

CHAPTER 02 – RETIREMENT SYSTEMS

SUBCHAPTER 02A - DIVISIONAL RULES

SECTION .0100 - ORGANIZATIONAL RULES

20 NCAC 02A .0101 ORGANIZATION: AUTHORITY

The Retirement Systems Division of the Department of State Treasurer provides the staffing for the administration of the following agencies where either the Board of Trustees of the Teachers' and State Employees' Retirement System or the Board of Trustees of the Local Governmental Employees' Retirement System is a rulemaking body. The agencies and the statutory authority of each are:

- (1) Teachers' and State Employees' Retirement System of North Carolina -- G.S. 135, Article 1;
- (2) North Carolina Local Governmental Employees' Retirement System -- G.S. 128, Article 3;
- (3) Legislative Retirement System of North Carolina -- G.S. 120, Article 1A;
- (4) Consolidated Judicial Retirement System of North Carolina -- G.S. 135, Article 4;
- (5) Disability Income Plan of North Carolina -- G.S. 135, Article 6;
- (6) Firefighters' and Rescue Squad Workers' Pension Fund -- G.S. 58, Article 86;
- (7) Register of Deeds' Supplemental Pension Fund -- G.S. 161, Article 3; and
- (8) National Guard Pension Fund – G.S. 127A, Article 3.

History Note: Authority G.S. 58-86-10; 120-4.9; 127A-40(f); 128-28(g); 135-6(f); 135-52; 135-102; 161-50.1(b);
Eff. February 1, 1976;
Readopted Eff. September 21, 1977;
Amended Eff. October 1, 1993; August 1, 1988; April 1, 1985; October 1, 1983;
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. October 21, 2018;
Amended Eff. March 1, 2023.

20 NCAC 02A .0102 EXERCISE OF AUTHORITY

History Note: Authority G.S. 128-28(g); 135-6(f);
Eff. February 1, 1976;
Readopted Eff. September 21, 1977;
Amended Eff. October 29, 1979;
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. October 21, 2018;
Repealed Eff. March 1, 2023.

20 NCAC 02A .0103 DELEGATION OF AUTHORITY TO DIRECTOR

Whenever the statutes under Article 58 of G.S. 86, Article 1A of G.S. 120, Article 3 of G.S. 127A, Article 3 of G.S. 128, Articles 1, 4, or 6 of G.S. 135, or Article 3 of G.S. 161 specify that the Board of Trustees will make specific findings in specific matters relating to specific persons, the Director of the Retirement Systems Division may make the decisions in accordance with law and the rules, regulations, and previous decisions of this Board. Appeals may be made from the decision of the Director under the procedures used for contested cases as provided under Section .0400 of this Subchapter.

History Note: Authority G.S. 128-28(g); 128-28(h); 135-6(f); 135-6(g); 150B-22;
Eff. September 21, 1977;
Amended Eff. October 29, 1979;
Readopted Eff. March 1, 2023.

20 NCAC 02A .0104 EXERCISE OF EMPLOYER OPTIONS

When an employer elects to participate in an optional element of a retirement system, the election shall not be considered effective by the Retirement System unless the employer provides the Retirement Systems Division with a certified copy of the minutes of the governing board of the employer and the terms under which the option is elected

do not discriminate in favor of the more highly compensated employees. The terms "discriminate" and "highly compensated employee" have the same meanings as under 26 CFR of the Internal Revenue Code. The Internal Revenue Code Title 26 CFR is hereby incorporated by reference, including subsequent amendments and editions, and is available online, at no cost, at <https://www.ecfr.gov/current/title-26/chapter-I/subchapter-A/part-1?toc=1>.

History Note: Authority G.S. 128-28(g); 135-6(f);
Eff. November 9, 1979;
Readopted Eff. March 1, 2023.

20 NCAC 02A .0105 REPAYMENT FOR RIGHT TO RETIRE

History Note: Authority G.S. 128-27(a)(4); 128-28(g); 135-5(a)(3); 135-6(f); 135-57(d);
Eff. December 1, 1983;
Expired Eff. November 1, 2018 pursuant to G.S. 150B-21.3A.

SECTION .0200 - RULE-MAKING PROCEDURES

20 NCAC 02A .0201 ESTABLISHMENT OF PROCEDURAL RIGHTS

The rules in 20 NCAC 01F .0100 establish rule-making procedures for the Retirement Systems Division of the Department of State Treasurer.

History Note: Authority G.S. 128-28(g); 135-6(f);
Eff. February 1, 1976;
Readopted Eff. September 21, 1977;
Amended Eff. October 1, 1993; October 29, 1979;
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. October 21, 2018;
Amended Eff. March 1, 2023; September 1, 2019.

20 NCAC 02A .0202 DEFINITIONS

History Note: Authority G.S. 128-28(g); 135-6(f);
Eff. February 1, 1976;
Readopted Eff. September 21, 1977;
Amended Eff. October 1, 1993; October 29, 1979;
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. October 21, 2018;
Repealed Eff. March 1, 2023.

SECTION .0300 - DECLARATORY RULINGS

20 NCAC 02A .0301 ESTABLISHMENT OF PROCEDURAL RIGHTS

The rules in 20 NCAC 01F .0200 establish declaratory ruling procedures for the Retirement Systems Division of the Department of State Treasurer, with the following exception. All requests for declaratory rulings from the Retirement Systems Division shall be in writing and mailed to the attention of the Director at the following address:

Director of the Retirement Systems Division
Department of State Treasurer
3200 Atlantic Avenue
Raleigh, North Carolina 27604.

History Note: Authority G.S. 128-28(g); 135-6(f);
Eff. February 1, 1976;
Readopted Eff. September 21, 1977;
Amended Eff. October 1, 1993;
Readopted Eff. March 1, 2023.

20 NCAC 02A .0302 DEFINITIONS

History Note: *Authority G.S. 128-28(g); 135-6(f);
Eff. February 1, 1976;
Readopted Eff. September 21, 1977;
Amended Eff. October 1, 1993;
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. October
21, 2018;
Repealed Eff. March 1, 2023.*

20 NCAC 02A .0303 RECONSIDERATION OF DECLARATORY RULINGS

History Note: *Authority G.S. 128-28(g); 135-6(f);
Eff. October 29, 1979;
Repealed Eff. March 1, 2023.*

SECTION .0400 - CONTESTED CASE PROCEDURES

20 NCAC 02A .0401 ESTABLISHMENT OF PROCEDURAL RIGHTS

(a) Article 3 of G.S. 150B establishes contested case procedures for the Retirement Systems Division of the Department of State Treasurer. All correspondence with the Retirement Systems Division shall be addressed to:

Director of the Retirement Systems Division
Department of State Treasurer
3200 Atlantic Avenue
Raleigh, North Carolina 27604.

(b) Informal resolution of a dispute as described in G.S. 150B-22(a) begins when a person calls, writes, or visits the Retirement Systems Division's Member Services section and describes the dispute to a representative.

(c) If the dispute is not resolved during this initial contact, the person may request a review of the Division's decision or action in writing to the Director of the Retirement Systems Division at the address in Paragraph (a) of this Rule.

(d) The Director of the Retirement Systems Division, or the Director's designee, shall issue an agency decision in writing, which shall document the dispute for any contested case under G.S. 150B-22(b) and serve as the "agency decision" for purposes of G.S. 150B-23(f).

History Note: *Authority G.S. 128-28(g); 135-6(f); 150B-22; 150B-23;
Eff. February 1, 1976;
Readopted Eff. September 21, 1977;
Amended Eff. October 1, 1993;
Readopted Eff. March 1, 2023.*

20 NCAC 02A .0402 DEFINITIONS

20 NCAC 02A .0403 HEARING OFFICERS

History Note: *Authority G.S. 135-6(f); 128-28(g);
Eff. February 1, 1976;
Readopted Eff. September 21, 1977;
Amended Eff. October 1, 1993; October 1, 1983; December 1, 1982; October 29, 1979;
Expired Eff. November 1, 2018 pursuant to G.S. 150B-21.3A.*

SECTION .0500 - GENERAL PROCEDURES

20 NCAC 02A .0501 GENERAL GUIDELINES

20 NCAC 02A .0502 RETIRING PROCEDURES

History Note: *Authority G.S. 135-6(f); 128-28(g);*

Eff. February 1, 1976;
Readopted Eff. September 21, 1977;
Amended Eff. October 29, 1979;
Repealed Eff. March 1, 1985.

20 NCAC 02A .0503 DUAL MEMBERSHIP - COMPUTATION OF SERVICE AND BENEFITS

(a) This Rule applies to any individual case in which the member had one or more periods of dual membership in those rare cases which are permitted by law. "Dual membership" means membership in both the Teachers' and State Employees' Retirement System and the Local Governmental Employees' Retirement System, at the same time, by virtue of the same position.

(b) Eligibility shall be established for the death benefit, survivor's alternate benefit, service, early or disability retirement, or other benefits which are based on creditable or membership service for both systems whenever eligibility is established in either one of the systems.

(c) A statute permitting transfer of membership and prior service shall apply only after the period of dual membership, when a person becomes a member employed fully under a Retirement System to which the membership and prior service may be transferred from one or the other of the systems in which the member had dual membership.

(d) Death benefits for active members shall be allocated pro rata between systems based on the total compensation paid during the period when the member was eligible for dual membership.

(e) Other benefits shall be calculated as follows:

- (1) Compute "Average Final Compensation" on the basis of compensation on which the member would have contributed had the member's service not been divided between two retirement systems as a result of dual membership.
- (2) Compute creditable service as follows:
 - (A) the number of months of creditable service the member earned or acquired which were based on compensation for service in only one of the systems; plus
 - (B) the total of the fractional months earned by the member in each of the systems during periods of dual membership, where the fractional month earned during each month of dual membership is equal to the compensation reported to the system divided by the total compensation reported to all systems.
 - (C) The fractional months are to be computed as follows. First, identify the total compensation earned by the member in each of the systems during periods of dual membership, as determined in Part (e)(2)(B) of this Rule. Second, add together the total compensation earned by the member in each of the systems during periods of dual membership, as determined in Part (e)(2)(B) of this Rule, to produce a Grand Total. Third, divide the total compensation earned by the member in each of the systems during periods of dual membership, as determined in Part (e)(2)(B) of this Rule, by the Grand Total, as determined in the previous sentence, to produce a factor, carried to the fourth decimal place, known as the Modification Factor, for each system. Fourth, multiply the total of the fractional months, as determined in Part (e)(2)(B) of this Rule, by the Modification Factor for each system, as determined in the previous sentence, to determine the actual creditable service allowed for each system during periods of dual membership.
- (3) Compute the annual allowance for a member by multiplying the average final compensation times the creditable service as computed in Subparagraphs (1) and (2) of this Paragraph.
- (4) Allocate the benefits to be paid from each system pro rata on share of creditable service in each system as computed in Subparagraph (e)(2) of this Rule.

(f) This Rule shall apply to any individual case in which a member with dual membership commenced retirement with one Retirement System prior to the original effective date of this Rule, December 1, 1981, and continued in service under the other Retirement System. In such cases, the retirement allowance of the member from the system with which the member first retired shall be recomputed in accordance with this Rule and paid retroactively to the original effective date of this Rule.

History Note: Authority G.S. 128-28(g); 128-34(b); 135-6(f); 135-18.1(a);
Eff. December 1, 1981;
Amended Eff. March 1, 2023; March 1, 1985.

20 NCAC 02A .0504 DIRECT DEPOSIT OF MONTHLY BENEFIT PAYMENTS

(a) This Rule applies to any individual case in which a beneficiary's monthly benefit was paid via electronic funds transfer (EFT) or direct deposit when the EFT was suspended by the Division in error. This Rule does not apply to any individual case involving a delay by this Division to initiate an EFT or a change in an existing EFT arrangement requested by a beneficiary.

(b) The Division shall reimburse non-sufficient fund charges incurred by a beneficiary due to the suspension in error of an existing EFT arrangement when the beneficiary was not notified of the suspension of the arrangement and upon receipt of proof that the charges were incurred.

(c) Any other bad check service charges or fees imposed by any financial institution or merchant may be reimbursed at the discretion of the Division Director upon receipt of proof that the charges were incurred.

(d) Any reimbursement of non-sufficient fund or bad check service charges shall be paid from the Pension Accumulation Fund of the Retirement System in which the beneficiary is in receipt of a benefit.

*History Note: Authority G.S. 58-86-10; 120-4.9; 127A-40(f); 128-28(g); 135-6(f); 135-52; 135-102(c); 161-50.1(b);
Eff. March 1, 1992;
Readopted Eff. March 1, 2023.*

20 NCAC 02A .0505 ADMINISTRATIVE FEES FOR SERVICE PURCHASES

(a) This Rule applies to the purchase of creditable service whenever a statutory provision prescribes that the calculation of the amount payable shall include an administrative fee to be set by the Board.

(b) An administrative fee in the amount of twenty-five dollars (\$25.00) for each payment shall be assessed, as provided by law, against members at the time of purchase.

*History Note: Authority G.S. 58-86-45; 120-4.15; 120-4.16; 128-26; 128-28(g); 135-4; 135-6(f); 135-56;
Eff. March 1, 2023.*

SECTION .0600 - INVESTMENTS

20 NCAC 02A .0601 INVESTMENT OF FUNDS

20 NCAC 02A .0602 INVESTMENT COMMITTEE

*History Note: Authority G.S. 135-6(f); 128-28(g);
Eff. September 21, 1977;
Repealed Eff. March 1, 1985.*

SUBCHAPTER 02B - TEACHERS' AND STATE EMPLOYEES' RETIREMENT SYSTEM

SECTION .0100 - GENERAL PROVISIONS

20 NCAC 02B .0101 GENERAL INFORMATION

The following is general information about the Teachers' and State Employees' Retirement System:

- (1) The Director is the Director of the Retirement Systems Division;
- (2) The mailing address and physical address is Retirement Systems Division, Department of State Treasurer, 3200 Atlantic Avenue, Raleigh, North Carolina 27604.

*History Note: Authority G.S. 135-6(f);
Eff. February 1, 1976;
Readopted Eff. September 21, 1977;
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. October 21, 2018;
Amended Eff. March 1, 2023; September 1, 2019.*

20 NCAC 02B .0102 PURPOSES
20 NCAC 02B .0103 FORMS

History Note: Authority G.S. 135-6(f);
 Eff. February 1, 1976;
 Readopted Eff. September 21, 1977;
 Repealed Eff. March 1, 1985.

SECTION .0200 - ADMINISTRATION

20 NCAC 02B .0201 AVERAGE FINAL COMPENSATION

The term "consecutive calendar years" is defined for the purpose of determining retirement allowances as a period of time consisting of a number of calendar months of creditable service equal to 12 times the number of years specified by statute during which the highest total compensation was earned, adjusted proportionally to the regular term of annual employment.

History Note: Authority G.S. 135-6(f); 135-1(5);
 Eff. February 1, 1976;
 Readopted Eff. September 21, 1977.

20 NCAC 02B .0202 ACTUARIAL TABLES: RATES AND ASSUMPTIONS

History Note: Authority G.S. 135-6(f); 135-6(m);
 Eff. February 1, 1976;
 Readopted Eff. September 21, 1977;
 Amended Eff. August 1, 1981;
 Repealed Eff. March 1, 2023.

20 NCAC 02B .0203 OFFICIAL MORTALITY TABLE
20 NCAC 02B .0204 ACTUARIAL CALCULATIONS
20 NCAC 02B .0205 RECOMMENDATIONS OF ACTUARY
20 NCAC 02B .0206 ACTUARIAL VALUATIONS
20 NCAC 02B .0207 RESERVE TRANSFER

History Note: Authority G.S. 135-6(f); 135-6(m); 135-6(n); 135-6(o); 135-18.1;
 Eff. February 1, 1976;
 Readopted Eff. September 21, 1977;
 Repealed Eff. August 1, 1981.

20 NCAC 02B .0208 DEATH OF RETIRED MEMBER

During the month a retired member dies, the legal representative of the deceased shall be entitled to a full check for the month in which the death occurred.

History Note: Authority G.S. 135-6(f);
 Eff. February 1, 1976;
 Readopted Eff. September 21, 1977.

20 NCAC 02B .0209 DISCLOSURE OF INFORMATION

History Note: Authority G.S. 135-6(f);
 Eff. February 1, 1976;
 Readopted Eff. September 21, 1977;
 Amended Eff. March 1, 1985;
 Expired Eff. November 1, 2018 pursuant to G.S. 150B-21.3A.

20 NCAC 02B .0210 MEDICAL BOARD

In accordance with the authority contained in G.S. 135-6(k), membership of the Medical Board consists of five physicians, with a quorum of three required at meetings approving applications for disability retirement.

History Note: Authority G.S. 135-6(f); 135-6(k);
 Eff. February 1, 1976;
 Readopted Eff. March 1, 2023; September 21, 1977.

20 NCAC 02B .0211 OPTIONAL RETIREMENT PROGRAM

An individual who is employed by a state university at a rank or in a position ineligible for participation in the Optional Retirement Program, as provided by G.S. 135-5.1, and who later is reclassified to an eligible rank or position shall be permitted to elect to withdraw from the Teachers' and State Employees' Retirement System and to begin participation in the Optional Retirement Program as though the individual were a new employee.

History Note: Authority G.S. 135-5.1; 135-6(f);
 Eff. February 1, 1976;
 Readopted Eff. March 1, 2023; September 21, 1977.

20 NCAC 02B .0212 SURVIVOR'S ALTERNATE BENEFIT

History Note: Authority G.S. 135-19; 135-6(f);
 Eff. February 1, 1976;
 Readopted Eff. September 21, 1977;
 Expired Eff. November 1, 2018 pursuant to G.S. 150B-21.3A.

20 NCAC 02B .0213 DISABILITY RETIREMENT ALLOWANCE DEFINED

History Note: Authority G.S. 135-5(1)(3);
 Eff. October 29, 1979;
 Repealed Eff. March 1, 2023.

20 NCAC 02B .0214 RETROACTIVE MEMBERSHIP SERVICE

History Note: Authority G.S. 135-3(1); 135-6(f);
 Eff. June 1, 1984;
 Expired Eff. November 1, 2018 pursuant to G.S. 150B-21.3A.

**20 NCAC 02B .0215 TEACHERS' AND STATE EMPLOYEES' RETIREMENT SYSTEM
OVERPAYMENT SAFE HARBOR**

(a) The Board of Trustees determines that the following causes of overpayments are not entirely due to administrative error on the part of the Retirement Systems Division:

- (1) The beneficiary received, but did not repay to the Retirement System or the Disability Income Plan of North Carolina, a benefit from the Social Security Administration, the U.S. Department of Veterans Affairs, other federal agency payments, Workers' Compensation, or the State's military disability program under G.S. 127A-108, where such benefits are required by law to be offset from benefits paid by the Retirement System or the Disability Income Plan of North Carolina, or where repayment of such benefits was agreed upon as a condition of approval for benefits from the Retirement System or the Disability Income Plan of North Carolina.
- (2) The beneficiary, the beneficiary's employer, or the beneficiary's authorized agent submitted any information on an official form to the Retirement Systems Division, either on paper or electronically, that differed from the information ultimately used to determine the eligibility for, or amount of, benefits due.
- (3) The Retirement Systems Division requested information necessary to initiate or continue the payment of benefits, by sending a letter to the mailing address that the beneficiary, the beneficiary's employer, or the beneficiary's authorized agent placed on file with the Retirement Systems Division, allowing at least three weeks between the date of the letter and the date for a

response to be received, and the Retirement Systems Division did not receive a response by the time requested.

