

**GENERAL ASSEMBLY OF NORTH CAROLINA**  
**SESSION 2007**

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**HOUSE DRH50133-LL-82 (2/15)**

Short Title: Purchase of Federal Retirement Service. (Public)

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Sponsors: Representative Tucker.

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Referred to:

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A BILL TO BE ENTITLED

AN ACT TO PROVIDE FOR THE PURCHASE OF SERVICE CREDIT FOR PERIODS OF SERVICE AS A TEACHER IN FEDERAL EMPLOYMENT.

The General Assembly of North Carolina enacts:

**SECTION 1.** G.S. 135-4 is amended by adding a new subsection to read:

"(gg) Notwithstanding any other provision of this Chapter, any member and any retired member who completed 10 years of membership service, and retired members who completed 10 years of membership service prior to retirement, may purchase creditable service as a teacher employed by the federal government, not otherwise allowed, by paying a total-lump sum payment equal to the monthly compensation the member earned when the member first entered membership service times the employee contribution rate at that time times the months of service to be purchased, with sufficient interest added thereto so as to equal one-half of the cost of allowing this service, plus an administrative fee to be set by the Board of Trustees.

The retirement allowance of a retired member who purchases creditable service under this subsection shall be increased the month following the month payment is received. The increase in the retirement allowance shall be the difference between the initial retirement allowance, under any optional allowance elected at the time of retirement, and the amount of the retirement allowance, under any optional allowance elected at the time of retirement, to which the retired member would have been entitled had the purchased creditable service been creditable at the time of retirement, adjusted by any increases in the retirement accrual rate occurring between the member's date of retirement and the date of payment. The increase in the retirement allowance shall not include any adjustment for cost-of-living increases granted since the date of retirement."

**SECTION 2.** This act is effective when it becomes law.