

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2013

FILED SENATE
Apr 2, 2013
S.B. 680
PRINCIPAL CLERK

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SENATE DRS95069-LL-162 (03/15)

Short Title: Retirement Protection Act.

(Public)

Sponsors: Senator Apodaca (Primary Sponsor).

Referred to:

1 A BILL TO BE ENTITLED
2 AN ACT TO AMEND THE PROVISIONS FOR THE ALLOWANCE OF RETROACTIVE
3 MEMBERSHIP SERVICE IN THE TEACHERS' AND STATE EMPLOYEES'
4 RETIREMENT SYSTEM AND THE LOCAL GOVERNMENTAL EMPLOYEES'
5 RETIREMENT SYSTEM.

6 The General Assembly of North Carolina enacts:

7 **SECTION 1.** G.S. 135-3(8)d. reads as rewritten:

8 "d. Should a beneficiary who retired on an early or service retirement
9 allowance under this Chapter be restored to service as an employee
10 or teacher, then the retirement allowance shall cease as of the first of
11 the month following the month in which the beneficiary is restored to
12 service and the beneficiary shall become a member of the Retirement
13 System and shall contribute thereafter as allowed by law at the
14 uniform contribution payable by all members.

15 Upon his subsequent retirement, he shall be paid a retirement
16 allowance determined as follows:

- 17 1. For a member who earns at least three years' membership
18 service after restoration to service, creditable service earned
19 while in receipt of disability benefits under Article 6 of this
20 Chapter shall count as membership service for this purpose
21 only, and the retirement allowance shall be computed on the
22 basis of his compensation and service before and after the
23 period of prior retirement without restrictions; provided, that
24 if the prior allowance was based on a social security leveling
25 payment option, the allowance shall be adjusted actuarially
26 for the difference between the amount received under the
27 optional payment and what would have been paid if the
28 retirement allowance had been paid without optional
29 modification. In the alternative, the member may receive a
30 refund of the member's accumulated contributions for the
31 period of service after restoration to service in accordance
32 with G.S. 135-5(f).
- 33 2. For a member who does not earn three years' membership
34 service after restoration to service, the retirement allowance
35 shall be equal to the sum of the retirement allowance to which
36 he would have been entitled had he not been restored to



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1 service, without modification of the election of an optional
2 allowance previously made, and the retirement allowance that
3 results from service earned since being restored to service;
4 provided, that if the prior retirement allowance was based on
5 a social security leveling payment option, the prior allowance
6 shall be adjusted actuarially for the difference between the
7 amount that would have been paid for each month had the
8 payment not been suspended and what would have been paid
9 if the retirement allowance had been paid without optional
10 modification. In the alternative, the member may receive a
11 refund of the member's accumulated contributions for the
12 period of service after restoration to service in accordance
13 with G.S. 135-5(f), or the member may allow this new
14 account to remain inactive."

15 **SECTION 2.** This act becomes effective January 1, 2012, and applies to persons
16 retiring on or after that date.