- (4) A State or local government agency reported information to the Retirement Systems Division, including employment status, dates of service, or amounts of compensation, which changed the eligibility for, or amount of, benefits due to the beneficiary.
- (5) The beneficiary experienced a forfeiture of creditable service for having been convicted of a felony under the provisions of G.S. 135-18.10, G.S. 135-18.10A, G.S. 135-75.1, or G.S. 135-75.1A .

(b) The Retirement Systems Division may initiate a review of the facts and circumstances related to the origin of any overpayment from the Retirement System or the Disability Income Plan of North Carolina, with the purpose of determining if the overpayment was entirely due to administrative error on the part of the Retirement Systems Division and therefore eligible for the alternate repayment terms of G.S. 135-9(c1). The Director of the Retirement Systems Division shall, upon receipt of a written request by a beneficiary, beneficiary's employer, or the beneficiary's authorized agent, initiate such a review. If the Director determines the overpayment is not entirely due to administrative error on the part of the Retirement Systems Division, the Retirement Systems Division shall issue a letter to the requestor setting forth the reason or reasons for the denial. The Director shall make determinations on such requests pursuant to the authority provided under 20 NCAC 02A .0103.

History Note: Authority G.S. 135-6(f); 135-9(c1);
Eff. July 1, 2024.

20 NCAC 02B .0216 EVIDENCE REQUIRED FOR INACTIVE EMPLOYER EXTENSION REQUEST

"Clear and Convincing Evidence" includes all of the following:

- (1) Job description of all vacant positions requiring membership in the Teachers' and State Employees' Retirement System.
- (2) The date the positions are expected to be filled or the status of recruitment.
- (3) Confirmation that the positions are funded in the employer's most recent budget.
- (4) Statement that the employer will continue to issue financial statements recognizing its share of the Teachers' and State Employees' Retirement System costs, if any, under the governmental accounting standards of the Governmental Accounting Standards Board. The statement shall be signed by an authorized representative of the employer.

History Note: Authority G.S. 135-5.5(d); 135-6(f);
Eff. January 1, 2025.

SECTION .0300 - BENEFICIARIES

20 NCAC 02B .0301 DESIGNATION

Any beneficiaries designated, other than the estate of a member or a trustee named by and acting for the member, must be living persons at the time the designation is made. If it is desired that the estate be beneficiary, this should be indicated on the form.

History Note: Authority G.S. 135-5(g); 135-5(l); 135-6(f);
Eff. February 1, 1976;
Readopted Eff. March 1, 2023; September 21, 1977.

20 NCAC 02B .0302 PRINCIPAL BENEFICIARY

(a) More than one principal beneficiary may be designated for the return of accumulated contributions under the provisions of G.S. 135-5(f) to share equally. In the event of the death of any so designated principal beneficiary for the return of accumulated contributions, those surviving principal beneficiaries shall share equally in the total benefits. However, if there is only one living designated principal beneficiary for the return of accumulated contributions at the member's death and the member has met all other requirements under the provisions of G.S. 135-5(m), the designated principal beneficiary may elect to receive the alternative benefit under the provisions of G.S. 135-5(m).

(b) More than one principal beneficiary may be designated for the death benefit of an active member or a retired member under the provisions of G.S. 135-5(l) to share equally. In the event of the death of any so designated

principal beneficiary for the death benefit of an active member or retired member, those surviving principal beneficiaries shall share equally in the total benefits.

(c) More than one principal beneficiary may be designated for the guaranteed refund under the provisions of G.S. 135-5(g1) to share equally. In the event of the death of any so designated principal beneficiary for the guaranteed refund, those surviving principal beneficiaries shall share equally in the total benefits.

*History Note: Authority G.S. 135-5(f); 135-5(g); 135-5(g1); 135-5(l); 135-5(m); 135-6(f);
Eff. February 1, 1976;
Readopted Eff. March 1, 2023; September 21, 1977.*

20 NCAC 02B .0303 CONTINGENT BENEFICIARY

(a) The following shall apply to designating a contingent beneficiary for the return of accumulated contributions under the provisions of G.S. 135-5(f):

- (1) A principal beneficiary may be designated for the return of accumulated contributions with the stipulation that should the principal beneficiary predecease the member, payment of the amount due, if any, shall be made to the designated contingent beneficiary or beneficiaries for the return of accumulated contributions.
- (2) If more than one principal beneficiary is designated for the return of accumulated contributions, payment of the amount due, if any, shall be paid to any surviving principal beneficiaries designated for the return of accumulated contributions, sharing equally in the total benefits payable, and shall not be paid to any contingent beneficiary.
- (3) It is permissible to designate more than one contingent beneficiary for the return of accumulated contributions. Payment of the amount due, if any, shall be paid to the surviving contingent beneficiaries designated for the return of accumulated contributions, sharing equally in the total benefits, only in the event that there is no surviving principal beneficiary designated for the return of accumulated contributions.

(b) The following shall apply to designating a contingent beneficiary for the death benefit under the provisions of G.S. 135-5(l):

- (1) A principal beneficiary may be designated for the death benefit of an active member or retired member with the stipulation that should the principal beneficiary predecease the member, payment of the amount due, if any, shall be made to the designated contingent beneficiary or beneficiaries for the death benefit.
- (2) If more than one principal beneficiary is designated for the death benefit, payment of the amount due, if any, shall be paid to any surviving principal beneficiaries designated for the death benefit, sharing equally in the total benefits payable, and shall not be paid to any contingent beneficiary.
- (3) It is permissible to designate more than one contingent beneficiary for the death benefit. Payment of the amount due, if any, shall be paid to the surviving contingent beneficiaries designated for the death benefit, sharing equally in the total benefits, only in the event that there is no surviving principal beneficiary designated for the death benefit.

(c) The following shall apply to designating a contingent beneficiary for the guaranteed refund under the provisions of G.S. 135-5(g1):

- (1) A principal beneficiary may be designated for the guaranteed refund with the stipulation that should the principal beneficiary predecease the member, payment of the amount due, if any, shall be made to the designated contingent beneficiary or beneficiaries for the guaranteed refund.
- (2) If more than one principal beneficiary is designated for the guaranteed refund, payment of the amount due, if any, shall be paid to any surviving principal beneficiaries designated for the guaranteed refund, sharing equally in the total benefits payable, and shall not be paid to any contingent beneficiary.
- (3) It is permissible to designate more than one contingent beneficiary for the guaranteed refund. Payment of the amount due, if any, shall be paid to the surviving contingent beneficiaries designated for the guaranteed refund, sharing equally in the total benefits, only in the event that there is no surviving principal beneficiary designated for the guaranteed refund.

*History Note: Authority G.S. 135-5(f); 135-5(g); 135-5(g1); 135-5(l); 135-6(f);
Eff. February 1, 1976;
Readopted Eff. March 1, 2023; September 21, 1977.*

20 NCAC 02B .0304 NO LIVING BENEFICIARY

If no designated beneficiary, whether principal or contingent, is living at the time of the member's death, payment of the amount due, if any, will be made to the administrator or executor of the estate or the collector of funds for the estate of the member.

History Note: Authority G.S. 135-5(g); 135-6(f);
Eff. February 1, 1976;
Readopted Eff. March 1, 2023; September 21, 1977.

20 NCAC 02B .0305 BENEFICIARY WHO IS A MINOR

(a) Payments to beneficiaries who are minors will be made to an appointed guardian or to the clerk of superior court in the county in which the beneficiary resides to the extent that such payment is authorized by law.

(b) In the event that the appointed guardian or the clerk of superior court in the county in which the beneficiary resides is unwilling or unable to accept payment on behalf of the minor beneficiary payment may be made to a custodian in accordance with Chapter 33A of the North Carolina General Statutes, entitled North Carolina Uniform Transfers to Minors Act.

History Note: Authority G.S. 135-5(g); 135-6(f);
Eff. February 1, 1976;
Readopted Eff. March 1, 2023; September 21, 1977.

20 NCAC 02B .0306 CHANGE IN STATUS

History Note: Authority G.S. 135-5(g); 135-6(f);
Eff. February 1, 1976;
Readopted Eff. September 21, 1977;
Repealed Eff. March 1, 1985.

20 NCAC 02B .0307 CHANGE IN BENEFICIARY

Prior to retirement, the member may, at any time, change any beneficiaries designated for the return of accumulated contributions under the provisions of G.S. 135-5(f) or the death benefit for active members under the provisions of G.S. 135-5(l). A retired member may, at any time, change any beneficiaries designated for:

- (1) The guaranteed refund under the provisions of G.S. 135-5(g1) until such time as the funds have been depleted;
- (2) The death benefit for active members under the provisions of G.S. 135-5(l) provided the change is submitted within 180 calendar days after the member's last day of active service; or
- (3) The death benefit for retired members under the provisions of G.S. 135-5(l).

The member shall submit any such change to the Board of Trustees using the form approved by the Board of Trustees for designation of the beneficiary for that purpose.

History Note: Authority G.S. 135-5(f); 135-5(g); 135-5(g1); 135-5(l); 135-6(f);
Eff. February 1, 1976;
Readopted Eff. March 1, 2023; September 21, 1977.

20 NCAC 02B .0308 SPECIAL RULE: BENEFICIARY BEFORE JULY 1, 1967

In the event of the death of a person who became a member before July 1, 1967, the return of a member's contributions shall be paid to such person as the member intended to receive the return of contributions and whom the member designated as beneficiary for the death benefit as if the member had designated such person for the return of contributions if all of the following conditions are met:

- (1) the member had designated one person for the death benefit at a time when there were separate forms for designation of beneficiary for return of contributions and designation of beneficiary for the death benefit;
- (2) the person designated as beneficiary for the death benefit is living at the time of the member's death;

- (3) any previously designated beneficiary for the return of contributions who is living at the time of the member's death or, if such previously designated beneficiary dies between the time of the member's death and the time of determination of payment of the return of accumulated contributions, the legatee or legatees, heirs at law, successors, or assigns of such beneficiary, waives all claims to or interest in the return of the member's contributions;
- (4) the member did not designate any other person for the return of contributions after making a designation of beneficiary for the death benefit; and
- (5) clear and convincing evidence is presented to the Division showing that the member thought the member had or intended to have designated for the return of contributions the same person whom the member designated as beneficiary for the death benefit.

In such cases, the beneficiary shall be entitled to receive the survivor's alternate benefit pursuant to G.S. 135-5(m) to the same extent that the beneficiary would have been entitled to receive the survivor's alternate benefit under G.S. 135-5(m) if the member had actually designated such beneficiary for the return of contributions in a duly executed and filed form for the designation of beneficiary for return of contributions.

*History Note: Authority G.S. 135-5(f); 135-5(m); 135-6(f);
Eff. October 29, 1979;
Readopted Eff. March 1, 2023.*

SECTION .0400 - EMPLOYER CONTRIBUTIONS

20 NCAC 02B .0401 REFUNDS

(a) The Retirement System will make no refunds of employer contributions paid into the pension accumulation fund by the employer in the amount equal to a percentage of the actual compensation of each member in cases of erroneous employee deductions except those which are corrected by the employing unit on a subsequent payroll within the calendar year in which the errors occur.

(b) Notwithstanding Paragraph (a) of this Rule, an error occurring in December may be corrected, and the associated employer contribution be refunded in the form of a credit toward future required employer contributions, by the employer's submission of a revised payroll report for the correct amount before January 31 of the following year.

(c) If an employer makes an additional contribution to the pension accumulation fund as a result of the contribution-based benefit cap, and the Retirement System receives information which alters the calculation of the retirement benefit used to determine the contribution under the provisions of G.S. 135-8(f)(2)f., any contribution not required based on the new information will be refunded to the employer in the form of a credit toward future required employer contributions.

(d) If an employer makes a contribution to the pension accumulation fund that was not required, or the Retirement System must repay or reimburse an employer for any reason, then the funds shall be refunded or paid in the form of a credit to be used toward future required employer contributions.

*History Note: Authority G.S. 135-2; 135-6(f); 135-8(f);
Eff. February 1, 1976;
Readopted Eff.; March 1, 2023; September 21, 1977;
Amended Eff. January 1, 2025.*

20 NCAC 02B .0402 FORWARDING OF EMPLOYER CONTRIBUTIONS

All units shall forward to the Retirement System the employer's contributions monthly at the same time the employee's contributions are forwarded.

*History Note: Authority G.S. 135-6(f); 135-8(f);
Eff. February 1, 1976;
Readopted Eff. March 1, 2023; September 21, 1977.*

20 NCAC 02B .0403 CONTRIBUTION RATE

*History Note: Authority G.S. 135-6(f); 135-6(m);
Eff. September 21, 1977;*

Repealed Eff. August 1, 1981.

20 NCAC 02B .0404 DUE DATE OF CONTRIBUTIONS

Both the employee and employer contributions are due in the Raleigh office of the Retirement System no later than the fifth State government working day of the month succeeding the month for which the contributions are required. Contributions received after the fifth State government working day of the month are delinquent.

*History Note: Authority G.S. 135-6(f); 135-8(f);
Eff. March 1, 1992;
Readopted Eff. March 1, 2023.*

20 NCAC 02B .0405 ANTI-PENSION SPIKING CONTRIBUTION-BASED BENEFIT CAP FACTOR (TSERS)

*History Note: Authority G.S. 135-4(jj); 135-5(a3); 135-6(f);
Eff. March 21, 2019;
Repealed Eff. March 1, 2023.*

SECTION .0500 - TYPES OF RETIREMENT

20 NCAC 02B .0501 DISABILITY RETIREMENT EXAMINATION

The Medical Board is authorized to conduct an examination in doubtful cases of disability to determine whether the member continues to be eligible for a disability retirement pursuant to G.S. 135-5(c), paying the expense of the same from the Pension Accumulation Fund.

*History Note: Authority G.S. 135-2; 135-5(c); 135-6(f);
Eff. February 1, 1976;
Readopted Eff. March 1, 2023; September 21, 1977.*

20 NCAC 02B .0502 DISABILITY RETIREMENT REPORTS

When the Medical Board, subsequent to a disability retirement, reports that the retired member is engaged in or is able to engage in a gainful occupation, any adjustment required by G.S. 135-5(e)(1) will be made prospectively only and will not require any refund to the State of payments made during the period before a report is made indicating changed status.

*History Note: Authority G.S. 135-5(e)(1); 135-6(f);
Eff. February 1, 1976;
Readopted Eff. March 1, 2023; September 21, 1977.*

20 NCAC 02B .0503 FEES: INDEPENDENT MEDICAL EXAMS-DISABILITY RETIREMENTS

*History Note: Authority G.S. 135-6(f); 135-6(k);
Eff. February 1, 1976;
Readopted Eff. September 21, 1977;
Amended Eff. August 1, 1981;
Repealed Eff. March 1, 2023.*

20 NCAC 02B .0504 INTEREST CREDITS

When members on disability retirement are reinstated to active service, no interest shall be allowed on their accounts during the year of reinstatement.

*History Note: Authority G.S. 135-6(f);
Eff. February 1, 1976;
Readopted Eff. March 1, 2023; September 21, 1977.*

20 NCAC 02B .0505 EARLY RETIREMENT

20 NCAC 02B .0506 SERVICE RETIREMENT
20 NCAC 02B .0507 PERSONNEL EMPLOYED

History Note: Authority G.S. 135-6(f);
 Eff. February 1, 1976;
 Readopted Eff. September 21, 1977;
 Repealed Eff. March 1, 1985.

20 NCAC 02B .0508 FAILURE TO RESPOND

History Note: Authority G.S. 135-5(a)(1); 135-6(f);
 Eff. February 1, 1976;
 Readopted Eff. September 21, 1977.
 Pursuant to G.S. 150B-33(b)(9), Administrative Law Judge Melissa Owens Lassiter declared Rule
 20 NCAC 02B .0508 void as applied in *Burton L. Russell v. Department of State Treasurer,*
 Retirement Systems Division (03 DST 1715);
 Expired Eff. November 1, 2018 pursuant to G.S. 150B-21.3A.

20 NCAC 02B .0509 RETIREMENT ALLOWANCE

History Note: Authority G.S. 135-18.1; 135-6(f);
 Eff. February 1, 1976;
 Readopted Eff. September 21, 1977;
 Repealed Eff. December 1, 1981.

20 NCAC 02B .0510 PENSIONS

Payment of a full month's benefit shall be made for the month in which death occurs, regardless of the date, with no further benefits to be paid thereafter.

History Note: Authority G.S. 135-6(f);
 Eff. February 1, 1976;
 Readopted Eff. March 1, 2023; September 21, 1977.

SECTION .0600 - INVESTMENTS

20 NCAC 02B .0601 STOCK
20 NCAC 02B .0602 AUTHORIZATION
20 NCAC 02B .0603 VALUATION EQUITY RESERVE

History Note: Authority G.S. 135-7.2; 135-6(f);
 Eff. February 1, 1976;
 Repealed Eff. September 21, 1977.

SECTION .0700 - LEAVES OF ABSENCE

20 NCAC 02B .0701 EDUCATIONAL LEAVES OF ABSENCE

- (a) For the purposes of G.S. 135-8(b)(5), "stipend" shall mean a fixed sum of money paid periodically for services and to defray the cost of travel, housing, meals, or other expenses resulting from participation in a full-time degree program.
- (b) If the employer makes the monthly employer contribution equal to the normal and accrued liability contribution, the employer shall submit the total employer payment to the Retirement System.
- (c) If the member makes the entire payment, the member shall submit the total employer and employee contribution to the Retirement System.
- (d) A member, who is currently making contributions to purchase service for an educational leave of absence, and whose position before the leave of absence was paid on a less than 12-month basis, shall make the payment in the

month after the regularly scheduled due date for payment of salary and shall earn service credits for the contributions in the same manner the member would if the member was currently being employed in that last position.

History Note: Authority G.S. 135-6(f); 135-8(b)(5);
Eff. February 1, 1976;
Readopted Eff. September 21, 1977;
Amended Eff. March 1, 1982;
Readopted Eff. March 1, 2023.

20 NCAC 02B .0702 REQUESTS TO CONTRIBUTE
20 NCAC 02B .0703 MANDATORY LEAVE OF ABSENCE
20 NCAC 02B .0704 MEMBER AGE SIXTY-FIVE
20 NCAC 02B .0705 LIMITATION

History Note: Authority G.S. 135-8(b)(5); 135-6(f);
Eff. February 1, 1976;
Readopted Eff. September 21, 1977;
Repealed Eff. March 1, 1982.

20 NCAC 02B .0706 WORKERS' COMPENSATION LEAVES OF ABSENCE

- (a) Purchases of creditable service for leaves of absence prior to July 1, 1983 shall be made in the same manner as prescribed in 20 NCAC 02B .1200, as then effective.
- (b) Purchases of creditable service for leaves of absence on and after July 1, 1983 shall be paid in the manner prescribed in law equal to the sum of the total employer and employee percentage rates of contribution in effect at the time of purchase multiplied by the annual rate of compensation of the member immediately prior to the leave of absence applied to the period of the leave commencing on the first day and ending on the last day before return to service.
- (c) Members who had leaves of absence which otherwise met all requirements of law for purchase as creditable service except that the leaves of absence interrupted membership in the Local Governmental Employees' Retirement System or the Law Enforcement Officers' Retirement System and whose membership service before and after the leaves of absence has become membership service in the Teachers' and State Employees' Retirement System, may purchase creditable service as in Paragraph (b) of this Rule.
- (d) Members may purchase creditable service for leaves of absence only when they have membership service credits immediately prior to and immediately after the leaves of absence and such membership service is creditable service at the time of purchase.

