

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2009

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SENATE BILL 863\*  
Pensions & Retirement & Aging Committee Substitute Adopted 4/22/09

Short Title: Purchase Service/Certain Employment.

(Public)

Sponsors:

Referred to:

March 26, 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 five 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 System's 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.

