

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1989

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HOUSE BILL 519

Short Title: 28-Year Retirement.

(Public)

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Sponsors: Representatives Warren; Anderson, Bowman, Buchanan, Fitch, Fletcher, Foster, Hardaway, R. Hunter, James, Kennedy, Lilley, Lineberry, Locks, Nye, and Perdue.

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Referred to: Pensions & Retirement.

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March 9, 1989

A BILL TO BE ENTITLED

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2 AN ACT TO PERMIT A MEMBER OF THE TEACHERS' AND STATE  
3 EMPLOYEES' RETIREMENT SYSTEM TO RETIRE WITH UNREDUCED  
4 BENEFITS AFTER COMPLETING TWENTY-EIGHT YEARS WITH THE  
5 SYSTEM.

6 The General Assembly of North Carolina enacts:

7 Section 1. G.S. 135-5(b10) reads as rewritten:

8 "(b10) Service Retirement Allowance of Members Retiring on or after July 1,  
9 ~~1988~~1988, but before October 1, 1989. – Upon retirement from service in accordance  
10 with subsection (a) above, on or after July 1, 1988, but before October 1, 1989, a  
11 member shall receive the following service retirement allowance:

12 (1) A member who is a law enforcement officer or an eligible former law  
13 enforcement officer shall receive a service retirement allowance  
14 computed as follows:

15 a. If the member's service retirement date occurs on or after his  
16 55th birthday, and completion of five years of creditable service  
17 as a law enforcement officer, or after the completion of 30 years  
18 of creditable service, the allowance shall be equal to one and  
19 sixty hundredths percent (1.60%) of his average final  
20 compensation, multiplied by the number of years of his  
21 creditable service.

- 1                   b.       This allowance shall also be governed by the provisions of G.S.  
2                               135-5(b9)(1)b.
- 3           (2)     A member who is not a law enforcement officer or an eligible former  
4                   law enforcement officer shall receive a service retirement allowance  
5                   computed as follows:
- 6                   a.       If the member's service retirement date occurs on or after his  
7                               65th birthday upon the completion of five years of creditable  
8                               service or after the completion of 30 years of creditable service  
9                               or on or after his 60th birthday upon the completion of 25 years  
10                              of creditable service, such allowance shall be equal to one and  
11                              sixty hundredths percent (1.60%) of his average final  
12                              compensation, multiplied by the number of years of his  
13                              creditable service.
- 14                  b.       This allowance shall also be governed by the provisions of G.S.  
15                               135-5(b9)(2)b., c. and d."

16           Sec. 2. G.S.135-5 is amended by adding a new subsection to read:

17           "(b11)   Service Retirement Allowance of Members Retiring on or after October 1,  
18           1989. – Upon retirement from service in accordance with subsection (a) of this section,  
19           on or after October 1, 1989, a member shall receive the following service retirement  
20           allowance:

- 21           (1)     A member who is a law enforcement officer or an eligible former law  
22                   enforcement officer shall receive a service retirement allowance  
23                   computed as follows:
- 24                   a.       If the member's service retirement date occurs on or after his  
25                              55th birthday, and completion of five years of creditable service  
26                              as a law enforcement officer, or after the completion of 28 years  
27                              of creditable service, the allowance shall be equal to one and  
28                              sixty hundredths percent (1.60%) of his average final  
29                              compensation, multiplied by the number of years of his  
30                              creditable service.
- 31                   b.       This allowance shall also be governed by the provisions of G.S.  
32                              135-5(b9)(1)b.
- 33           (2)     A member who is not a law enforcement officer or an eligible former  
34                   law enforcement officer shall receive a service retirement allowance  
35                   computed as follows:
- 36                   a.       If the member's service retirement date occurs on or after his  
37                              65th birthday upon the completion of five years of creditable  
38                              service or after the completion of 28 years of creditable service  
39                              or on or after his 60th birthday upon the completion of 25 years  
40                              of creditable service, the allowance shall be equal to one and  
41                              sixty hundredths percent (1.60%) of his average final  
42                              compensation, multiplied by the number of years of his  
43                              creditable service.

1                   b.     This allowance shall also be governed by the provisions of G.S.  
2                             135-5(b9)(2)b., c. and d."

3                   Sec. 3. 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. 4. This act shall become effective October 1, 1989, and applies to  
13 persons retiring on or after this date.