History Note: Authority G.S. 135-4(r); 135-6(f);
Eff. December 1, 1983;
Amended Eff. August 1, 1988;
Readopted Eff. March 1, 2023.

SECTION .0800 - MILITARY SERVICE (INCHOATE RIGHTS ONLY)

20 NCAC 02B .0801 FEE

History Note: Authority G.S. 135-4(f)(6); 135-6(f);
Eff. February 1, 1976;
Readopted Eff. September 21, 1977;
Repealed Eff. March 1, 2023.

20 NCAC 02B .0802 QUALIFYING FOR CREDIT

In order to qualify, each individual must pay for the full period of military service for which the member is eligible.

History Note: Authority G.S. 135-4(f)(6); 135-6(f); S.L. 1981, C. 636;
Eff. February 1, 1976;

Readopted Eff. March 1, 2023; September 21, 1977;

20 NCAC 02B .0803 COMPUTATION OF COST

The cost of purchasing credit for military service is calculated as follows:

- (1) 1/12 of the annualized rate of compensation the member earned when the member first entered membership; multiplied by
- (2) the employee contribution rate at that time; multiplied by
- (3) the number of months of military service for which credit is to be purchased; plus
- (4) a factor equivalent to interest at the rate of six and one-half percent, compounded annually, from the initial year of membership to the year of payment.

*History Note: Authority G.S. 135-4(f); 135-6(f); S.L. 1981, C. 636;
Eff. February 1, 1976;
Readopted September 21, 1977;
Amended Eff. March 1, 2023.*

20 NCAC 02B .0804 CIVIL SERVICE PARTICIPATION

A member of the Teachers' and State Employees' Retirement System whose employment in this State requires the member to participate in the Federal Civil Service Program in lieu of the Social Security program shall not be barred from receiving military service credit for which the member is otherwise eligible in the Retirement System, despite the fact that the member may also receive credit under the Federal Civil Service Program for the same period of military service, provided that the member makes the required payment.

*History Note: Authority G.S. 135-4(f)(6); 135-6(f); S.L. 1981, C. 636;
Eff. February 1, 1976;
Readopted Eff. March 1, 2023; September 21, 1977.*

20 NCAC 02B .0805 SERVICE CONNECTED DISABILITY

The exclusion for purchase of service in the Armed Forces of the United States as it pertains to credit in any other retirement system shall not include "service connected disability" benefits received from the Veteran's Administration of the Federal Government except when such benefits are a supplement of a military longevity retirement ("retired pay") benefit. The term "service connected disability" has the same meaning as used in Title 38, Chapter 11 of the United States Code which is hereby incorporated by reference, including subsequent additions and amendments, and is available online, at no cost, at <https://uscode.house.gov/browse/prelim@title38/part2&edition=prelim>. The term "retired pay" has the same meaning as used in Title 10, Chapter 71 of the United States Code which is hereby incorporated by reference, including subsequent additions and amendments, and is available online, at no cost, at <https://uscode.house.gov/browse/prelim@title10/subtitleA/part2/chapter71&edition=prelim>.

*History Note: Authority G.S. 135-4(f)(6); 135-6(f); S.L. 1981, C. 636;
Eff. February 1, 1976;
Readopted Eff. March 1, 2023; September 21, 1977.*

20 NCAC 02B .0806 RECALCULATION OF BENEFITS

For members already retired who purchase service under G.S. 135-4(f)(6), any recalculation of benefits shall be based on the law in effect at the time of the individual's retirement. The calculation of both the benefit and the cost of the credit shall include the effects of the additional service credit resulting from the purchase and all benefit increases subsequent to the date of retirement.

*History Note: Authority G.S. 135-4(f)(6); 135-6(f); S.L. 1981, C. 636;
Eff. February 1, 1976;
Readopted Eff. March 1, 2023; September 21, 1977.*

20 NCAC 02B .0807 CHANGE IN BENEFITS

For members already retired, any change in benefits resulting from the purchase of credit pursuant to this Section shall become effective as of the first of the month following receipt of the required payment.

History Note: Authority G.S. 135-4(f)(6); 135-6(f); S.L. 1981, C. 636;
Eff. February 1, 1976;
Readopted Eff. March 1, 2023; September 21, 1977.

20 NCAC 02B .0808 EMPLOYER PORTION OF ANNUAL COST
20 NCAC 02B .0809 PAYMENTS

History Note: Authority G.S. 135-4(f)(6); 135-6(f);
Eff. February 1, 1976;
Readopted September 21, 1977;
Repealed Eff. March 1, 1985.

20 NCAC 02B .0810 RESTORING MEMBERSHIP

When a member on military leave has withdrawn all of the member's contributions, the member shall be permitted to pay back the amount withdrawn, to the extent permitted by law, restore membership, and receive credit for the associated period of military leave.

History Note: Authority G.S. 135-4(f); 135-4(k1); 135-6(f); S.L. 1981, C. 636;
Eff. February 1, 1976;
Readopted Eff. March 1, 2023; September 21, 1977.

20 NCAC 02B .0811 INITIAL PERIOD OF ACTIVE DUTY

History Note: Authority G.S. 135-4(f); 135-6(f);
Eff. February 1, 1976;
Readopted Eff. September 21, 1977;
Expired Eff. November 1, 2018 pursuant to G.S. 150B-21.3A.

SECTION .0900 - OUT-OF-STATE SERVICE (INCHOATE RIGHTS ONLY)

20 NCAC 02B .0901 FEE

History Note: Authority G.S. 135-4(l); 135-6(f);
Eff. February 1, 1976;
Readopted Eff. September 21, 1977;
Repealed Eff. March 1, 2023.

20 NCAC 02B .0902 QUALIFYING FOR CREDIT

In order to qualify for out-of-state service credit, each individual must pay for all or such portion of the member's out-of-state service period in full years as the member desires of out-of-state service for which the member is eligible.

History Note: Authority G.S. 135-4(l); 135-6(f); S.L. 1981, C. 636;
Eff. February 1, 1976;
Readopted Eff. March 1, 2023; September 21, 1977.

20 NCAC 02B .0903 DEFINITION

"Other governmental subdivision of the United States," as used in G.S. 135-4(l), means a state or territory and its subdivisions but not the United States government, except as specifically provided by statute.

History Note: Authority G.S. 135-4(l); 135-6(f); S.L. 1981, C. 636;
Eff. February 1, 1976;
Readopted Eff. March 1, 2023; September 21, 1977.

20 NCAC 02B .0904 COMPUTATION OF COST

The cost of purchasing credit for out-of-state service is calculated as follows:

- (1) the monthly compensation the member earned when the member first entered membership; multiplied by
- (2) the employee contribution rate at that time; multiplied by
- (3) the number of months of out-of-state service for which credit is to be purchased; multiplied by
- (4) two; plus
- (5) a factor equivalent to interest at the rate of six and one-half percent, compounded annually, from the initial year of membership to the year of payment.

History Note: Authority G.S. 135-4(l); 135-6(f); S.L. 1981, C. 636;
Eff. February 1, 1976;
Readopted Eff. March 1, 2023; September 21, 1977.

20 NCAC 02B .0905 RECALCULATION OF BENEFITS

For members already retired who purchase service under G.S. 135-4(l), as repealed by Session Law 1981-636, s. 1, where the text of the repealed statutory provision may be found in the Editor's Note to G.S. 135-4 in the 2021 Edition of the General Statutes of North Carolina, any recalculation of benefits shall be based on the law in effect at the time of the individual's retirement. The calculation of both the benefit and the cost of the credit shall include the effects of the additional service credit resulting from the purchase and all benefit increases subsequent to the date of retirement.

History Note: Authority G.S. 135-4(l); 135-6(f); S.L. 1981, C. 636;
Eff. February 1, 1976;
Readopted Eff. March 1, 2023; September 21, 1977.

20 NCAC 02B .0906 CHANGE IN BENEFITS

For members already retired, any change in benefits resulting from the provisions for out-of-state service shall become effective as of the first of the month following receipt of the required payment.

History Note: Authority G.S. 135-4(l); 135-6(f); S.L. 1981, C. 636;
Eff. February 1, 1976;
Readopted Eff. March 1, 2023; September 21, 1977.

20 NCAC 02B .0907 COST TO EMPLOYER

History Note: Authority G.S. 135-4(l); 135-6(f);
Eff. February 1, 1976;
Repealed Eff. September 21, 1977.

20 NCAC 02B .0908 PAYMENTS

History Note: Authority G.S. 135-4(l); 135-6(f);
Eff. February 1, 1976;
Readopted Eff. September 21, 1977;
Repealed Eff. March 1, 1985.

SECTION .1000 - PRIOR SERVICE

20 NCAC 02B .1001 PUBLIC SCHOOL TEACHERS

History Note: Authority G.S. 135-4;
Eff. February 1, 1976;
Readopted Eff. September 21, 1977;
Expired Eff. November 1, 2018 pursuant to G.S. 150B-21.3A.

20 NCAC 02B .1002 SERVICE UNDER WPA

History Note: Authority G.S. 135-4;
Eff. February 1, 1976;
Readopted Eff. September 21, 1977;
Repealed Eff. March 1, 1985.

20 NCAC 02B .1003 PRIOR SERVICE WITH GENERAL ASSEMBLY

History Note: Authority G.S. 135-4(j1); 135-6(f);
Eff. October 29, 1979;
Repealed Eff. March 1, 2023.

20 NCAC 02B .1004 TEMPORARY SERVICE PURCHASE (INCHOATE RIGHTS ONLY)

(a) A member eligible under G.S. 135-4(p) to purchase service for temporary State employment shall apply for the purchase. Employer certification of temporary State employment and the compensation received for such service shall accompany the application. The application shall include: the member's Member Identification Number; last employer under the Retirement System; and the member's signature and signature date. For each temporary position for which the member desires to purchase credit, the application shall identify the government employer, position title, start date, end date, and the member's last name while working in the position. The employer's certification shall include the position title, start and end date of the eligible period, number of months in the annual contract to perform services, beginning and ending months of the annual contract period for retirement service purposes, and the name, position, employer, email address, telephone number, signature, and signature date of the employer contact certifying the information.

(b) Temporary State employment means employment under which the member would have been unconditionally required to make contributions at the time of employment if not classified at the time of employment as a "temporary" employee.

(c) The employer cost, shall be equal to the total employee and employer rates of contribution at the member's level of compensation at the time of purchase and for the period of service being purchased, less the required member contribution.

History Note: Authority G.S. 135-4(p); 135-6(f); S.L. 2020-29;
Eff. March 1, 1982;
Amended Eff. March 1, 1985; September 1, 1982;
Readopted Eff. March 1, 2023.

20 NCAC 02B .1005 TEMPORARY SERVICE PURCHASE: FULL ACTUARIAL LIABILITY

History Note: Authority G.S. 135-4(s); 135-6(f);
Eff. December 1, 1983;
Amended Eff. August 1, 1988; September 1, 1984;
Repealed Eff. March 1, 2023.

20 NCAC 02B .1006 PART-TIME SERVICE PURCHASE: FULL ACTUARIAL LIABILITY

"Part-time" as used in G.S. 135-4(p2) means duties performed on less than a full-time basis as classified by the employer.

History Note: Authority G.S. 135-4(p2); 135-6(f);
Eff. March 1, 1985;
Readopted Eff. March 1, 2023.

20 NCAC 02B .1007 LOCAL GOVERNMENT SERVICE PURCHASE: FULL ACTUARIAL LIABILITY

History Note: Authority G.S. 135-4(t); 135-6(f);
Eff. March 1, 1985;
Repealed Eff. March 1, 2023.

SECTION .1100 - VOLUNTARILY WITHDRAWN CONTRIBUTIONS

20 NCAC 02B .1101 FEE **20 NCAC 02B .1102 QUALIFICATION**

History Note: Authority G.S. 135-4(k); 135-6(f);
Eff. February 1, 1976;
Readopted Eff. September 21, 1977;
Repealed Eff. March 1, 2023.

20 NCAC 02B .1103 COMPUTATION OF COST

History Note: Authority G.S. 135-4(k); 135-6(f);
Eff. February 1, 1976;
Readopted Eff. September 21, 1977;
Amended Eff. June 1, 1984;
Expired Eff. November 1, 2018 pursuant to G.S. 150B-21.3A.

20 NCAC 02B .1104 RECALCULATION OF BENEFITS

History Note: Authority G.S. 135-4(k); 135-6(f);
Eff. February 1, 1976;
Readopted Eff. September 21, 1977;
Repealed Eff. March 1, 2023.

20 NCAC 02B .1105 CHANGE IN BENEFITS

History Note: Authority G.S. 135-4(k); 135-6(f);
Eff. February 1, 1976;
Readopted Eff. September 21, 1977;
Expired Eff. November 1, 2018 pursuant to G.S. 150B-21.3A.

20 NCAC 02B .1106 EMPLOYER COST **20 NCAC 02B .1107 PAYMENTS**

History Note: Authority G.S. 135-4(m); 135-6(f);
Eff. February 1, 1976;
Readopted Eff. September 21, 1977;
Repealed Eff. March 1, 1985.

20 NCAC 02B .1108 WILDLIFE PROTECTORS

History Note: Authority G.S. 135-6(f);
Eff. March 1, 1985;
Expired Eff. November 1, 2018 pursuant to G.S. 150B-21.3A.

SECTION .1200 - DELAYED PURCHASE OF SERVICE CREDITS

20 NCAC 02B .1201 APPLICATION OF SECTION

History Note: Authority G.S. 135-6(f);
Eff. October 29, 1979;
Amended Eff. March 1, 1985;
Expired Eff. November 1, 2018 pursuant to G.S. 150B-21.3A.

20 NCAC 02B .1202 ACTUARIAL TABLES

History Note: Authority G.S. 135-6(f);
 Eff. October 29, 1979;
 Repealed Eff. August 1, 1981.

20 NCAC 02B .1203 APPLICABILITY OF OTHER SECTIONS

History Note: Authority G.S. 135-6(f);
 Eff. October 29, 1979;
 Repealed Eff. March 1, 1985.

20 NCAC 02B .1204 DEFINITIONS

20 NCAC 02B .1205 COMPUTATION OF COST

History Note: Authority G.S. 135-6(f);
 Eff. October 29, 1979;
 Amended Eff. March 1, 1985; June 1, 1982;
 Repealed Eff. March 1, 2023.

20 NCAC 02B .1206 SERVICE AS COURT REPORTER

History Note: Authority G.S. 135-6(f);
 Eff. October 29, 1979;
 Repealed Eff. March 1, 1985.

20 NCAC 02B .1207 SPECIAL RULE FOR RETIRED APPLICANTS

History Note: Authority G.S. 135-4(m); 135-6(f);
 Eff. March 1, 1982;
 Amended Eff. March 1, 1985;
 Repealed Eff. March 1, 2023.

SUBCHAPTER 02C - LOCAL GOVERNMENTAL EMPLOYEES' RETIREMENT SYSTEM

SECTION .0100 - GENERAL PROVISIONS

20 NCAC 02C .0101 GENERAL INFORMATION

General information about the Local Governmental Employees' Retirement System includes the following:

- (1) The Director is the Director of the Retirement Systems Division;
- (2) The mailing address and physical address is Retirement Systems Division, 3200 Atlantic Avenue, Raleigh, North Carolina 27604.

History Note: Authority G.S. 128-28(g);
 Eff. February 1, 1976;
 Readopted Eff. September 21, 1977;
 Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. October 21, 2018;
 Amended Eff. March 1, 2023; September 1, 2019.

20 NCAC 02C .0102 PURPOSE

20 NCAC 02C .0103 FORMS

History Note: Authority G.S. 128-28(g); 150A-10;

Eff. February 1, 1976;
Readopted Eff. September 21, 1977;
Repealed Eff. March 1, 1985.

SECTION .0200 - ADMINISTRATION

20 NCAC 02C .0201 ACTUARIAL TABLES: RATES AND ASSUMPTIONS

History Note: Authority G.S. 128-27(m); 128-28(g);
Eff. February 1, 1976;
Readopted Eff. September 21, 1977;
Amended Eff. August 1, 1981;
Repealed Eff. March 1, 2023.

20 NCAC 02C .0202 DEATH OF RETIRED MEMBER

During the month a retired member dies, the legal representative of the deceased shall be entitled to a full check for the month in which death occurred.

History Note: Authority G.S. 128-27(m); 128-28(g);
Eff. February 1, 1976;
Readopted Eff. September 21, 1977.

20 NCAC 02C .0203 DISCLOSURE OF INFORMATION

History Note: Authority G.S. 128-28(g);
Eff. February 1, 1976;
Readopted Eff. September 21, 1977;
Amended Eff. March 1, 1985;
Expired Eff. November 1, 2018 pursuant to G.S. 150B-21.3A.

20 NCAC 02C .0204 FACILITY OF PAYMENT

History Note: Authority G.S. 128-28(g);
Eff. February 1, 1976;
Readopted Eff. September 21, 1977;
Repealed Eff. March 1, 2023.

20 NCAC 02C .0205 MEDICAL BOARD

In accordance with the authority contained in G.S. 128-28(l), membership of the Medical Board consists of five physicians, with a quorum of three required at meetings approving applications for disability retirement.

History Note: Authority G.S. 128-28(1);
Eff. February 1, 1976;
Readopted Eff. March 1, 2023; September 21, 1977.

20 NCAC 02C .0206 SURVIVOR'S ALTERNATE BENEFIT

History Note: Authority G.S. 128-28(a);
Eff. February 1, 1976;
Readopted Eff. September 21, 1977;
Expired Eff. November 1, 2018 pursuant to G.S. 150B-21.3A.

20 NCAC 02C .0207 DIRECTOR

History Note: Authority G.S. 128-28(a);
Eff. February 1, 1976;

Repealed Eff. September 21, 1977.

20 NCAC 02C .0208 TRANSFER OF MEMBERSHIP

History Note: Filed as an Emergency Regulation Eff. October 29, 1979, to be Eff. for a Period of 90 Days to Expire on January 27, 1980; Statutory Authority G.S. 128-28(g); Repealed Eff. March 1, 1985.

20 NCAC 02C .0209 RETROACTIVE MEMBERSHIP SERVICE

History Note: Authority G.S. 128-24(1); 128-28(g); Eff. June 1, 1984; Expired Eff. November 1, 2018 pursuant to G.S. 150B-21.3A.

20 NCAC 02C .0210 DEFINITIONS

- (a) "Surety" means a written agreement, constituting both a resolution and an "acknowledgement and acceptance letter" as described in Rule .0211 of this Section, given for the fulfillment and guarantee of the withdrawal payment to cease participation in the Retirement System under G.S. 128-30(i).
- (b) "Estimated Withdrawal Liability" means the withdrawal liability under the terms of G.S. 128-30(i) estimated by the Division's consulting actuary. The estimate shall be prepared under the assumption that the participating employer will cease participation 10 years after initial participation.
- (c) "Non-taxing authority" ("NTA") means as an otherwise eligible employer that is not a taxing unit, as defined by G.S. 105-273(16).

History Note: Authority G.S. 128-23(i); Eff. October 1, 2023.

