

June 13, 2002

**H 1722. PURCHASE OF WITHDRAWN LOCAL SERVICE. TO ALLOW THE PURCHASE OF WITHDRAWN SERVICE IN THE LOCAL GOVERNMENTAL EMPLOYEES' RETIREMENT SYSTEM.** Amends GS 128-26(i) to allow person who withdrew contributions to retirement system to receive credit for service forfeited at time of withdrawal upon proper payment. Allows current or retired employee to purchase all accumulated contributions previously withdrawn after five (was, ten) years of prior and current membership service. Requires lump-sum repayment of all contributions previously withdrawn plus interest compounded annually at rate of 6½ % for each year from year of withdrawal to year of repayment plus fee to be determined by system's board of trustees. For retired member who restores service, retirement allowance must be increased the month following the month payment is received. Increase in retirement allowance is based on difference between initial retirement allowance and amount of allowance that would have been entitled had service not been previously forfeited, adjusted by increases in retirement accrual rate. New allowance does not include any adjustment for cost-of-living increases granted since date of retirement. Effective Jan. 1, 2003.

**Intro. by Cole.**

Ref. to Pensions	GS 128
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