition of the limitation shall not reduce a member's benefit
32 below the amount determined as of December 31, 1988.

33 Effective January 1, 1996, the annual compensation of a member taken into account
34 for determining all benefits provided under this Article shall not exceed one hundred fifty
35 thousand dollars (\$150,000), as adjusted pursuant to section 401(a)(17)(B) of the Internal
36 Revenue Code and any regulations issued under the Code. However, with respect to a
37 person who became a member of the Retirement System prior to January 1, 1996, the
38 imposition of this limitation on compensation shall not reduce the amount of
39 compensation which may be taken into account for determining the benefits of that
40 member under this Article below the amount of compensation which would have been
41 recognized under the provisions of this Article in effect on July 1, 1993."

42 Sec. 4. G.S. 120-4.31(a) reads as rewritten:

1 "(a) Notwithstanding any other provisions of law to the contrary, compensation for
2 any calendar year after 1988 in which employee or employer contributions are made and
3 for which annual compensation is used for computing any benefit under this Article shall
4 not exceed the higher of two hundred thousand dollars (\$200,000) or the amount
5 determined by the Commissioner of Internal Revenue as the limitation for calendar years
6 after 1989; provided the imposition of the limitation shall not reduce a member's benefit
7 below the amount determined as of December 31, 1988.

8 Effective January 1, 1996, the annual compensation of a member taken into account
9 for determining all benefits provided under this Article shall not exceed one hundred fifty
10 thousand dollars (\$150,000), as adjusted pursuant to section 401(a)(17)(B) of the Internal
11 Revenue Code and any regulations issued under the Code. However, with respect to a
12 person who became a member of the Retirement System prior to January 1, 1996, the
13 imposition of this limitation on compensation shall not reduce the amount of
14 compensation which may be taken into account for determining the benefits of that
15 member under this Article below the amount of compensation which would have been
16 recognized under the provisions of this Article in effect on July 1, 1993."

17 Sec. 5. G.S. 143-166.30 is amended by adding a new subsection to read:

18 "(e1) Rights of Participants under the Uniformed Services Employment and
19 Reemployment Rights Act. – A participant whose employment is interrupted by reason of
20 service in the Uniformed Services, as that term is defined in section 4303(16) of the
21 Uniformed Services Employment and Reemployment Rights Act, Public Law 103-353,
22 hereafter referred to as 'USERRA', shall be entitled to all rights and benefits that the
23 participant would have been entitled to under this section had the participant's
24 employment not been interrupted, provided that the participant returns to service as a law
25 enforcement officer while the participant's reemployment rights are protected under the
26 provisions of USERRA."

27 Sec. 6. G.S. 143-166.50 is amended by adding a new subsection to read:

28 "(e1) Rights of Participants under the Uniformed Services Employment and
29 Reemployment Rights Act. – A participant whose employment is interrupted by reason of
30 service in the Uniformed Services, as that term is defined in section 4303(16) of the
31 Uniformed Services Employment and Reemployment Rights Act, Public Law 103-353,
32 hereafter referred to as 'USERRA', shall be entitled to all rights and benefits that the
33 participant would have been entitled to under this section had the participant's
34 employment not been interrupted, provided that the participant returns to service as a law
35 enforcement officer while the participant's reemployment rights are protected under the
36 provisions of USERRA."

37 Sec. 7. This act becomes effective January 1, 1996.