20 NCAC 02C .0211 SURETY FOR NON-TAXING AUTHORITY PARTICIPATION

- (a) An NTA shall provide surety to the Board establishing any withdrawal liability the NTA may incur will be paid by submitting a resolution adopted by the NTA's governing body stating the NTA is maintaining an amount equal to or greater than the Estimated Withdrawal Liability in a secure financial instrument and will maintain the funds in such an instrument, including any other secure financial instrument, throughout its participation in the Retirement System. A secure financial instrument may include: an escrow account, a letter of credit, a bond, a deed of trust, or a deposit in the Ancillary Governmental Participant Investment Program (AGPIP) under G.S. 147-69.3 to the extent such an investment by the NTA is permitted by the Internal Revenue Code and State law.
- (b) Any NTA submitting a resolution required under Paragraph (a) of this Rule must also submit to the Division an "acknowledgement and acceptance letter" signed by a person or persons authorized to act on behalf of the NTA. The letter must acknowledge the specific amount of the Estimated Withdrawal Liability; acknowledge that the actual amount of the withdrawal liability, if incurred, will differ from the Estimated Withdrawal Liability; accept the obligation to pay the actual withdrawal liability, if incurred; and attest that the entity has reviewed the withdrawal-related requirements of G.S. 128-30(i).

History Note: Authority G.S. 128-23(i); Eff. October 1, 2023.

20 NCAC 02C .0212 LOCAL GOVERNMENTAL EMPLOYEES' RETIREMENT SYSTEM OVERPAYMENT SAFE HARBOR

- (a) The Board of Trustees determines that the following causes of overpayments are not entirely due to administrative error on the part of the Retirement Systems Division:
 - (1) The beneficiary received, but did not repay to the Retirement System, a benefit from the Social Security Administration, the U.S. Department of Veterans Affairs, other federal agency payments, Workers' Compensation, or the State's military disability program under G.S. 127A-108, where such benefits are required by law to be offset from Retirement System benefits, or where repayment of such benefits was agreed upon as a condition of approval for benefits from the Retirement System.

- (2) The beneficiary, the beneficiary's employer, or the beneficiary's authorized agent submitted information on an official form to the Retirement Systems Division, either on paper or electronically, that differed from the information ultimately used to determine the eligibility for, or amount of, benefits due.
- (3) The Retirement Systems Division requested information necessary to initiate or continue the payment of benefits, by sending a letter to the mailing address that the beneficiary, the beneficiary's employer, or the beneficiary's authorized agent on file with the Retirement Systems Division, allowing at least three weeks between the date of the letter and the date for a response to be received, and the Retirement Systems Division did not receive a response by the time requested.
- (4) A State or local government agency reported information to the Retirement Systems Division, including employment status, dates of service, or amounts of compensation, which changed the eligibility for, or amount of, benefits due to the beneficiary.
- (5) The beneficiary experienced a forfeiture of creditable service for having been convicted of a felony under the provisions of G.S. 128-38.4 or G.S. 128-38.4A.

(b) The Retirement Systems Division may initiate a review of the facts and circumstances related to the origin of any overpayment from the Retirement System, with the purpose of determining if the overpayment was entirely due to administrative error on the part of the Retirement Systems Division and therefore eligible for the alternate repayment terms of G.S. 128-31(c1). The Director of the Retirement Systems Division shall, upon receipt of a written request by a beneficiary, beneficiary's employer, or the beneficiary's authorized agent, initiate such a review. If the Director determines the overpayment is not entirely due to administrative error on the part of the Retirement Systems Division, the Retirement Systems Division shall issue a letter to the requestor setting forth the reason or reasons for the denial. The Director shall make determinations on such requests pursuant to the authority provided under 20 NCAC 02A .0103.

History Note: Authority G.S. 128-28(g); 128-31(c1);
Eff. July 1, 2024.

20 NCAC 02C .0213 EVIDENCE REQUIRED FOR INACTIVE EMPLOYER EXTENSION REQUEST

"Clear and Convincing Evidence" includes all of the following:

- (1) Job description of all vacant positions requiring membership in the Local Governmental Employees' Retirement System.
- (2) The date the positions are expected to be filled or status of recruitment.
- (3) Confirmation that the positions are funded in the employer's most recent budget.
- (4) Statement that the employer will continue to issue financial statements recognizing its share of the Local Governmental Employees' Retirement System costs, if any, under the governmental accounting standards of the Governmental Accounting Standards Board. The statement shall be signed by an authorized representative of the employer.

History Note: Authority G.S. 128-23.1(d); 128-28(g);
Eff. January 1, 2025.

SECTION .0300 - BENEFICIARIES

20 NCAC 02C .0301 DESIGNATION

Any beneficiary designated, other than the estate of the member or a trustee named by and acting for the member, must be a living person at the time the designation is made. If it is desired that the estate be beneficiary, this should be indicated on the form.

History Note: Authority G.S. 128-27; 128-28(g);
Eff. February 1, 1976;
Readopted Eff. March 1, 2023; September 21, 1977.

20 NCAC 02C .0302 PRINCIPAL BENEFICIARY

(a) More than one principal beneficiary may be designated for the return of accumulated contributions under the provisions of G.S. 128-27(f) to share equally. In the event of the death of any so designated principal beneficiary for

the return of accumulated contributions, those surviving principal beneficiaries shall share equally in the total benefits. However, if there is only one living designated principal beneficiary for the return of accumulated contributions at the member's death and the member has met all other requirements under the provisions of G.S. 128-27(m), the designated principal beneficiary may elect to receive the alternative benefit under the provisions of G.S. 128-27(m).

(b) More than one principal beneficiary may be designated for the death benefit of an active member or a retired member under the provisions of G.S. 128-27(l), 128-27(11), or 128-27(16) to share equally. In the event of the death of any so designated principal beneficiary for the death benefit of an active member or retired member, those surviving principal beneficiaries shall share equally in the total benefits.

(c) More than one principal beneficiary may be designated for the guaranteed refund under the provisions of G.S. 128-27(g1) to share equally. In the event of the death of any so designated principal beneficiary for the guaranteed refund, those surviving principal beneficiaries shall share equally in the total benefits.

History Note: Authority G.S. 128-27(f); 128-27(g1); 128-27(l); 128-27(11); 128-27(16); 128-28(g);
Eff. February 1, 1976;
Readopted Eff. March 1, 2023; September 21, 1977.

20 NCAC 02C .0303 NO LIVING BENEFICIARY

If no designated beneficiary, whether principal or contingent, is living at the time of the member's death, payment of the amount due, if any, will be made to the administrator or executor of the estate or the collector of funds for the estate of the member.

History Note: Authority G.S. 128-27(g); 128-28(g);
Eff. February 1, 1976;
Readopted Eff. March 1, 2023; September 21, 1977.

20 NCAC 02C .0304 PAYMENTS TO BENEFICIARIES

(a) Payments to beneficiaries who are minors will be made to an appointed guardian or to the clerk of the superior court in the county which the beneficiary resides to the extent that such payment is authorized by law.

(b) In the event that the appointed guardian or the clerk of superior court in the county in which the beneficiary resides is unwilling or unable to accept payment on behalf of the minor beneficiary, payment may be made to a custodian in accordance with Chapter 33A of the North Carolina General Statutes, entitled North Carolina Uniform Transfers to Minors Act.

History Note: Authority G.S. 128-27(g); 128-28(g);
Eff. February 1, 1976;
Readopted Eff. March 1, 2023; September 21, 1977.

20 NCAC 02C .0305 STATUS CHANGE

History Note: Authority G.S. 128-27(g); 128-28(g);
Eff. February 1, 1976;
Readopted Eff. September 21, 1977;
Repealed Eff. March 1, 1985.

20 NCAC 02C .0306 BENEFICIARY CHANGE

Prior to retirement, the member may, at any time, change any beneficiaries designated for the return of accumulated contributions under the provisions of G.S. 128-27(f) or the death benefit for active members under the provisions of G.S. 128-27(l) or 128-27(11) A retired member may, at any time, change any beneficiaries designated for:

- (1) The guaranteed refund under the provisions of G.S. 128-27(g1) until such time as the funds have been depleted;
- (2) The death benefit for active members under the provisions of G.S. 128-27(l) or 128-27(11) provided the change is submitted within 180 calendar days after the member's last active day of service; or
- (3) The death benefit for retired members under the provisions of G.S. 128-27(16).

The member shall submit any such change to the Board of Trustees using the form approved by the Board of Trustees for designation of the beneficiary for that purpose.

History Note: Authority G.S. 128-27(g); 128-27(g1); 128-27(l); 128-27(l1); 128-27(l6); 128-28(g); Eff. February 1, 1976; Readopted Eff. March 1, 2023; September 21, 1977.

20 NCAC 02C .0307 CONTINGENT BENEFICIARY

(a) The following shall apply to designating a contingent beneficiary for the return of accumulated contributions under the provisions of G.S. 128-27(f):

- (1) A principal beneficiary may be designated for the return of accumulated contributions with the stipulation that should the principal beneficiary predecease the member, payment of the amount due, if any, shall be made to the designated contingent beneficiary or beneficiaries for the return of accumulated contributions.
- (2) If more than one principal beneficiary is designated for the return of accumulated contributions, payment of the amount due, if any, shall be paid to any surviving principal beneficiaries designated for the return of accumulated contributions, sharing equally in the total benefits payable, and shall not be paid to any contingent beneficiary.
- (3) It is permissible to designate more than one contingent beneficiary for the return of accumulated contributions. Payment of the amount due, if any, shall be paid to the surviving contingent beneficiaries designated for the return of accumulated contributions, sharing equally in the total benefits, only in the event that there is no surviving principal beneficiary designated for the return of accumulated contributions.

(b) The following shall apply to designating a contingent beneficiary for the death benefit under the provisions of G.S. 128-27(l), 128-27(l1), or 128-27(l6):

- (1) A principal beneficiary may be designated for the death benefit of an active member or retired member with the stipulation that should the principal beneficiary predecease the member, payment of the amount due, if any, shall be made to the designated contingent beneficiary or beneficiaries for the death benefit.
- (2) If more than one principal beneficiary is designated for the death benefit, payment of the amount due, if any, shall be paid to any surviving principal beneficiaries designated for the death benefit, sharing equally in the total benefits payable, and shall not be paid to any contingent beneficiary.
- (3) It is permissible to designate more than one contingent beneficiary for the death benefit. Payment of the amount due, if any, shall be paid to the surviving contingent beneficiaries designated for the death benefit, sharing equally in the total benefits, only in the event that there is no surviving principal beneficiary designated for the death benefit.

(c) The following shall apply to designating a contingent beneficiary for the guaranteed refund under the provisions of G.S. 128-27(g1):

- (1) A principal beneficiary may be designated for the guaranteed refund with the stipulation that should the principal beneficiary predecease the member, payment of the amount due, if any, shall be made to the designated contingent beneficiary or beneficiaries for the guaranteed refund.
- (2) If more than one principal beneficiary is designated for the guaranteed refund, payment of the amount due, if any, shall be paid to any surviving principal beneficiaries designated for the guaranteed refund, sharing equally in the total benefits payable, and shall not be paid to any contingent beneficiary.
- (3) It is permissible to designate more than one contingent beneficiary for the guaranteed refund. Payment of the amount due, if any, shall be paid to the surviving contingent beneficiaries designated for the guaranteed refund, sharing equally in the total benefits, only in the event that there is no surviving principal beneficiary designated for the guaranteed refund.

History Note: Authority G.S. 128-27(f); 128-27(g1); 128-27(l); 128-27(l1); 128-27(l6); 128-28(g); Eff. March 1, 2023.

SECTION .0400 - CONTRIBUTIONS

20 NCAC 02C .0401 CONTRIBUTION RATES

History Note: *Filed as an Emergency Amendment [(a)] Eff. July 1, 1979, to be Eff. for a Period of 120 Days to Expire on October 29, 1979;*
Statutory Authority G.S. 128-28(o); 128-28(g);
Eff. February 1, 1976;
Readopted Eff. September 21, 1977;
Emergency Amendment [(a)] Made Permanent Eff. October 29, 1979;
Repealed Eff. August 1, 1981.

20 NCAC 02C .0402 EMPLOYER'S CONTRIBUTIONS

All units shall forward to the Retirement System the employer's contributions monthly at the same time the employee's contributions are forwarded.

History Note: *Authority G.S. 128-28(g); 128-30(g)(1);*
Eff. February 1, 1976;
Readopted Eff. March 1, 2023; September 21, 1977.

20 NCAC 02C .0403 REFUNDS

(a) The Retirement System will make no refunds of employer contributions, paid into the pension accumulation fund by the employer in the amount equal to a percentage of the actual compensation of each member, in cases of erroneous employee deductions except those which are corrected by the employing unit on a subsequent payroll within the calendar year in which the errors occur.

(b) Notwithstanding Paragraph (a) of this Rule, an error occurring in December may be corrected, and the associated employer contribution be refunded in the form of a credit toward future required employer contributions, by the employer's submission of a revised payroll report for the correct amount before January 31 of the following year.

(c) If an employer makes an additional contribution to the pension accumulation fund as a result of the contribution-based benefit cap, and the Retirement System receives information which alters the calculation of the retirement benefit used to determine the contribution under the provisions of G.S. 128-30(g)(2)b., any contribution not required based on the new information will be refunded to the employer in the form of a credit toward future required employer contributions.

(d) If an Employer makes a contribution to the pension accumulation fund that was not required, or the Retirement Systems Division must repay or reimburse an employer for any reason, then the funds shall be refunded or paid in the form of a credit to be used toward future required employer contributions.

History Note: *Authority G.S. 128-22; 128-28(g); 128-30(g);*
Eff. February 1, 1976;
Readopted Eff. March 1, 2023; September 21, 1977;
Amended Eff. January 1, 2025.

20 NCAC 02C .0404 DUE DATE OF CONTRIBUTIONS

Both the employee and employer contributions are due in the Raleigh office of the Retirement System no later than the fifth State government working day of the month succeeding the month for which the contributions are required. Contributions received after the fifth State government working day of the month are delinquent.

History Note: *Authority G.S. 128-28(g); 128-30(g);*
Eff. March 1, 1992;
Readopted Eff. March 1, 2023.

20 NCAC 02C .0405 ANTI-PENSION SPIKING CONTRIBUTION-BASED BENEFIT CAP FACTOR (LGERS)

History Note: *Authority G.S. 128-26(y); 128-27(a3); 128-28(g);*
Eff. May 1, 2018;
Repealed Eff. March 1, 2023.

SECTION .0500 - DISABILITY RETIREMENT

20 NCAC 02C .0501 DISABILITY EXAMINATION

The Medical Board is authorized to conduct an examination in doubtful cases of disability to determine whether the member continues to be eligible for a disability retirement pursuant to G.S. 128-27(c), paying the expense of the same from the Pension Accumulation Fund.

History Note: Authority G.S. 128-22; 128-27(c); 128-28(g);
Eff. February 1, 1976;
Readopted Eff. March 1, 2023; September 21, 1977.

20 NCAC 02C .0502 DISABILITY RETIREMENT REPORTS

When the Medical Board, subsequent to a disability retirement, reports that the retired member is engaged in or is able to engage in a gainful occupation, any adjustment required by G.S. 128-27(e)(1) will be made prospectively only and will not require any refund to the State of payments made during the period before a report is made indicating changed status.

History Note: Authority G.S. 128-27(e)(1); 128-28(g);
Eff. February 1, 1976;
Readopted Eff. March 1, 2023; September 21, 1977.

20 NCAC 02C .0503 FEES: INDEPENDENT MEDICAL EXAMS-DISABILITY RETIREMENTS

History Note: Authority G.S. 128-27(c); 128-28(g);
Eff. February 1, 1976;
Readopted Eff. September 21, 1977;
Amended Eff. August 1, 1981;
Repealed Eff. March 1, 2023.

20 NCAC 02C .0504 REINSTATEMENT TO ACTIVE SERVICE

When members on disability retirement are reinstated to active service, no interest shall be allowed on their accounts during the year of reinstatement.

History Note: Authority G.S. 128-28(g); 128-29(b);
Eff. February 1, 1976;
Readopted Eff. March 1, 2023; September 21, 1977.

20 NCAC 02C .0505 LOCAL GOVERNMENTAL EMPLOYEES' RETIREMENT SYSTEM DISABILITY RETIREMENT REEXAMINATION

A beneficiary in receipt of disability retirement benefits under G.S. 128-27(c), who has submitted to the Retirement System a letter from the Social Security Administration confirming their eligibility for primary Social Security disability benefits, shall not be subject to medical reexamination set forth in G.S. 128-27(e).

History Note: Authority G.S. 128-27(e); 128-28(g);
Eff. January 1, 2025.

SECTION .0600 - INVESTMENTS

- 20 NCAC 02C .0601 STOCK PURCHASE
- 20 NCAC 02C .0602 INVESTMENT COMMITTEE
- 20 NCAC 02C .0603 FUNDS OF THE SYSTEM
- 20 NCAC 02C .0604 EQUITY RESERVE

History Note: Authority G.S. 128-29; 128-29.1; 128-28(g);

Eff. February 1, 1976;
Repealed Eff. September 21, 1977.

SECTION .0700 - LEAVES OF ABSENCE

20 NCAC 02C .0701 EDUCATIONAL LEAVES OF ABSENCE

History Note: Authority G.S. 128-28(g); 128-30(b)(4);
Eff. February 1, 1976;
Readopted Eff. September 21, 1977;
Amended Eff. March 1, 1982;
Expired Eff. November 1, 2018 pursuant to G.S. 150B-21.3A.

20 NCAC 02C .0702 LIMITATION **20 NCAC 02C .0703 PRIOR SERVICE CREDIT**

History Note: Authority G.S. 128-30(b)(4); 128-28(g);
Eff. February 1, 1976;
Readopted Eff. September 21, 1977;
Repealed Eff. March 1, 1982.

20 NCAC 02C .0704 WORKERS' COMPENSATION LEAVES OF ABSENCE

- (a) Purchases of creditable service for leaves of absence prior to July 1, 1983 shall be made in the same manner as prescribed in 20 NCAC 02C .1500, as then effective.
- (b) Members who had leaves of absence which otherwise met all requirements of law for purchase as creditable service except that the leaves of absence interrupted membership in the Teachers' and State Employees' Retirement System or the Law Enforcement Officers' Retirement System and whose membership service before and after the leaves of absence has become membership service in the Local Governmental Employees' Retirement System, may purchase creditable service as in Paragraph (a) of this Rule.
- (c) Members may purchase creditable service for leaves of absence only when they have membership service credits immediately prior to and immediately after the leaves of absence and such membership service is creditable service at the time of purchase.

History Note: Authority G.S. 128-26(1); 128-28(g);
Eff. December 1, 1983;
Amended Eff. August 1, 1988;
Readopted Eff. March 1, 2023.

SECTION .0800 - MEMBERSHIP

20 NCAC 02C .0801 PARTICIPATION **20 NCAC 02C .0802 REGULARLY EMPLOYED**

History Note: Authority G.S. 128-21(10); 128-25; 128-28(g);
Eff. February 1, 1976;
Readopted Eff. September 21, 1977;
Expired Eff. November 1, 2018 pursuant to G.S. 150B-21.3A.

20 NCAC 02C .0803 TRANSFERRED SERVICE

History Note: Authority G.S. 128-28(g);
Eff. September 21, 1977;
Amended Eff. March 1, 1985; September 1, 1982;
Expired Eff. November 1, 2018 pursuant to G.S. 150B-21.3A.

