

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2005

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HOUSE BILL 853\*  
Committee Substitute Favorable 6/22/06

Short Title: Reciprocity/Optional Retirement System.

(Public)

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Sponsors:

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Referred to:

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March 22, 2005

A BILL TO BE ENTITLED

1 AN ACT TO PROVIDE FOR THE PURCHASE OF CREDITABLE SERVICE FOR  
2 PERIODS OF SERVICE UNDER THE OPTIONAL RETIREMENT PROGRAM  
3 FOR STATE INSTITUTIONS OF HIGHER EDUCATION.  
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5 The General Assembly of North Carolina enacts:

6 **SECTION 1.** G.S. 135-5 is amended by adding a new subsection to read:

7 "(ooo) Credit at Full Cost for Service With The University of North Carolina During  
8 Which a Member Participated in the Optional Retirement Program. – Notwithstanding  
9 any other provisions of this Chapter, a member, upon the completion of five years of  
10 membership service, may purchase creditable service for periods of employment with  
11 The University of North Carolina during which the member participated in the Optional  
12 Retirement Program as provided for in G.S. 135-5.1, provided that the member is not  
13 receiving, and is not entitled to receive, any retirement benefits resulting from this  
14 employment. The member shall purchase this service by making a lump-sum amount  
15 payable to the Annuity Savings Fund equal to the full liability of the service credits  
16 calculated on the basis of the assumptions used for purposes of the actuarial valuation of  
17 the system's liabilities, and shall take into account the retirement allowance arising on  
18 account of the additional service credit commencing at the earliest age at which the  
19 member could retire on an unreduced retirement allowance, as determined by the Board  
20 of Trustees upon the advice of the consulting actuary, plus an administrative fee to be  
21 set by the Board of Trustees. Notwithstanding the foregoing provisions of this  
22 subsection that provide for the purchase of service credits, the terms "full cost", "full  
23 liability", and "full actuarial cost" include assumed annual postretirement allowance  
24 increases, as determined by the Board of Trustees, from the earliest age at which a  
25 member could retire on an unreduced service allowance."

26 **SECTION 2.** This act becomes effective July 1, 2006.