



HOUSE BILL 960: Retirement Creditable Service Charter Schools.

2016-2017 General Assembly

Committee:	House Pensions and Retirement	Date:	May 23, 2016
Introduced by:	Rep. R. Turner	Prepared by:	Tawanda N Foster
Analysis of:	First Edition		Committee Co-Counsel

SUMMARY: *House Bill 960 would allow a member of the Teachers' and State Employees' Retirement System (TSERS) to purchase up to five years of creditable service for employment in a charter school operated by a private nonprofit corporation.*

CURRENT LAW: G.S. 135-4 provides the standards for the calculation of creditable service for use by the Teachers' and State Employees Retirement System. In particular, G.S. 135-4(cc) allows members of the retirement system to purchase creditable service for employment in 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. 135-5.3.¹ Currently, G.S. 135-4(cc) requires a member may purchase credit after five years of membership service after charter school employment and by paying a lump-sum to the Annuity Savings Fund. There is no limit to the amount of creditable service that may be purchased under this subsection.

G.S. 135-8(b) defines the annuity savings fund as a fund in which members' contributions from compensation are held to provide for their retirement annuities. Sub-subdivision 135-8(b)(5)d outlines situations when members employed in charter schools may make monthly contributions to the annuity savings fund.

BILL ANALYSIS: The bill allows members of TSERS to purchase credit after five years of membership service and payment of a lump-sum in the Annuity Savings Fund. Further, the bill provides no more than five years of creditable service may be purchased under this subsection.

The bill also repeals G.S. 135-8(b)(5)d.

EFFECTIVE DATE: The bill would be effective when it becomes law.

¹ G.S. 135-5.3 permits the board of directors of a charter school operated by a private nonprofit corporation to elect to become a participating employer in the Teachers' and State Employees Retirement System.

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