SECTION .0900 - MILITARY SERVICE (INCHOATE RIGHTS ONLY)

20 NCAC 02C .0901 LEAVE

When a member on military leave has withdrawn all of the member's contributions, the member shall be permitted to pay back the amount withdrawn, to the extent permitted by law, restore membership, and receive credit for the associated period of military leave.

History Note: Authority G.S. 128-26(i1); 128-27(f); 128-28(g); S.L. 1987, C. 617;
Eff. February 1, 1976;
Readopted Eff. March 1, 2023; September 21, 1977.

20 NCAC 02C .0902 FEE

History Note: Authority G.S. 128-26(a); 128-28(g);
Eff. February 1, 1976;
Readopted Eff. September 21, 1977;
Repealed Eff. March 1, 2023.

20 NCAC 02C .0903 QUALIFYING FOR CREDIT

History Note: Authority G.S. 128-26(a); 128-28(g);
Eff. February 1, 1976;
Readopted Eff. September 21, 1977;
Expired Eff. November 1, 2018 pursuant to G.S. 150B-21.3A.

20 NCAC 02C .0904 COMPUTATION OF COST

The cost of purchasing credit for military service is calculated as follows:

- (1) the monthly compensation the member earned when the member first entered membership; multiplied by
- (2) the contribution rate at the time the member first entered membership; multiplied by
- (3) the number of months of military service for which credit is to be purchased; plus
- (4) a factor equivalent to interest at the rate of six and one-half percent, compounded annually, from the initial year of membership to the year of payment.

History Note: Authority G.S. 128-26(a); 128-28(g); S.L. 1987, C. 617;
Eff. February 1, 1976;
Readopted Eff. September 21, 1977;
Amended Eff. March 1, 2023.

20 NCAC 02C .0905 CONTRIBUTION RATE

History Note: Authority G.S. 128-26(a); 128-28(g);
Eff. February 1, 1976;
Readopted Eff. September 21, 1977;
Repealed Eff. August 1, 1981.

20 NCAC 02C .0906 CIVIL SERVICE PROGRAM

A member of the Local Governmental Employees' Retirement System whose employment in this State requires the member to participate in the Federal Civil Service Program in lieu of the Social Security program shall not be barred from receiving military service credit for which the member is otherwise eligible in the Retirement System despite the fact that the member may also receive credit under the Federal Civil Service Program for the same period of military service, provided that the member makes the required payment.

History Note: Authority G.S. 128-26(a); 128-28(g); S.L. 1987, C. 617;
Eff. February 1, 1976;
Readopted Eff. March 1, 2023; September 21, 1977.

20 NCAC 02C .0907 EXCLUSION

The exclusion for purchase of service in the Armed Forces of the United States as it pertains to credit for any other retirement system shall not include "service-connected disability" benefits received from the Veterans Administration of the Federal Government except when such benefits are a supplement to a military longevity retirement ("retired pay") benefit. The term "service-connected disability" has the same meaning as used in Title 38, Chapter 11 of the United States Code which is hereby incorporated by reference, including subsequent additions and amendments, and is available online, at no cost, at <https://uscode.house.gov/browse/prelim@title38/part2&edition=prelim>. The term "retired pay" has the same meaning as used in Title 10, Chapter 71 of the United States Code which is hereby incorporated by reference, including subsequent additions and amendments, and is available online, at no cost, at <https://uscode.house.gov/browse/prelim@title10/subtitleA/part2/chapter71&edition=prelim>.

History Note: Authority G.S. 128-26(a); 128-28(g); S.L. 1987, C. 617;
Eff. February 1, 1976;
Readopted Eff. March 1, 2023; September 21, 1977.

20 NCAC 02C .0908 RECALCULATION OF BENEFITS

For members already retired who obtain military service credit, any recalculation of benefits shall be based on the law in effect at the time of the individual's retirement. The calculation of both the benefit and the cost of the credit shall include the effects of the additional service credit resulting from the purchase and all benefit increases subsequent to the date of retirement.

History Note: Authority G.S. 128-26(a); 128-28(g); S.L. 1987, C. 617;
Eff. February 1, 1976;
Readopted Eff. March 1, 2023; September 21, 1977.

20 NCAC 02C .0909 CHANGE IN BENEFITS

For members already retired, any change in benefits resulting from the provisions for obtaining military service credit shall become effective as of the first of the month following receipt of the required payment.

History Note: Authority G.S. 128-26(a); 128-28(g);
Eff. February 1, 1976;
Readopted Eff. March 1, 2023; September 21, 1977.

20 NCAC 02C .0910 EMPLOYER PORTION OF ANNUAL COST

History Note: Authority G.S. 128-26(a); 128-28(g);
Eff. February 1, 1976;
Repealed Eff. September 21, 1977.

20 NCAC 02C .0911 PAYMENTS

History Note: Authority G.S. 128-26(a); 128-28(g);
Eff. February 1, 1976;
Readopted Eff. September 21, 1977;
Repealed Eff. March 1, 1985.

20 NCAC 02C .0912 INITIAL PERIOD OF ACTIVE DUTY

History Note: Authority G.S. 128-26(a); 128-28(g);
Eff. February 1, 1976;
Readopted Eff. September 21, 1977;
Expired Eff. November 1, 2018 pursuant to G.S. 150B-21.3A.

SECTION .1000 - OUT-OF-STATE SERVICE (INCHOATE RIGHTS ONLY)

20 NCAC 02C .1001 FEE

History Note: Authority G.S. 128-26(j); 128-28(g);
Eff. February 1, 1976;
Readopted Eff. September 21, 1977;
Repealed Eff. March 1, 2023.

20 NCAC 02C .1002 QUALIFYING FOR CREDIT

In order to qualify, each individual must pay for all or such portion in full years as the member desires of out-of-state service for which the member is eligible.

History Note: Authority G.S. 128-26(j); 128-28(g); S.L. 1987, C. 617;
Eff. February 1, 1976;
Readopted Eff. March 1, 2023; September 21, 1977.

20 NCAC 02C .1003 OTHER GOVERNMENTAL SUBDIVISION

"Other governmental subdivision of the United States" means a state or territory and its subdivisions but not the United States Government.

History Note: Authority G.S. 128-28(g); S.L. 1987, C. 617;
Eff. February 1, 1976;
Readopted Eff. September 21, 1977;
Amended Eff. August 1, 1988;
Readopted Eff. March 1, 2023.

20 NCAC 02C .1004 COMPUTATION OF COST

The cost of purchasing credit for out-of-state service is calculated as follows:

- (1) the monthly compensation the member earned when the member first entered membership service; multiplied by
- (2) the employee contribution rate at that time; multiplied by
- (3) the number of months of out-of-state service for which credit is to be purchased; multiplied by
- (4) two; plus
- (5) a factor equivalent to interest at the rate of six and one-half percent, compounded annually, from the year of initial membership to the year of payment.

History Note: Authority G.S. 128-26(j); 128-28(g); S.L. 1987, C. 617;
Eff. February 1, 1976;
Readopted Eff. March 1, 2023; September 21, 1977.

20 NCAC 02C .1005 NO COST TO LOCAL UNITS

History Note: Authority G.S. 128-26(j); 128-28(g);
Eff. February 1, 1976;
Repealed Eff. September 21, 1977.

20 NCAC 02C .1006 RECALCULATION OF BENEFITS

For members already retired who purchase service under G.S. 128-26(j), as repealed by Session Law 1987-617, s. 3, where the text of the repealed statutory provision may be found in the Editor's Note to G.S. 128-26 in the 2021 Edition of the General Statutes of North Carolina, any recalculation of benefits shall be based on the law in effect at the time of the individual's retirement. The calculation of both the benefit and the cost of the credit shall include the effects of the additional service credit resulting from the purchase and all benefit increases subsequent to the date of retirement.

History Note: Authority G.S. 128-26(j); 128-28(g); S.L. 1987, C. 617;
Eff. February 1, 1976;
Readopted Eff. March 1, 2023; September 21, 1977.

20 NCAC 02C .1007 CHANGE IN BENEFITS

For members already retired, any change in benefits resulting from the provisions for obtaining credit for out-of-state service shall become effective as of the first of the month following receipt of the required payment.

*History Note: Authority G.S. 128-26(j); 128-28(g); S.L. 1987, C. 617;
Eff. February 1, 1976;
Readopted Eff. March 1, 2023; September 21, 1977.*

20 NCAC 02C .1008 PAYMENTS

*History Note: Authority G.S. 128-26(j); 128-28(g);
Eff. February 1, 1976;
Readopted Eff. September 21, 1977;
Repealed Eff. March 1, 1985.*

SECTION .1100 - PRIOR SERVICE

20 NCAC 02C .1101 EMPLOYMENT BY A WATER WORKS

20 NCAC 02C .1102 NURSES

*History Note: Authority G.S. 128-26; 128-28(g);
Eff. February 1, 1976;
Readopted Eff. September 21, 1977;
Expired Eff. November 1, 2018 pursuant to G.S. 150B-21.3A.*

SECTION .1200 - RETIREMENT ALLOWANCES

20 NCAC 02C .1201 SERVICE RETIREMENT

*History Note: Authority G.S. 128-24(4)a.; 128-28(g);
Eff. February 1, 1976;
Readopted Eff. September 21, 1977;
Repealed Eff. March 1, 2023.*

20 NCAC 02C .1202 FAILURE TO RESPOND

20 NCAC 02C .1203 MEMBERSHIP IN BOTH SYSTEMS

*History Note: Authority G.S. 128-27(a); 128-28(g); 128-34;
Eff. February 1, 1976;
Readopted Eff. September 21, 1977;
Expired Eff. November 1, 2018 pursuant to G.S. 150B-21.3A.*

20 NCAC 02C .1204 AVERAGE FINAL COMPENSATION

The term "consecutive calendar years" is defined for the purpose of determining retirement allowances as a period of time consisting of a number of calendar months of creditable service equal to 12 times the number of years specified by statute during which the highest total compensation was earned, adjusted proportionally to the regular term of annual employment.

*History Note: Authority G.S. 128-28(g);
Eff. February 1, 1976;
Readopted Eff. September 21, 1977.*

SECTION .1300 - VOLUNTARILY WITHDRAWN CONTRIBUTIONS

20 NCAC 02C .1301 FEE

20 NCAC 02C .1302 QUALIFYING FOR CREDIT

History Note: Authority G.S. 128-26(i); 128-28(g);
Eff. February 1, 1976;
Readopted Eff. September 21, 1977;
Repealed Eff. March 1, 2023.

20 NCAC 02C .1303 COMPUTATION OF COST

History Note: Authority G.S. 128-26(i); 128-28(g);
Eff. February 1, 1976;
Readopted Eff. September 21, 1977;
Amended Eff. June 1, 1984;
Expired Eff. November 1, 2018 pursuant to G.S. 150B-21.3A.

20 NCAC 02C .1304 CONTRIBUTION RATE

History Note: Authority G.S. 128-26(i); 128-28(g);
Eff. February 1, 1976;
Readopted Eff. September 21, 1977;
Repealed Eff. August 1, 1981.

20 NCAC 02C .1305 RECALCULATION OF BENEFITS

20 NCAC 02C .1306 CHANGE IN BENEFITS

History Note: Authority G.S. 128-26(i); 128-28(g);
Eff. February 1, 1976;
Readopted Eff. September 21, 1977;
Expired Eff. November 1, 2018 pursuant to G.S. 150B-21.3A.

20 NCAC 02C .1307 EMPLOYER PORTION OF ANNUAL COST

History Note: Authority G.S. 128-26(i); 128-28(g);
Eff. February 1, 1976;
Repealed Eff. September 21, 1977.

20 NCAC 02C .1308 PAYMENTS

History Note: Authority G.S. 128-26(i); 128-28(g);
Eff. February 1, 1976;
Readopted Eff. September 21, 1977;
Repealed Eff. March 1, 1985.

SECTION .1400 - DELAYED PURCHASE OF SERVICE CREDITS

20 NCAC 02C .1401 APPLICATION OF SECTION

History Note: Filed as an Emergency Regulation Eff. October 29, 1979, to be Eff. for a Period of 90 Days
to Expire on January 27, 1980;
Statutory Authority G.S. 128-28(g);
Expired Eff. January 27, 1980.

20 NCAC 02C .1402 ACTUARIAL TABLES

History Note: Filed as an Emergency Regulation Eff. October 29, 1979, to be Eff. for a Period of 90 Days

*to Expire on January 27, 1980;
Statutory Authority G.S. 128-28(g);
Expired Eff. January 27, 1980.*

20 NCAC 02C .1403 APPLICABILITY OF OTHER SECTIONS

*History Note: Filed as an Emergency Regulation Eff. October 29, 1979, to be Eff. for a Period of 90 Days
to Expire on January 27, 1980;
Statutory Authority G.S. 128-28(g);
Expired Eff. January 27, 1980.*

20 NCAC 02C .1404 DEFINITIONS

*History Note: Filed as an Emergency Regulation Eff. October 29, 1979, to be Eff. for a Period of 90 Days
to Expire on January 27, 1980;
Statutory Authority G.S. 128-28(g);
Expired Eff. January 27, 1980.*

20 NCAC 02C .1405 COMPUTATION OF COST

*History Note: Filed as an Emergency Regulation Eff. October 29, 1979, to be Eff. for a Period of 90 Days
to Expire on January 27, 1980;
Statutory Authority G.S. 128-28(g);
Expired Eff. January 27, 1980.*

20 NCAC 02C .1406 EXTENT OF SERVICE TO BE PURCHASED

*History Note: Filed as an Emergency Regulation Eff. October 29, 1979, to be Eff. for a Period of 90 Days
to Expire on January 27, 1980;
Statutory Authority G.S. 128-28(g);
Expired Eff. January 27, 1980.*

SECTION .1500 - DELAYED PURCHASE OF SERVICE CREDITS

20 NCAC 02C .1501 APPLICATION OF SECTION

*History Note: Authority G.S. 128-26(k); 128-28(g);
Eff. December 1, 1981;
Amended Eff. March 1, 1985;
Repealed Eff. March 1, 2023.*

20 NCAC 02C .1502 APPLICABILITY OF OTHER SECTIONS

*History Note: Authority G.S. 128-26(k); 128-28(g);
Eff. December 1, 1981;
Repealed Eff. March 1, 1985.*

20 NCAC 02C .1503 DEFINITIONS

20 NCAC 02C .1504 COMPUTATION OF COST

20 NCAC 02C .1505 EXTENT OF SERVICE TO BE PURCHASED

*History Note: Authority G.S. 128-26(k); 128-28(g);
Eff. December 1, 1981;
Amended Eff. March 1, 1985; June 1, 1982;
Repealed Eff. March 1, 2023.*

20 NCAC 02C .1506 SPECIAL RULE FOR RETIRED APPLICANTS

History Note: Authority G.S. 128-26(k); 128-28(g);
Eff. June 1, 1982;
Amended Eff. March 1, 1985;
Repealed Eff. March 1, 2023.

SECTION .1600 - PURCHASE OF SERVICE CREDITS FOR PROBATIONARY REGULAR EMPLOYMENT

- 20 NCAC 02C .1601 APPLICATION OF SECTION**
- 20 NCAC 02C .1602 ELIGIBILITY**
- 20 NCAC 02C .1603 COMPUTATION OF COST**

History Note: Authority G.S. 128-21(10); 128-24(1); 128-28(g);
Eff. June 1, 1986;
Amended Eff. August 1, 1988;
Expired Eff. November 1, 2018 pursuant to G.S. 150B-21.3A.

SUBCHAPTER 2D –DISABILITY SALARY CONTINUATION PLAN

SECTION .0100 - GENERAL PROVISIONS

- 20 NCAC 02D .0101 GENERAL INFORMATION**

History Note: Authority G.S. 135-6(f); 135-32; 135-34;
Eff. February 1, 1976;
Readopted Eff. September 21, 1977;
Amended Eff. December 1, 1982; October 29, 1979;
Repealed Eff. August 1, 1988.

- 20 NCAC 02D .0102 PURPOSES: FUNCTIONS: AND DUTIES**
- 20 NCAC 02D .0103 AUTHORITY TO APPOINT ADVISORY COMMITTEE**

History Note: Authority G.S. 135-6(f); 135-33;
Eff. February 1, 1976;
Readopted Eff. September 21, 1977;
Repealed Eff. December 1, 1982.

SECTION .0200 - DISABILITY SALARY CONTINUATION PLAN

- 20 NCAC 02D .0201 DEFINITIONS**
- 20 NCAC 02D .0202 MEMBERSHIP**
- 20 NCAC 02D .0203 CONTRIBUTIONS**
- 20 NCAC 02D .0204 BENEFITS**
- 20 NCAC 02D .0205 REHABILITATION**
- 20 NCAC 02D .0206 PHYSICAL EXAMINATION**
- 20 NCAC 02D .0207 PAYMENT OF CLAIMS**
- 20 NCAC 02D .0208 ASSIGNMENT**
- 20 NCAC 02D .0209 MANAGEMENT OF FUNDS**

History Note: Authority G.S. 135-34; 135-6(f);
Eff. February 1, 1976;

Readopted Eff. September 21, 1977;
Amended Eff. October 29, 1979;
Repealed Eff. August 1, 1988.

20 NCAC 02D .0210 TERMINATION OF THE PLAN

History Note: Authority G.S. 135-34; 135-6(f);
Eff. February 1, 1976;
Repealed Eff. September 21, 1977.

- 20 NCAC 02D .0211 AGREEMENT**
- 20 NCAC 02D .0212 EMPLOYEE DISABILITY FUND**
- 20 NCAC 02D .0213 FORMS**
- 20 NCAC 02D .0214 INSTRUCTIONS FOR USE OF FORMS**

History Note: Authority G.S. 135-34; 135-6(f);
Eff. February 1, 1976;
Readopted Eff. September 21, 1977;
Repealed Eff. August 1, 1988.

SECTION .0300 - HOSPITAL AND MEDICAL CARE BENEFITS

- 20 NCAC 02D .0301 CONTRACT**
- 20 NCAC 02D .0302 PROGRAM PROVISIONS**

History Note: Authority G.S. 135-6(f); 135-33;
Eff. February 1, 1976;
Readopted Eff. September 21, 1977;
Amended Eff. October 29, 1979; July 1, 1978;
Repealed Eff. December 1, 1982.

20 NCAC 02D .0303 EFFECTIVE DATES

History Note: Authority G.S. 135-33; 135-6(f);
Eff. February 1, 1976;
Repealed Eff. September 21, 1977.

20 NCAC 02D .0304 CONTRIBUTION RATE

History Note: Authority G.S. 135-33; 135-6(f);
Eff. February 1, 1976;
Readopted Eff. September 21, 1977;
Repealed Eff. July 1, 1978.

- 20 NCAC 02D .0305 TYPES OF COVERAGE**
- 20 NCAC 02D .0306 SPLIT CONTRACT**

History Note: Authority G.S. 135-6(f); 135-33;
Eff. February 1, 1976;
Readopted Eff. September 21, 1977;
Repealed Eff. December 1, 1982.

- 20 NCAC 02D .0307 SUPPLEMENTARY PLANS**
- 20 NCAC 02D .0308 RETIREMENT**

History Note: Authority G.S. 135-33; 135-6(f);
Eff. February 1, 1976;
Repealed Eff. September 21, 1977.

20 NCAC 02D .0309 PAYMENT
20 NCAC 02D .0310 ELIGIBILITY

History Note: Authority G.S. 135-6(f); 135-33; 135-33.1; 135-36;
Eff. February 1, 1976;
Readopted Eff. September 21, 1977;
Amended Eff. October 29, 1979;
Repealed Eff. December 1, 1982.

