

April 10, 2003

H 1103. ALLOW TERMINATION OF OPTION ELECTION. TO REWRITE THE PROVISIONS RELATING TO THE ELECTION OF OPTIONAL RETIREMENT ALLOWANCES AND TO PERMIT RETIREES FROM THE TEACHERS' AND STATE EMPLOYEES' RETIREMENT SYSTEM TO TERMINATE THEIR OPTIONAL ELECTION UNDER CERTAIN CIRCUMSTANCES. Repeals GS 135-5(g) and replaces it with the following. Provides that a member of the Teachers' and State Employees' Retirement System may elect to receive benefits in a retirement allowance payable throughout life, or may elect to receive the actuarial equivalent of the retirement allowance under the provisions of one of six options. The member may revoke the election of an option at any time before the first retirement check is cashed. Sets forth options 1 through 6, which are the same as those presently in GS 135-5(g) with only technical changes. Provides for automatic revocation of options 2 and 3 if the designated beneficiary dies before the first retirement check is cashed, and permits the member to either nominate another person as beneficiary or elect to receive the retirement allowance which would have been payable if the member had not elected option 2 or 3. Provides for a member to nominate a new spouse to receive allowances under options 2 or 3 if the member had nominated a previous spouse to receive the allowances, but the previous spouse died after the member's receipt of the first check. Permits a member who has elected option 2, 3, or 6 and nominated the member's spouse to receive a retirement allowance upon the member's death to elect a new option upon divorce from the spouse. Permits a member who has elected option 2, 3, or 6 to elect to terminate the option at any time after the first retirement check has been cashed by filing a form with the Board of Trustees, and the retirement allowance payable to the member after termination of the option shall be equal to the allowance which would have been payable had the member not elected the option. Repeals GS 135-5(g1) and reenacts its provisions as GS 135-5.05(e) and (f). Effective July 1, 2003.

Intro. by Grady.

Ref. to Pensions	GS 135
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