

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1989

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SENATE BILL 510  
Second Edition Engrossed 7/6/89

Short Title: Retirement Contributions Refund.

(Public)

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Sponsors: Senators Marvin, Sherron; Swain and Ward.

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Referred to: Pensions and Retirement.

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March 20, 1989

A BILL TO BE ENTITLED

1 AN ACT TO MAKE TECHNICAL AMENDMENTS TO THE TEACHERS' AND  
2 STATE EMPLOYEES' RETIREMENT SYSTEM AND TO THE LOCAL  
3 GOVERNMENTAL EMPLOYEES' RETIREMENT SYSTEM REGARDING  
4 CERTAIN EXCESS CONTRIBUTIONS OF RETIRED MEMBERS AND TO  
5 MODIFY CHAPTER 1061 OF THE 1987 SESSION LAWS AS IT RELATES TO  
6 FUNDING AND EFFECTIVE DATES.  
7

8 The General Assembly of North Carolina enacts:

9 Section 1. G.S. 135-5(f1) reads as rewritten:

10 “(f1) Upon submission of an application, there shall be paid to any member at  
11 retirement or thereafter or surviving beneficiary of a member a refund of contributions  
12 not withdrawn with regular interest thereon, equal to (i) additional contributions made  
13 under the provisions of Section 2 of Chapter 1053 of the 1953 Session Laws of North  
14 Carolina with respect to membership service prior to 1953 and (ii) ~~the contributions made~~  
15 ~~at the rate of two percent (2%) of compensation not subject to coverage under the Social~~  
16 ~~Security Act during the period January 1, 1955, to June 30, 1963;~~ the contributions made by  
17 Cooperative Agricultural Extension Service Employees on compensation not subject to  
18 coverage under the Social Security Act during the period January 1, 1955, to June 30,  
19 1963; provided that such return of contributions shall be payable only if such  
20 contributions did not in any way benefit the member under the provisions of this Chapter  
21 Chapter; provided further that this subsection shall apply as well to a former  
22 Cooperative Agricultural Extension Service Employee who obtained a refund of  
23 contributions for the period January 1, 1955, to June 30, 1963, and who subsequently

1 purchased the creditable service forfeited by paying the contributions withdrawn and  
2 interest thereon."

3 Sec. 2. G.S. 128-27(f2) reads as rewritten:

4 "(f2) Upon the submission of an application, there shall be paid to any ~~member,~~  
5 ~~member at retirement or thereafter~~ or surviving beneficiary of a member, who was  
6 ~~covered under this System and the Teachers' and State Employees' Retirement System for the~~  
7 ~~same period of service~~ member a return-refund of contributions not withdrawn with  
8 regular interest thereon, equal to the contributions made by Cooperative Agricultural  
9 Extension Service Employees on compensation excluded from coverage under Title II  
10 of the Social Security Act representing the difference in the rate applicable to  
11 Cooperative Agricultural Extension Service Employees and the rate applicable to other  
12 employees of the participating employer at the rate of two percent (2%) of compensation  
13 ~~not subject to coverage under the Social Security Act during the period January 1, 1955, to~~  
14 June 30, 1965; provided that such return of contributions shall be payable only if such  
15 contribution did not in any way benefit the member under any provision of this Article.  
16 Provided further that this subsection shall apply to a former Cooperative Agricultural  
17 Extension Service employee who obtained a refund and subsequently purchased the  
18 creditable service forfeited by paying the contributions withdrawn and interest thereon."

19 Sec. 3. Section 3 of Chapter 1061 of the 1987 Session Laws is rewritten to  
20 read:

21 "The Board of Trustees of the Teachers' and State Employees' Retirement System  
22 shall reserve the sum of one million five hundred thousand dollars (\$1,500,000) and the  
23 Board of Trustees of the Local Governmental Employees' Retirement System shall  
24 reserve the sum of five hundred thousand dollars (\$500,000) from unencumbered  
25 actuarial gains in the Retirement Systems for the year ending December 31, 1987, for  
26 the purpose of funding this act. Applications for refunds under this act shall be made on  
27 or before July 1, 1994."

28 Sec. 4. This act is effective July 1, 1989.