20 NCAC 02D .0311 OPEN ENROLLMENT
20 NCAC 02D .0312 AGENT
20 NCAC 02D .0313 CHANGES: BENEFIT PLANS
20 NCAC 02D .0314 ENROLLMENT AND ADMINISTRATION

History Note: Authority G.S. 135-33; 135-6(f);
Eff. February 1, 1976;
Repealed Eff. September 21, 1977.

20 NCAC 02D .0315 FILING OF CLAIMS
20 NCAC 02D .0316 CHANGES IN FAMILY STATUS
20 NCAC 02D .0317 SEPARATION FROM SERVICE
20 NCAC 02D .0318 LEAVE OF ABSENCE

History Note: Authority G.S. 135-6(f); 135-33;
Eff. February 1, 1976;
Readopted Eff. September 21, 1977;
Repealed Eff. December 1, 1982.

20 NCAC 02D .0319 DOCUMENTS ATTACHED
20 NCAC 02D .0320 TERMINATION
20 NCAC 02D .0321 TERMINATION OF CERTIFICATES
20 NCAC 02D .0322 PREVIOUS CONTRACT

History Note: Authority G.S. 135-33; 135-6(f);
Eff. February 1, 1976;
Repealed Eff. September 21, 1977.

SECTION .0400 - EXPERIENCE RATING AGREEMENT

20 NCAC 02D .0401 BENEFIT ADMINISTRATION
20 NCAC 02D .0402 RETENTION
20 NCAC 02D .0403 INCURRED CLAIMS EXPENSE
20 NCAC 02D .0404 PROJECTED EXPENSE RATIO
20 NCAC 02D .0405 STABILIZATION RESERVES
20 NCAC 02D .0406 RATING PROCEDURES
20 NCAC 02D .0407 ACCOUNTING
20 NCAC 02D .0408 AGREEMENT INTENT
20 NCAC 02D .0409 ANNUAL REPORTS
20 NCAC 02D .0410 RETENTION
20 NCAC 02D .0411 INCOME AND CLAIMS EXPERIENCE

History Note: Authority G.S. 135-33; 135-6(f);
Eff. February 1, 1976;
Repealed Eff. September 21, 1977.

SECTION .0500 - COORDINATION OF BENEFITS

20 NCAC 02D .0501	BENEFITS PROVISION
20 NCAC 02D .0502	DEFINITIONS
20 NCAC 02D .0503	EFFECT ON BENEFITS
20 NCAC 02D .0504	IMPLEMENTATION
20 NCAC 02D .0505	FACILITY OF PAYMENT
20 NCAC 02D .0506	RIGHT OF RECOVERY

History Note: Authority G.S. 135-33; 135-6(f);
Eff. February 1, 1976;
Repealed Eff. September 21, 1977.

SECTION .0600 - INPATIENT HOSPITAL BENEFITS

20 NCAC 02D .0601	DAYS AVAILABLE
20 NCAC 02D .0602	BENEFITS IN CONTRACTING HOSPITALS
20 NCAC 02D .0603	BENEFITS: NONCONTRACTING HOSPITALS
20 NCAC 02D .0604	BENEFITS IN OUT-OF-STATE HOSPITALS
20 NCAC 02D .0605	GENERAL PROVISIONS
20 NCAC 02D .0606	SKILLED NURSING FACILITY

History Note: Authority G.S. 135-33; 135-6(f);
Eff. February 1, 1976;
Repealed Eff. September 21, 1977.

SECTION .0700 - OUTPATIENT BENEFITS

20 NCAC 02D .0701	BENEFIT PROVISION
20 NCAC 02D .0702	ACCIDENTAL INJURY
20 NCAC 02D .0703	MEDICAL EMERGENCIES
20 NCAC 02D .0704	HOSPITAL OPERATIONS
20 NCAC 02D .0705	RADIATION THERAPY
20 NCAC 02D .0706	PATHOLOGICAL EXAMINATION
20 NCAC 02D .0707	TESTS AND PROCEDURES
20 NCAC 02D .0708	GENERAL PROVISIONS

History Note: Authority G.S. 135-33; 135-6(f);
Eff. February 1, 1976;
Repealed Eff. September 21, 1977.

SECTION .0800 - SURGICAL BENEFITS

20 NCAC 02D .0801	SCOPE OF SERVICES
20 NCAC 02D .0802	BASIS OF BENEFIT ALLOWANCES

History Note: Authority G.S. 135-33; 135-6(f);
Eff. February 1, 1976;

Repealed Eff. September 21, 1977.

SECTION .0900 - INPATIENT MEDICAL BENEFITS

20 NCAC 02D .0901	SCOPE OF SERVICES
20 NCAC 02D .0902	DURATION OF BENEFITS
20 NCAC 02D .0903	BASIS OF BENEFIT ALLOWANCES

*History Note: Authority G.S. 135-33; 135-6(f);
Eff. February 1, 1976;
Repealed Eff. September 21, 1977.*

SECTION .1000 - MAJOR MEDICAL BENEFITS

20 NCAC 02D .1001	MAXIMUM BENEFITS
20 NCAC 02D .1002	DEDUCTIBLE AMOUNTS
20 NCAC 02D .1003	BENEFIT PERIOD
20 NCAC 02D .1004	BENEFITS
20 NCAC 02D .1005	LIMITATIONS AND EXCLUSIONS FOR MAJOR MEDICAL BENEFITS
20 NCAC 02D .1006	GENERAL PROVISIONS

*History Note: Authority G.S. 135-33; 135-6(f);
Eff. February 1, 1976;
Repealed Eff. September 21, 1977.*

SECTION .1100 - TERMS AND CONDITIONS

20 NCAC 02D .1101	DEFINITIONS
20 NCAC 02D .1102	MATERNITY PROVISIONS
20 NCAC 02D .1103	EXCLUSION: BASIC AND MAJOR MEDICAL BENEFITS
20 NCAC 02D .1104	MISREPRESENTATION
20 NCAC 02D .1105	TERMINATION OF GROUP COVERAGE
20 NCAC 02D .1106	MODIFICATION
20 NCAC 02D .1107	TERMINATION UPON DEATH
20 NCAC 02D .1108	TERMINATION UPON MARRIAGE: AGE LIMIT
20 NCAC 02D .1109	TERMINATION WITHOUT CLAIM PREJUDICE
20 NCAC 02D .1110	CONVERSION FROM GROUP TO NONGROUP COVERAGE
20 NCAC 02D .1111	NONGROUP TO GROUP COVERAGE
20 NCAC 02D .1112	COVERAGE CHANGE APPLICATION
20 NCAC 02D .1113	EXTENDED MATERNITY BENEFITS
20 NCAC 02D .1114	GENERAL PROVISIONS
20 NCAC 02D .1115	WAITING PERIODS

*History Note: Authority G.S. 135-33; 135-6(f);
Eff. February 1, 1976;
Repealed Eff. September 21, 1977.*

SUBCHAPTER 2E - N.C. PUBLIC EMPLOYEES' SOCIAL SECURITY AGENCY

20 NCAC 02E .01	GENERAL INFORMATION
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20 NCAC 02E .02 PURPOSES: FUNCTIONS: DUTIES
20 NCAC 02E .03 EXTENSION OF SOCIAL SECURITY COVERAGE
20 NCAC 02E .04 PROCEDURES IN SECURING COVERAGE
20 NCAC 02E .05 FORMS

History Note: Authority G.S. 135-25;
 Eff. February 1, 1976;
 Readopted Eff. September 21, 1977;
 Repealed Eff. March 1, 1985.

20 NCAC 02E .06 POLITICAL SUBDIVISION LIABILITY
20 NCAC 02E .07 DUE DATE

History Note: Authority G.S. 135-25;
 Eff. September 21, 1977;
 Repealed Eff. March 1, 1985.

SUBCHAPTER 02F - CONSOLIDATED JUDICIAL RETIREMENT SYSTEM OF NORTH CAROLINA

20 NCAC 02F .0101 GENERAL INFORMATION

The following is general information about the Consolidated Judicial Retirement System:

- (1) For purposes of this Subchapter, "Director" means the Director of the Retirement Systems Division;
- (2) The mailing address and physical address is Retirement Systems Division, Department of State Treasurer, 3200 Atlantic Avenue, Raleigh, North Carolina 27604.

History Note: Authority G.S. 135-6(f); 135-54;
 Eff. February 1, 1976;
 Readopted Eff. September 21, 1977;
 Amended Eff. March 1, 1985;
 Amended Eff. September 1, 2019;
 Readopted Eff. March 1, 2023.

20 NCAC 02F .0102 PURPOSES: FUNCTIONS: AND DUTIES
20 NCAC 02F .0103 FORMS

History Note: Authority G.S. 135-54; 135-6(f);
 Eff. February 1, 1976;
 Readopted Eff. September 21, 1977;
 Repealed Eff. March 1, 1985.

20 NCAC 02F .0104 ACTUARIAL TABLES: RATES AND ASSUMPTIONS

History Note: Authority G.S. 135-69; 135-6(f);
 Eff. September 21, 1977;
 Amended Eff. August 1, 1981;
 Repealed Eff. March 1, 2023.

20 NCAC 02F .0105 SERVICE AS SUPERIOR COURT SOLICITOR OR DISTRICT ATTORNEY

History Note: Authority G.S. 135-56(a); 135-6(f);
 Eff. September 21, 1977;
 Amended Eff. March 1, 1985;
 Expired Eff. November 1, 2018 pursuant to G.S. 150B-21.3A.

20 NCAC 02F .0106 RETIREMENT BENEFITS FOR DISTRICT COURT SERVICE

History Note: Authority G.S. 135-66; 135-6(f);
Eff. May 31, 1978;
Repealed Eff. March 1, 1985.

20 NCAC 02F .0107 FINAL COMPENSATION FOR THREE-FOURTHS LIMITATION

For the sole purpose of calculating the "three-fourths" limitation of the member's final compensation under G.S. 135-58(a6) for a member whose final state service was not as a member of this system, the phrase "final compensation" shall mean the rate of compensation established for the last position held by the member applicable to this system.

History Note: Authority G.S. 135-6(f); 135-58(a6);
Eff. June 1, 1984;
Readopted Eff. March 1, 2023.

20 NCAC 02F .0108 FULL ACTUARIAL COST

History Note: Authority G.S. 135-52; 135-6(f);
Eff. March 1, 1985;
Repealed Eff. March 1, 2023.

SUBCHAPTER 2G - UNIFORM SOLICITORIAL RETIREMENT SYSTEM

20 NCAC 02G .0101 GENERAL INFORMATION

20 NCAC 02G .0102 PURPOSES: FUNCTIONS: AND DUTIES

20 NCAC 02G .0103 FORMS

History Note: Authority G.S. 135-78; 135-6(f);
Eff. February 1, 1976;
Readopted Eff. September 21, 1977;
Repealed Eff. March 1, 1985.

20 NCAC 02G .0104 ACTUARIAL TABLES: RATES AND ASSUMPTIONS

History Note: Authority G.S. 135-78; 135-6(f);
Eff. September 21, 1977;
Amended Eff. August 1, 1981;
Repealed Eff. March 1, 1985.

SUBCHAPTER 2H - UNIFORM CLERKS OF SUPERIOR COURT RETIREMENT SYSTEM

20 NCAC 02H .0101 GENERAL INFORMATION

20 NCAC 02H .0102 PURPOSES: FUNCTIONS: DUTIES

20 NCAC 02H .0103 FORMS

History Note: Authority G.S. 135-85; 135-6(f);
Eff. February 1, 1976;
Readopted Eff. September 21, 1977;
Repealed Eff. March 1, 1985.

20 NCAC 02H .0104 ACTUARIAL TABLES: RATES AND ASSUMPTIONS

History Note: *Filed as an Emergency Amendment Eff. July 1, 1979, to be Eff. for a Period of 120 Days to Expire on October 29, 1979;*
Authority G.S. 135-85; 135-6(f);
Eff. September 21, 1977;
Emergency Amendment Made Permanent Eff. October 29, 1979;
Amended Eff. August 1, 1981;
Repealed Eff. March 1, 1985.

SUBCHAPTER 2I - THE LEGISLATIVE RETIREMENT FUND

- 20 NCAC 02I .0101 GENERAL INFORMATION**
- 20 NCAC 02I .0102 PURPOSES: FUNCTIONS: AND DUTIES**
- 20 NCAC 02I .0103 FORMS**

History Note: *Authority G.S. 220-4.2; 135-6(f);*
Eff. February 1, 1976;
Readopted Eff. September 21, 1977;
Repealed Eff. March 1, 1985.

SUBCHAPTER 2J - LAW ENFORCEMENT OFFICERS' BENEFIT AND RETIREMENT FUND

SECTION .0100 - ORGANIZATION OF THE FUND

- 20 NCAC 02J .0101 GENERAL INFORMATION**
- 20 NCAC 02J .0102 GENERAL PURPOSE**
- 20 NCAC 02J .0103 SUBDIVISIONS**
- 20 NCAC 02J .0104 ADMINISTRATION AND FUNCTION**
- 20 NCAC 02J .0105 BOARD OF COMMISSIONERS MEMBERSHIP**

History Note: *Authority G.S. 143-166(d);*
Eff. February 1, 1976;
Readopted Eff. October 13, 1977;
Amended Eff. January 19, 1979;
Repealed Eff. August 1, 1983.

SECTION .0200 - GENERAL PROVISIONS

- 20 NCAC 02J .0201 DEFINITIONS**
- 20 NCAC 02J .0202 PERSONNEL INELIGIBLE FOR MEMBERSHIP**
- 20 NCAC 02J .0203 PROCUREMENT OF FORMS**
- 20 NCAC 02J .0204 MEDICAL ADVISORS**
- 20 NCAC 02J .0205 COMMUNICATION WITH BOARD CHAIRMAN**
- 20 NCAC 02J .0206 STATUS OF RULES**
- 20 NCAC 02J .0207 DUTIES OF ACTUARY**

History Note: *Authority G.S. 143-166(d);*
Eff. February 1, 1976;

Readopted Eff. October 13, 1977;
Amended Eff. September 1, 1982; January 19, 1979;
Repealed Eff. August 1, 1983.

20 NCAC 02J .0208 ACTUARIAL TABLES: RATES AND ASSUMPTIONS

History Note: Authority G.S. 143-166(d);
Eff. August 1, 1981;
Repealed Eff. August 1, 1983.

SECTION .0300 - ADMINISTRATIVE RULEMAKING PROCEDURES

20 NCAC 02J .0301 RULEMAKING PROCEDURES

History Note: Authority G.S. 143-166(d),(s); 150A-16;
Eff. February 1, 1976;
Readopted Eff. October 13, 1977;
Amended Eff. January 19, 1979;
Repealed Eff. August 1, 1983.

20 NCAC 02J .0302 NOTICE OF RULEMAKING
20 NCAC 02J .0303 RULEMAKING HEARINGS
20 NCAC 02J .0304 DECLARATORY RULINGS

History Note: Authority G.S. 143-166(d),(s); 150A-12; 150A-11; 150A-17;
Eff. February 1, 1976;
Readopted Eff. October 13, 1977;
Repealed Eff. January 19, 1979.

SECTION .0400 - ADMINISTRATIVE ADJUDICATORY PROCEDURES

20 NCAC 02J .0401 DECLARATORY AND CONTESTED CASE PROCEDURES

History Note: Authority G.S. 143-166(d),(s); 150A-2(2);
Eff. February 1, 1976;
Readopted Eff. October 13, 1977;
Amended Eff. January 19, 1979;
Repealed Eff. August 1, 1983.

20 NCAC 02J .0402 SPECIFIC RULE FOR A HEARING
20 NCAC 02J .0403 REQUEST FOR A HEARING
20 NCAC 02J .0404 GRANTING HEARING REQUEST
20 NCAC 02J .0405 WAIVER OF RIGHT TO A HEARING
20 NCAC 02J .0406 NOTICE OF A HEARING
20 NCAC 02J .0407 INTERVENTION IN THE HEARING
20 NCAC 02J .0408 WHO SHALL HEAR CONTESTED CASES
20 NCAC 02J .0409 PLACE OF THE HEARING
20 NCAC 02J .0410 HEARING OFFICERS
20 NCAC 02J .0411 FAILURE TO APPEAR AT THE HEARING
20 NCAC 02J .0412 WRITTEN ANSWERS TO A HEARING NOTICE
20 NCAC 02J .0413 PRE-HEARING CONFERENCE
20 NCAC 02J .0414 SIMPLIFICATION OF ISSUES
20 NCAC 02J .0415 SUBPOENAS

History Note: Authority G.S. 143-166(d),(s); 150A-20, -23, -24, -25, -27, -31, -32, -33(5), -37; 1A, Rule 24;
Eff. February 1, 1976;
Readopted Eff. October 13, 1977;
Repealed Eff. January 19, 1979.

SECTION .0500 - RETIREMENT FUND REGULATIONS

20 NCAC 02J .0501	MEMBERSHIP
20 NCAC 02J .0502	REGULAR CONTRIBUTIONS
20 NCAC 02J .0503	SPECIAL CONTRIBUTIONS
20 NCAC 02J .0504	CONTRIBUTIONS TRANSFERRED FROM OTHER SYSTEMS
20 NCAC 02J .0505	RETURN OF REGULAR CONTRIBUTIONS
20 NCAC 02J .0506	RETURN OF SPECIAL CONTRIBUTIONS
20 NCAC 02J .0507	CREDITABLE SERVICE
20 NCAC 02J .0508	BASIC SERVICE RETIREMENT ALLOWANCE BENEFIT
20 NCAC 02J .0509	BASIC DISABILITY RETIREMENT ALLOWANCE BENEFIT
20 NCAC 02J .0510	RE-EXAMINATION OF DISABLED RETIRED BENEFICIARIES
20 NCAC 02J .0511	SPECIAL RETIREMENT ALLOWANCE
20 NCAC 02J .0512	MINIMUM AND MAXIMUM ANNUAL RETIREMENT ALLOWANCE
20 NCAC 02J .0513	ALTERNATIVES FOR RECEIVING RETIREMENT ALLOWANCE
20 NCAC 02J .0514	RESTORATION OF RETIRED MEMBERS TO ACTIVE SERVICE
20 NCAC 02J .0515	ESCROW FUNDS
20 NCAC 02J .0516	ACCIDENTAL DEATH BENEFIT TO SURVIVORS OF OFFICERS
20 NCAC 02J .0517	METHOD OF FINANCING
20 NCAC 02J .0518	ERRORS

History Note: Authority G.S. 143-166(d);
Eff. February 1, 1976;
Readopted Eff. October 13, 1977;
Amended Eff. September 1, 1983; March 1, 1982; January 19, 1983; October 29, 1979;
Repealed Eff. August 1, 1983.

20 NCAC 02J .0519 INCREASES IN BENEFITS PAID TO BENEFICIARIES

History Note: Authority G.S. 143-166(i);
Eff. February 19, 1979;
Repealed Eff. August 1, 1983.

20 NCAC 02J .0520 REQUIRED EMPLOYER CONTRIBUTION

History Note: Filed as an Emergency Amendment Eff. April 22, 1980 For a Period of 120 Days to Expire on August 20, 1980;
Filed as an Emergency Regulation Eff. July 1, 1979, For a Period of 120 Days to Expire on October 29, 1979;
Statutory Authority G.S. 143-166(i);
Made Permanent Eff. October 29, 1979;
Amended Eff. August 1, 1981;
Repealed Eff. August 1, 1983.

