

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2015

H

2

HOUSE BILL 960
Senate Pensions & Retirement and Aging Committee Substitute Adopted 6/20/16

Short Title: Retirement Creditable Service Charter Schools.

(Public)

Sponsors:

Referred to:

April 26, 2016

A BILL TO BE ENTITLED

AN ACT TO MODIFY THE ABILITY OF A MEMBER OF THE TEACHERS' AND STATE
EMPLOYEES' RETIREMENT SYSTEM TO PURCHASE CREDIT FOR EMPLOYMENT
IN A CHARTER SCHOOL OPERATED BY A PRIVATE NONPROFIT CORPORATION
AND TO REQUIRE COST ESTIMATES FOR STATUTORY CHANGES TO SERVICE
PURCHASE PROVISIONS.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 135-4(cc) reads as rewritten:

"(cc) Credit for Employment in Charter School Operated by a Private Nonprofit Corporation. – Any member may purchase creditable service for any employment as an employee of a charter school operated by a private nonprofit corporation whose board of directors did not elect to participate in the Retirement System under G.S. 135-5.3 upon completion of five years of membership service ~~after that charter school employment~~ by making a lump-sum payment into the Annuity Savings Fund. The payment by the member shall be 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 Retirement System's liabilities, taking into account the additional retirement allowance arising on account of the additional service credits commencing at the earliest age at which the member could retire with an unreduced retirement allowance, as determined by the Board of Trustees upon the advice of the actuary plus an administrative expense fee to be determined 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 postretirement 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 G.S. 135-8(b)(5)d. is repealed.

SECTION 3. G.S. 120-114 is amended by adding a new subsection to read:

"(g) In addition to the other requirements of this section, if a bill or resolution adds or modifies service purchase provisions, the Fiscal Research Division shall obtain an estimate of the cost impact of those provisions using the 30-year United States Treasury constant maturity and cost-of-living adjustment and salary increase assumptions consistent with that rate as of December of the year of the most recent actuarial valuation in addition to the cost of the provision using the valuation assumptions."

SECTION 4. This act is effective when it becomes law.



* H 9 6 0 - V - 2 *