

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2015

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HOUSE BILL 1135

Short Title: Retirement Credits for Peace Corps Service. (Public)

Sponsors: Representatives Meyer, Horn, G. Martin, and Hardister (Primary Sponsors).
For a complete list of sponsors, refer to the North Carolina General Assembly web site.

Referred to: Pensions and Retirement

May 23, 2016

A BILL TO BE ENTITLED

AN ACT TO ALLOW FOR THE PURCHASE OF CREDITABLE SERVICE IN THE STATE
RETIREMENT SYSTEMS AT FULL COST FOR PEACE CORPS VOLUNTEER
SERVICE.

The General Assembly of North Carolina enacts:

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

"(k1) Credit at Full Cost for Peace Corps Volunteer Service. – Notwithstanding any other provisions of this Chapter, a member, upon completion of five years of membership service, may purchase creditable service for periods of service as a Peace Corps volunteer or volunteer leader. The member shall purchase this service by making a lump sum amount payable to the Annuity Savings Fund equal to the full liability of the service credits calculated on the basis of the assumptions used for purposes of the actuarial valuation of the liabilities of the Retirement System; and the calculation of the amount payable shall take into account the retirement allowance arising on account of the additional service credit commencing at the earliest age at which the member could retire on an unreduced retirement allowance, as determined by the Board of Trustees upon the advice of the consulting actuary, plus an administrative fee to be set by the Board of Trustees. Creditable service purchased under this subsection shall not exceed a total of five years. Notwithstanding the foregoing provisions of this subsection that provide for the purchase of service credits, the terms "full cost," "full liability," and "full actuarial cost" include assumed annual post-retirement allowance increases, as determined by the Board of Trustees, from the earliest age at which a member could retire on an unreduced service allowance."

SECTION 2. G.S. 128-26 is amended by adding a new subsection to read:

"(z) Credit at Full Cost for Peace Corps Volunteer Service. – Notwithstanding any other provisions of this Chapter, a member, upon completion of five years of membership service, may purchase creditable service for periods of service as a Peace Corps volunteer or volunteer leader. The member shall purchase this service by making a lump sum amount payable to the Annuity Savings Fund equal to the full liability of the service credits calculated on the basis of the assumptions used for purposes of the actuarial valuation of the liabilities of the Retirement System; and the calculation of the amount payable shall take into account the retirement allowance arising on account of the additional service credit commencing at the earliest age at which the member could retire on an unreduced retirement allowance, as determined by the Board of Trustees upon the advice of the consulting actuary, plus an administrative fee to be set by the Board of Trustees. Creditable service purchased under this subsection shall not exceed a total of five years. Notwithstanding the foregoing provisions of this subsection that provide for the purchase of service credits, the terms "full cost," "full liability," and "full actuarial cost" include



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1 assumed annual post-retirement allowance increases, as determined by the Board of Trustees, from
2 the earliest age at which a member could retire on an unreduced service allowance."
3 **SECTION 3.** This act becomes effective July 1, 2016.