SECTION .0600 - SEPARATE BENEFIT FUND REGULATIONS

20 NCAC 02J .0601	PARTICIPATION
20 NCAC 02J .0602	BENEFITS

History Note: Authority G.S. 143-166(t);
Eff. February 1, 1976;
Amended Eff. September 5, 1977;
Readopted Eff. October 13, 1977;
Amended Eff. December 1, 1982; September 1, 1982; August 1, 1981;
Repealed Eff. August 1, 1983.

SUBCHAPTER 2K - LAW ENFORCEMENT OFFICERS' RETIREMENT SYSTEM

SECTION .0100 - GENERAL INFORMATION

20 NCAC 02K .0101 GENERAL INFORMATION

History Note: Authority G.S. 143-166;
Eff. August 1, 1983;
Repealed Eff. January 1, 1986.

20 NCAC 02K .0102 PURPOSES

History Note: Authority G.S. 143-166(d);
Eff. August 1, 1983;
Repealed Eff. April 1, 1985.

20 NCAC 02K .0103 DEFINITIONS

History Note: Authority G.S. 143-166; 143-66.03;
Eff. August 1, 1983;
Amended Eff. April 1, 1985;
Repealed Eff. January 1, 1986.

20 NCAC 02K .0104 FORMS

History Note: Authority G.S. 143-166(d);
Eff. August 1, 1983;
Repealed Eff. April 1, 1985.

SECTION .0200 - ADMINISTRATION

20 NCAC 02K .0201 DUTIES OF ACTUARY

20 NCAC 02K .0202 ACTUARIAL TABLES: RATES AND ASSUMPTIONS

20 NCAC 02K .0203 MEDICAL ADVISERS

20 NCAC 02K .0204 PROCEDURAL RIGHTS

History Note: Authority G.S. 143-166; 143-166.03;
Eff. August 1, 1983;
Repealed Eff. January 1, 1986.

SECTION .0300 - MEMBERSHIP

20 NCAC 02K .0301 PERSONS ELIGIBLE FOR MEMBERSHIP

*History Note: Authority G.S. 143-166;
Eff. August 1, 1983;
Amended Eff. April 1, 1985; March 1, 1984;
Repealed Eff. January 1, 1986.*

20 NCAC 02K .0302 PERSONS INELIGIBLE FOR MEMBERSHIP

*History Note: Authority G.S. 143-166(m);
Eff. August 1, 1983;
Repealed Eff. April 1, 1985.*

20 NCAC 02K .0303 CESSATION OF MEMBERSHIP

20 NCAC 02K .0304 TRANSFER OF EMPLOYMENT

*History Note: Authority G.S. 143-166;
Eff. August 1, 1983;
Repealed Eff. January 1, 1986.*

SECTION .0400 - CREDITABLE SERVICE

20 NCAC 02K .0401 MEMBERSHIP SERVICE

20 NCAC 02K .0402 PRIOR SERVICE

20 NCAC 02K .0403 MILITARY SERVICE

*History Note: Authority G.S. 143-166;
Eff. August 1, 1983;
Repealed Eff. January 1, 1986.*

SECTION .0500 - PURCHASE OF SERVICE CREDITS

20 NCAC 02K .0501 FEE

20 NCAC 02K .0502 ELIGIBILITY FOR PURCHASING SERVICE CREDITS

20 NCAC 02K .0503 COST OF PURCHASING SERVICE CREDITS

20 NCAC 02K .0504 DELAYED PURCHASE OF SERVICE CREDITS

*History Note: Authority G.S. 143-166;
Eff. August 1, 1983;
Repealed Eff. January 1, 1986.*

20 NCAC 02K .0505 WORKERS' COMPENSATION LEAVES OF ABSENCE

*History Note: Authority G.S. 143-166;
Eff. December 1, 1983;
Repealed Eff. January 1, 1986.*

SECTION .0600 - BENEFITS

20 NCAC 02K .0601 DATE OF EARLY: SERVICES/DISABILITY RETIREMENT ALLOWANCES

20 NCAC 02K .0602 RETURN OF REGULAR CONTRIBUTIONS UPON DEATH OF A MEMBER

20 NCAC 02K .0603 SPECIAL ANNUITY ACCOUNT BENEFITS

20 NCAC 02K .0604 MINIMUM AND MAXIMUM TOTAL ANNUAL RETIREMENT ALLOWANCE

20 NCAC 02K .0605	ALTERNATIVES FOR RECEIVING RETIREMENT ALLOWANCE
20 NCAC 02K .0606	SURVIVOR'S ALTERNATE BENEFIT
20 NCAC 02K .0607	RETURN OF CONTRIBUTIONS AFTER RETIREMENT
20 NCAC 02K .0608	RESTORATION TO ACTIVE SERVICE AFTER DISABILITY RETIREMENT
20 NCAC 02K .0609	RESTORATION TO ACTIVE SERVICE AFTER SERVICE RETIREMENT

History Note: Authority G.S. 143-166;
 Eff. August 1, 1983;
 Amended Eff. June 1, 1984;
 Repealed Eff. January 1, 1986.

SECTION .0700 - METHOD OF FINANCING

20 NCAC 02K .0701	GENERAL PROVISIONS
20 NCAC 02K .0702	ANNUITY SAVINGS FUND
20 NCAC 02K .0703	SPECIAL ANNUITY SAVINGS FUND
20 NCAC 02K .0704	PENSION ACCUMULATION FUND
20 NCAC 02K .0705	CALCULATION OF CONTRIBUTION RATES
20 NCAC 02K .0706	INTEREST
20 NCAC 02K .0707	DEATH OF RETIRED MEMBER
20 NCAC 02K .0708	MINOR BENEFICIARIES

History Note: Authority G.S. 143-166; 143-166.03;
 Eff. August 1, 1983;
 Amended Eff. April 1, 1985; June 1, 1984;
 Repealed Eff. January 1, 1986.

SUBCHAPTER 02L - SEPARATE INSURANCE BENEFIT PLAN FOR STATE AND LOCAL GOVERNMENTAL LAW ENFORCEMENT OFFICERS

SECTION .0100 - GENERAL PROVISIONS

20 NCAC 02L .0101 GENERAL INFORMATION

The following is general information about the Separate Insurance Benefit Plan for State and Local Governmental Law Enforcement Officers':

- (1) For purposes of this Subchapter, "Director" means the Director of the Retirement Systems Division;
- (2) The mailing address and physical address is Retirement Systems Division, Department of State Treasurer, 3200 Atlantic Avenue, Raleigh, North Carolina 27604.

History Note: Authority G.S. 128-28(g); 135-6(f); 143-166.60(b); 143-166.60(d);
 Eff. August 1, 1983;
 Amended Eff. September 1, 2019;
 Readopted Eff. March 1, 2023.

20 NCAC 02L .0102 PURPOSES

History Note: Authority G.S. 143-166.04;
 Eff. August 1, 1983;
 Repealed Eff. April 1, 1985.

20 NCAC 02L .0103 DEFINITIONS

The following words as used in this Subchapter, unless a different meaning is clearly required by the context, shall have the following meanings:

- (1) "Officer" shall mean a law enforcement officer as defined in G.S. 128-21(11d) and G.S. 135-1(11c).
- (2) "Officer Trainee" shall mean a cadet or officer trainee who is a full-time employee enrolled in training schools or academies of the State and any political subdivision thereof and who will become an officer at the completion of the training.
- (3) "Participant" shall mean an Officer or Officer Trainee.
- (4) "Separate Insurance Benefit Plan" shall mean the employee welfare benefit plan created in G.S. 143-166.60.
- (5) "Service" shall mean service as an Officer for which compensation is paid.

History Note: Authority G.S. 128-28(g); 135-6(f); 143-166.60(b); 143-166.60(d);
Eff. August 1, 1983;
Amended Eff. August 1, 1988; April 1, 1985;
Readopted Eff. March 1, 2023.

20 NCAC 02L .0104 FORMS

History Note: Authority G.S. 143-166.04;
Eff. August 1, 1983;
Repealed Eff. April 1, 1985.

20 NCAC 02L .0105 PROCEDURAL RIGHTS

History Note: Authority G.S. 143-166.60; 150B-12; 150B-23;
Eff. August 1, 1983;
Expired Eff. November 1, 2018 pursuant to G.S. 150B-21.3A.

SECTION .0200 - PARTICIPATION

20 NCAC 02L .0201 ACTIVE MEMBERS

History Note: Authority G.S. 143-166.60;
Eff. August 1, 1983;
Expired Eff. November 1, 2018 pursuant to G.S. 150B-21.3A.

20 NCAC 02L .0202 RETIRED MEMBERS

History Note: Authority G.S. 143-166.60;
Eff. August 1, 1983;
Repealed Eff. March 1, 2023.

20 NCAC 02L .0203 INACTIVE MEMBERS

20 NCAC 02L .0204 DETERMINATION OF MEMBERSHIP

History Note: Authority G.S. 143-166.60;
Eff. August 1, 1983;
Expired Eff. November 1, 2018 pursuant to G.S. 150B-21.3A.

SECTION .0300 - BENEFITS

20 NCAC 02L .0301 DEATH BENEFITS

History Note: Authority G.S. 143-166.60;
Eff. August 1, 1983;

Expired Eff. November 1, 2018 pursuant to G.S. 150B-21.3A.

20 NCAC 02L .0302 ACCIDENT AND HOSPITAL BENEFITS

*History Note: Authority G.S. 143-166.60;
Eff. August 1, 1983;
Repealed Eff. March 1, 2023.*

SUBCHAPTER 02M - CONTRIBUTORY DEATH BENEFIT FOR RETIRED MEMBERS

SECTION .0100 - DEFINITIONS AND GENERAL PROVISIONS

20 NCAC 02M .0101 DEFINITIONS

The following definitions apply to the Contributory Death Benefit for Retired Members:

- (1) "Retired member" shall mean a former teacher, employee, or official in receipt of a monthly retirement allowance or who has a terminated retirement allowance resulting from reemployment from the Teachers' and State Employees' Retirement System, Local Governmental Employees' Retirement System, Consolidated Judicial Retirement System, or Legislative Retirement System; however, "retired member" shall not mean any beneficiary in receipt of a monthly retirement allowance by reason of the death of a retired member or former teacher, employee, or official.
- (2) "Member" shall mean a retired member of the Teachers' and State Employees' Retirement System, Local Governmental Employees' Retirement System, Consolidated Judicial Retirement System, Legislative Retirement System or Legislative Retirement Fund who has elected coverage and who makes continuous contributions under the Contributory Death Benefit for Retired Members.
- (3) "Surviving spouse" shall mean a living person who is legally married to a member covered under the Contributory Death Benefit for Retired Members at the date of death of the member.
- (4) "Legal representative" shall mean the administrator or executor of the estate of a member or the collector of funds for the estate of the member.
- (5) "Retirement system" shall mean the Teachers' and State Employees' Retirement System, Local Governmental Employees' Retirement System, Consolidated Judicial Retirement System, or Legislative Retirement System.
- (6) "Boards of Trustees" shall mean the Boards of Trustees of the Teachers' and State Employees' Retirement System and the Local Governmental Employees' Retirement System, each acting in accordance with the provisions of G.S. 128-28(f1) and G.S. 135-6(e1).

*History Note: Authority G.S. 120-4.10; 120-4.27; 128-27(12); 128-27(13); 128-27(14); 128-27(15); 128-27(16); 128-28(g); 135-5(l); 135-6(f); 135-64(g);
Eff. February 1, 1989;
Amended Eff. March 1, 2023.*

20 NCAC 02M .0102 AGENCY AND AUTHORITY OF DIRECTOR

- (a) The mailing address for the Contributory Death Benefit for Retired Members is the Retirement Systems Division, Department of State Treasurer, 3200 Atlantic Avenue, Raleigh, North Carolina 27604.
- (b) The Director of the Retirement Systems Division shall make decisions as it relates to the Contributory Death Benefit for Retired Members in accordance with the statutes and rules and regulations adopted by the Boards of Trustees and previous decisions of the Boards of Trustees. Appeals may be made from the decisions of the Director under the procedures used for contested cases as provided under Section .0400 of Title 20, Chapter 02, Subchapter A.

*History Note: Authority G.S. 120-4.10; 120-4.27; 128-27(12); 128-27(13); 128-27(14); 128-27(15); 128-27(16); 128-28(g); 135-5(l); 135-6(f); 135-64(g);
Eff. February 1, 1989;
Amended Eff. March 1, 2023; September 1, 2019.*

20 NCAC 02M .0103 CONTRIBUTORY DEATH BENEFIT TRUST FOR RETIRED MEMBERS

- (a) A trust entitled the Contributory Death Benefit Trust for Retired Members shall be established for the purpose of collecting all member contributions, investment of contributions, and payment of benefits and expenses.
- (b) Funds deposited in the Contributory Death Benefit Trust Retired Members shall be invested in accordance with law and all investment earnings shall accrue to the Contributory Death Benefit Trust for Retired Members.
- (c) The funds in the Contributory Death Benefit Trust for Retired Members shall be used for the sole purpose of paying the benefits and expenses of the Contributory Death Benefit for Retired Members.
- (d) Members of the Contributory Death Benefit for Retired Members do not gain any rights or interest in the earnings on the investments in the Contributory Death Benefit Trust for Retired Members nor share in any gains or losses resulting from the mortality experience for the trust beyond the benefits set forth.

History Note: Authority G.S. 120-4.10; 120-4.27; 128-27(12); 128-28(g); 135-5(1);
135-6(f); 135-64(g);
Eff. February 1, 1989.

20 NCAC 02M .0104 TIME AND DATE

History Note: Authority G.S. 120-4.10; 120-4.27; 128-27(12); 128-28(g); 135-5(1); 135-6(f); 135-64(g);
Eff. April 1, 1989;
Repealed Eff. March 1, 2023.

SECTION .0200 - ELECTION AND CANCELLATION OF COVERAGE

20 NCAC 02M .0201 ELIGIBILITY TO ELECT COVERAGE

- (a) A retired member in receipt of a monthly retirement allowance as a former teacher, employee, or official of more than one of the Retirement Systems is eligible to elect coverage under each Retirement System from which the member receives a retirement benefit; however, if a retired member is receiving more than one retirement benefit from the same Retirement System, the member may elect coverage only on the basis of one retirement benefit from that Retirement System.
- (b) A former teacher, employee or official in receipt of disability benefits from the Disability Income Plan of North Carolina is not in receipt of a retirement allowance and is not eligible to elect coverage under the Contributory Death Benefit for Retired Members until such time as the disability benefit is converted to a service retirement allowance.

History Note: Authority G.S. 120-4.10; 120-4.27; 128-27(12); 128-27(13); 128-27(14); 128-27(15); 128-27(16);
128-28(g); 135-5(1); 135-6(f); 135-64(g);
Eff. February 1, 1989;
Amended Eff. March 1, 2023.

20 NCAC 02M .0202 WHEN FIRST ELIGIBLE

A retired member's eligibility to make an election for coverage is based on the following:

- (1) If retired on or before June 1, 1988, the words "when first eligible" to make an election for coverage will mean 60 days from July 1, 1988 or no later than September 1, 1988.
- (2) If retiring on or after July 1, 1988, the words "when first eligible" to make an election for coverage will mean 60 days from the effective date of retirement under the Retirement System.

History Note: Authority G.S. 120-4.10; 120-4.27; 128-27(12); 128-27(13); 128-27(14); 128-27(15); 128-27(16);
128-28(g); 135-5(1); 135-6(f); 135-64(g);
Eff. February 1, 1989;
Amended Eff. March 1, 2023.

20 NCAC 02M .0203 FORM OF ELECTION

A retired member's election must be made on a Notice of Election form as provided by the Retirement Systems Division or in lieu thereof by written notice clearly stating the election of the retired member and providing all information necessary for the determination of rates and payment of benefits.

History Note: Authority G.S. 120-4.10; 120-4.27; 128-27(12); 128-28(g); 135-5(1);

135-6(f); 135-64(g);
Eff. February 1, 1989.

20 NCAC 02M .0204 EFFECTIVE DATE OF COVERAGE

Coverage under the Contributory Death Benefit for Retired Members is not to be delayed beyond the 60 days from the effective date of retirement or if retired prior to July 1, 1988, not beyond September 1, 1988 and shall become effective:

- (1) the first of the month in which election of coverage is made provided that the election is received by the Retirement Systems Division by the 15th of a month but not earlier than July 1, 1988, or
- (2) the first of the month following the month in which the election of coverage is made if the election is received by the Retirement Systems Division after the 15th of a month but not earlier than July 1, 1988.

History Note: Authority G.S. 120-4.10; 120-4.27; 128-27(l2); 128-28(g); 135-5(l);
135-6(f); 135-64(g);
Eff. February 1, 1989.

20 NCAC 02M .0205 CANCELLATION OF COVERAGE

Cancellation of coverage under the Contributory Death Benefit for Retired Members shall be:

- (1) By written notice of cancellation of coverage to the Board of Trustees with cancellation of coverage becoming effective :
 - (a) the first day of the month in which the member's written notice of cancellation is received and no contribution will be due in that month if written notice of cancellation is received in the offices of the Retirement Systems Division between the first and the tenth of a month.
 - (b) the first day of the month following the month in which written notice of cancellation is received with contributions due for the month in which written notice is received if the written notice of cancellation is received in the offices of the Retirement Systems Division after the tenth of a month.
- (2) By non-payment of monthly contributions if payment for any month is not received in the offices of the Retirement Systems Division by the 25th of the month following the month for which the contribution is due and payable with coverage to be cancelled automatically effective the first day of the month for which the contribution was due and payable.
- (3) By death of a member.

History Note: Authority G.S. 120-4.10; 120-4.27; 128-27(l2); 128-28(g); 135-5(l);
135-6(f); 135-64(g);
Eff. February 1, 1989.

20 NCAC 02M .0206 REINSTATEMENT

Upon cancellation of coverage under Rule .0205 of this Section, coverage cannot be reinstated, nor can a retired member reapply for coverage.

History Note: Authority G.S. 120-4.10; 120-4.27; 128-27(l2); 128-27(l3); 128-27(l4); 128-27(l5); 128-27(l6);
128-28(g); 135-5(l); 135-6(f); 135-64(g);
Eff. February 1, 1989;
Amended Eff. March 1, 2023.

SECTION .0300 - CONTRIBUTIONS AND BENEFITS

20 NCAC 02M .0301 CONTRIBUTION RATES

(a) The monthly contribution rates shall be established by resolution of the Boards of Trustees as recommended by the consulting actuary. The consulting actuary in making a recommended schedule of monthly contribution rates shall take into consideration mortality experience, selection experience, actuarial interest rate assumption which may be different from the interest rate assumption used in the valuation of the liabilities of the Retirement System,

administrative and investment costs, and such other factors as may be appropriate in establishing such schedule of monthly contribution rates.

(b) The Boards of Trustees may from time to time revise by resolution the schedule of monthly contribution rates as may be recommended by the consulting actuary for teachers, employees, and officials retiring and electing an effective date of coverage after the effective date of the revision. Such revision may be, but is not required to be, applicable to members electing coverage prior to the effective date of the revision provided that such revised rates shall not be greater than the rates in effect at the effective date of coverage for those members electing an effective date of coverage prior to the effective date of the revision.

History Note: Authority G.S. 120-4.10; 120-4.27; 128-27(12); 128-27(13); 128-27(14); 128-27(15); 128-27(16); 128-28(g); 135-5(1); 135-6(f); 135-64(g); Eff. February 1, 1989; Amended Eff. March 1, 2023.

20 NCAC 02M .0302 MEMBER CONTRIBUTION

(a) The monthly contribution rate paid by a member shall be based on the member's nearest age as of the effective date of coverage and the applicable rates as of that date as set by the Boards of Trustees and will remain the same as long as the coverage is in effect.

(b) Any misstatement as to the age of the member which causes the contribution of the member to have been paid at a greater or lesser rate during the period of the coverage of the member not paid or refunded prior to the death of the member will result in any underpayment of contributions being offset against the death benefit and any overpayment of contributions being paid to the following:

- (1) the person or persons designated by the member;
- (2) if the member has not designated a beneficiary, to the surviving spouse; or
- (3) if the member is not survived by a designated beneficiary or spouse, to the legal representative.

History Note: Authority G.S. 120-4.10; 120-4.27; 128-27(12); 128-27(13); 128-27(14); 128-27(15); 128-27(16); 128-28(g); 135-5(1); 135-6(f); 135-64(g); Eff. February 1, 1989; Amended Eff. March 1, 2023.

20 NCAC 02M .0303 PAYMENT OF CONTRIBUTION

(a) The monthly contributions of members covered under the Contributory Death Benefit for Retired Members are to be paid monthly to the Contributory Death Benefit Trust for Retired Members beginning in the month in which coverage becomes effective and shall continue each month thereafter.

(b) Payment of the monthly contributions shall be deducted from a member's net monthly retirement allowance from the Retirement System if member's net monthly retirement allowance, after other required deductions, such as for taxes and garnishments, is sufficient to cover the cost of the contribution; however, if the net monthly retirement allowance from the Retirement System is not sufficient to cover the cost of the contribution, the Retirement Systems Division shall provide the member a Notice of Contribution Due within ten days after the determination of insufficiency with payment of monthly contributions due not later than the 25th of the month following the determination of insufficiency, and thereafter a Notice of Contribution Due shall be provided between the first and the fifth of each month with payment due on or before the 25th of that month.

(c) The contribution due for the month in which the member's death occurs is to be paid from the final monthly retirement benefit due in the month of death, or by payment from the member's surviving spouse or legal representative; provided that, if member's death occurs during the 24-month period from the effective date of coverage, the deduction or payment of the contribution for the month in which death occurs shall be waived if it has not been received by the Retirement Systems Division before the Retirement Systems Division issues the return of contributions.

(d) Once coverage is elected, the member shall pay the required monthly contribution in order to maintain coverage regardless of any condition which might occur that would terminate or diminish the retirement benefit the retired member is receiving, such as reemployment or the reduction or termination of retirement benefits by reason of an optional form of retirement allowance selected by the retired member at retirement.

History Note: Authority G.S. 120-4.10; 120-4.27; 128-27(12); 128-27(13); 128-27(14); 128-27(15); 128-27(16); 128-28(g); 135-5(1); 135-6(f); 135-64(g);

Eff. February 1, 1989;
Amended Eff. March 1, 2023.

20 NCAC 02M .0304 AMOUNT OF BENEFIT PAYABLE

History Note: Authority G.S. 120-4.10; 120-4.27; 128-27(l2); 128-28(g); 135-5(l); 135-6(f); 135-64(g);
Eff. February 1, 1989;
Repealed Eff. March 1, 2023.

20 NCAC 02M .0305 PAYMENT OF INTEREST ON BENEFIT

The following shall apply to interest payable on the monthly contributions of a member where the member's death occurs prior to the first day of the month following the 24th month of coverage:

- (1) The annual rate of interest shall be set from time to time by resolution of the Boards of Trustees and, in setting such annual rate of interest, the Boards of Trustees may take into consideration the actuarial interest rate assumption, yields realized and anticipated on short-term investments, cost of investing and administration, and such other factors affecting interest rates as may be appropriate.
- (2) Such interest as set by the Boards of Trustees shall be computed on each monthly payment from the end of the month in which the monthly payment is paid and on the balance of the monthly contributions and interest at the beginning of the calendar year to the end of the month in which the member dies.

History Note: Authority G.S. 120-4.10; 120-4.27; 128-27(l2); 128-27(l3); 128-27(l4); 128-27(l5); 128-27(l6);
128-28(g); 135-5(l); 135-6(f); 135-64(g);
Eff. February 1, 1989;
Amended Eff. March 1, 2023.

20 NCAC 02M .0306 PAYMENT OF BENEFIT

Upon the death of a member, a certified death certificate and such other documentation as deemed necessary in order to initiate payment of the death benefit is to be furnished by the member's spouse or legal representative if not survived by a spouse.

History Note: Authority G.S. 120-4.10; 120-4.27; 128-27(l2); 128-28(g); 135-5(l);
135-6(f); 135-64(g);
Eff. February 1, 1989.

20 NCAC 02M .0307 BENEFITS PAYABLE AFTER CANCELLATION

Should death of a former member occur on or after the effective date of cancellation of coverage, benefits under the Contributory Death Benefit for Retired Members shall not be due and shall not be payable.

History Note: Authority G.S. 120-4.10; 120-4.27; 128-27(l2); 128-27(l3); 128-27(l4); 128-27(l5); 128-27(l6);
128-28(g); 135-5(l); 135-6(f); 135-64(g);
Eff. February 1, 1989;
Amended Eff. March 1, 2023.

20 NCAC 02M .0308 REFUNDS

- (a) No refund of contributions or interest shall be made if coverage is cancelled by reason of non-payment of contributions or if written notice of cancellation is received 90 or more days after the effective date of coverage.
- (b) Refund of contributions without interest may be made if coverage is cancelled by written notice of cancellation received prior to 90 days after the effective date of coverage.

History Note: Authority G.S. 120-4.10; 120-4.27; 128-27(l2); 128-28(g); 135-5(l);
135-6(f); 135-64(g);
Eff. February 1, 1989.

SUBCHAPTER 02N – FIREFIGHTERS' AND RESCUE SQUAD WORKERS' PENSION FUND

SECTION .0100 - ORGANIZATION OF THE FUND

20 NCAC 02N .0101	LOCATION
20 NCAC 02N .0102	GENERAL PURPOSE
20 NCAC 02N .0103	ADMINISTRATION AND FUNCTION
20 NCAC 02N .0104	BOARD OF TRUSTEES MEMBERSHIP

History Note: Authority G.S. 118-21; 118-19; 143A-27;
Eff. February 1, 1976;
Repealed Eff. June 1, 1988;
Recodified from 3 NCAC 3 Eff. May 1, 1993.

20 NCAC 02N .0105 DEFINITIONS

History Note: Authority G.S. 58-86-10;
Eff. June 1, 1988;
Recodified from 3 NCAC 3 Eff. May 1, 1993;
Amended Eff. October 1, 1993;
Expired Eff. November 1, 2018 pursuant to G.S. 150B-21.3A.

20 NCAC 02N .0106 OFFICE OF THE DIRECTOR

The mailing and physical address of the Office of the Director of the Retirement Systems Division is Retirement Systems Division, Department of State Treasurer, 3200 Atlantic Avenue, Raleigh, North Carolina 27604. Office hours are from 8 a.m. to 5 p.m., Mondays - Fridays, except State holidays.

History Note: Authority G.S. 58-86-10;
Eff. June 1, 1988;
Recodified from 3 NCAC 3 Eff. May 1, 1993;
Amended Eff. October 1, 1993;
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. October 21, 2018;
Amended Eff. March 1, 2023; September 1, 2019.

20 NCAC 02N .0107 BOARD OF TRUSTEES

History Note: Authority G.S. 58-86-10;
Eff. June 1, 1988;
Recodified from 3 NCAC 3 Eff. May 1, 1993;
Amended Eff. October 1, 1993;
Expired Eff. November 1, 2018 pursuant to G.S. 150B-21.3A.

20 NCAC 02N .0108 DIVISIONAL RULES

The following rules are hereby incorporated by reference including subsequent amendments to the rules:

- (1) Rules 20 NCAC 02A .0101, .0102, and .0103;
- (2) Sections 20 NCAC 02A .0200, .0300, and .0400; and
- (3) Rule 20 NCAC 02A .0504.

History Note: Authority G.S. 58-86-10; 150B-21.6;
Eff. October 1, 1993;
Readopted Eff. March 1, 2023.

SECTION .0200 - GENERAL PROVISIONS

20 NCAC 02N .0201	DEFINITIONS
20 NCAC 02N .0202	SECRETARY'S BOND
20 NCAC 02N .0203	PROCUREMENT OF FORMS
20 NCAC 02N .0204	ANNUAL FIREMEN CERTIFICATION
20 NCAC 02N .0205	COMMUNICATION WITH BOARD CHAIRMAN

History Note: Authority G.S. 118-20; 118-21; 118-23;
 Eff. February 1, 1976;
 Repealed Eff. June 1, 1988;
 Recodified from 3 NCAC 3 Eff. May 1, 1993.

20 NCAC 02N .0206	ELIGIBLE FIREMEN
20 NCAC 02N .0207	ELIGIBLE RESCUE SQUAD WORKERS

History Note: Authority G.S. 58-86-10; 58-86-25; 58-86-30;
 Eff. June 1, 1988;
 Recodified from 3 NCAC 3 Eff. May 1, 1993;
 Amended Eff. December 1, 1993;
 Expired Eff. November 1, 2018 pursuant to G.S. 150B-21.3A.

20 NCAC 02N .0208 APPLYING FOR MEMBERSHIP

- (a) Only eligible firefighters or eligible rescue squad workers may join the pension fund. In order to join the pension fund they must complete the application for membership and return it to the office of the Director.
- (b) Applications for membership may be obtained from the office of the Director at the address shown in Rule .0106 of this Subchapter. The application asks for general information, including the applicant's name, address, social security number, date of birth, phone number, email address, gender, fire department or rescue squad, his or her first employment date with that department or squad, and requires a signature by an authorized representative of the fire department or rescue squad.
- (c) After the Director has received and approved the application and received the monthly payment required by G.S. 58-86-35 or 58-86-40, the Director shall enroll the applicant in the pension fund.

History Note: Authority G.S. 58-86-10; 58-86-35; 58-86-40;
 Eff. June 1, 1988;
 Recodified from 3 NCAC 3 Eff. May 1, 1993;
 Amended Eff. December 1, 1993;
 Readopted Eff. March 1, 2023.

20 NCAC 02N .0209	PRIOR SERVICE CREDIT
20 NCAC 02N .0210	ANNUAL CERTIFICATION OF FIREMEN
20 NCAC 02N .0211	ANNUAL CERTIFICATION OF RESCUE SQUAD WORKERS
20 NCAC 02N .0212	MONTHLY PAYMENTS
20 NCAC 02N .0213	DELINQUENT MONTHLY PAYMENTS
20 NCAC 02N .0214	LEAVES OF ABSENCE

History Note: Authority G.S. 58-86-10; 58-86-30; 58-86-35; 58-86-40; 58-86-45; 58-86-75; 58-86-85;
 Eff. June 1, 1988;
 Recodified from 03 NCAC 03 Eff. May 1, 1993;
 Amended Eff. December 1, 1993; October 1, 1993;
 Expired Eff. November 1, 2018 pursuant to G.S. 150B-21.3A.

20 NCAC 02N .0215 MILITARY SERVICE

- (a) Any member who enters the armed forces may take a military leave of absence as provided by Paragraph (b) of this Rule, continue to receive service credit as provided by Paragraph (c) of this Rule, or withdraw from the pension fund and seek a refund.

(b) To take a military leave of absence a member shall provide written notice to the office of the Director that the member is taking such leave. The member shall specify in the notice the branch of the armed forces the member is entering and the expected dates of entry and discharge. The member shall deliver the notice to the office of the Director no later than six months after the member ceases service as an eligible firefighter or an eligible rescue squad worker, whichever is applicable, or the member will be deemed to have withdrawn from the pension fund. No member may remain on military leave of absence for more than one normal draft or enlistment period, whichever is applicable. Any member who has taken a military leave of absence shall commence service as either an eligible firefighter or an eligible rescue squad worker within six months after the expiration of a normal draft or enlistment period, whichever is applicable, or within six months after the member's discharge if that occurs earlier, or else the member will be deemed to have withdrawn from the pension fund.

(c) Any member who enters the armed forces shall continue to receive service credit if the member notifies the office of the Director in writing of the member's intent to do so and if the member continues to make monthly payments required by G.S. 58-86-35 or 58-86-40. Credit for time served in the armed forces is limited to one normal draft or enlistment period, whichever is applicable.

History Note: Authority G.S. 58-86-10;
Eff. June 1, 1988;
Recodified from 03 NCAC 03 Eff. May 1, 1993;
Amended Eff. December 1, 1993;
Readopted Eff. March 1, 2023.

20 NCAC 02N .0216 REFUNDS
20 NCAC 02N .0217 APPLICATIONS FOR DISABILITY BENEFITS

History Note: Authority G.S. 58-86-10; 58-86-60;
Eff. June 1, 1988;
Recodified from 03 NCAC 03 Eff. May 1, 1993;
Amended Eff. December 1, 1993;
Expired Eff. November 1, 2018 pursuant to G.S. 150B-21.3A.

20 NCAC 02N .0218 RETIREMENT BENEFITS

History Note: Authority G.S. 58-86-10; 58-86-55;
Eff. June 1, 1988;
Recodified from 3 NCAC 3 Eff. May 1, 1993;
Amended Eff. December 1, 1993;
Repealed Eff. March 1, 2023.

20 NCAC 02N .0219 REFUNDS OF DECEASED MEMBERS' PAYMENTS

In order to receive the lump sum payment for deceased members provided by G.S. 58-86-60(2) and (3), the person or persons entitled to such payment shall file with the office of the Director a death certificate and a letter requesting the payment. The amount of the payment will be determined in accordance with G.S. 58-86-60 and, accordingly, no interest will be paid on the monthly payments.

History Note: Authority G.S. 58-86-10; 58-86-60;
Eff. June 1, 1988;
Recodified from 3 NCAC 3 Eff. May 1, 1993;
Amended Eff. December 1, 1993;
Readopted Eff. March 1, 2023.

SECTION .0300 - ADMINISTRATIVE RULEMAKING PROCEDURES

20 NCAC 02N .0301 PETITIONS FOR RULEMAKING
20 NCAC 02N .0302 NOTICE OF RULEMAKING
20 NCAC 02N .0303 RULEMAKING HEARINGS

20 NCAC 02N .0304 DECLARATORY RULINGS

History Note: Authority G.S. 118-21; 150A-11; 150A-12; 150A-16; 150A-17;
Eff. February 1, 1976;
Repealed Eff. June 1, 1988;
Recodified from 3 NCAC 3 Eff. May 1, 1993.

- 20 NCAC 02N .0305 PETITIONS FOR RULE-MAKING**
- 20 NCAC 02N .0306 DECISION ON PETITION**
- 20 NCAC 02N .0307 NOTICE OF RULE-MAKING**
- 20 NCAC 02N .0308 ARGUMENTS**
- 20 NCAC 02N .0309 REQUEST FOR ORAL PRESENTATIONS**
- 20 NCAC 02N .0310 WRITTEN STATEMENT**
- 20 NCAC 02N .0311 REQUEST FOR STATEMENT OF FINAL DECISION**
- 20 NCAC 02N .0312 RECORD OF RULE-MAKING**
- 20 NCAC 02N .0313 DECLARATORY RULINGS**

History Note: Authority G.S. 118-35; 150B-11(1); 150B-12; 150B-12(e); 150B-16; 150B-17;
Eff. June 1, 1988;
Recodified from 3 NCAC 3 Eff. May 1, 1993;
Repealed Eff. October 1, 1993.

SECTION .0400 - ADMINISTRATIVE ADJUDICATORY PROCEDURES

- 20 NCAC 02N .0401 GENERAL RULE FOR A HEARING**
- 20 NCAC 02N .0402 SPECIFIC RULE FOR A HEARING**
- 20 NCAC 02N .0403 REQUEST FOR A HEARING**
- 20 NCAC 02N .0404 GRANTING HEARING REQUEST**
- 20 NCAC 02N .0405 WAIVER OF RIGHT TO A HEARING**
- 20 NCAC 02N .0406 NOTICE OF A HEARING**
- 20 NCAC 02N .0407 INTERVENTION IN THE HEARING**
- 20 NCAC 02N .0408 WHO SHALL HEAR CONTESTED CASES**
- 20 NCAC 02N .0409 PLACE OF THE HEARING**
- 20 NCAC 02N .0410 HEARING OFFICERS**
- 20 NCAC 02N .0411 FAILURE TO APPEAR AT THE HEARING**
- 20 NCAC 02N .0412 WRITTEN ANSWERS TO A HEARING NOTICE**
- 20 NCAC 02N .0413 PRE-HEARING CONFERENCE**
- 20 NCAC 02N .0414 SIMPLIFICATION OF ISSUES**
- 20 NCAC 02N .0415 SUBPOENAS**

History Note: Authority G.S. 118-21; 150A-2(2); 150A-23; 150A-24; 150A-25(a); 150A-27;
150A-31; 150A-32; 150A-33(2); 150A-33(5); 150A-37; 1A-1, Rule 24;
Eff. February 1, 1976;
Repealed Eff. June 1, 1988;
Recodified from 3 NCAC 3 Eff. May 1, 1993.

SECTION .0500 - PENSION FUND REGULATIONS

- 20 NCAC 02N .0501 MEMBERSHIP ELIGIBILITY**
- 20 NCAC 02N .0502 MEMBERSHIP STATUS IN THE FUND**
- 20 NCAC 02N .0503 PAYMENT OF CONTRIBUTIONS IN ADVANCE**
- 20 NCAC 02N .0504 PAYMENT OF MONTHLY CONTRIBUTIONS**
- 20 NCAC 02N .0505 DELINQUENT CONTRIBUTIONS**
- 20 NCAC 02N .0506 REFUND OF CONTRIBUTIONS**

20 NCAC 02N .0507 SERVICE CREDIT TIME
20 NCAC 02N .0508 RETIREMENT AND RECEIPT OF BENEFITS

History Note: *Authority G.S. 118-21; 118-23; 118-24; 118-25; 118-26; 118-29;*
Eff. February 1, 1976;
Repealed Eff. June 1, 1988;
Recodified from 3 NCAC 3 Eff. May 1, 1993.

SUBCHAPTER 020 – DISABILITY INCOME PLAN OF NORTH CAROLINA

SECTION .0100 – GENERAL ADMINISTRATION

20 NCAC 020 .0101 SCOPE
20 NCAC 020 .0102 SHORT-TERM DISABILITY
20 NCAC 020 .0103 LONG-TERM DISABILITY

History Note: *Authority G.S. 135-101(6); 135-102(c); 135-105(a);*
Eff. April 1, 2004;
Repealed Eff. January 1, 2005.

20 NCAC 020 .0104 SHORT-TERM DISABILITY AND EXTENDED SHORT-TERM DISABILITY APPROVALS

- (a) Only the Medical Board described in G.S. 135-6(k) shall have the authority to determine under G.S. 135-105(f) that an applicant is ineligible for benefits, or to determine under G.S. 135-105(g) that the beneficiary's disability is not temporary and likely to end within the extended period of short-term disability benefits.
- (b) The following positions or entities shall have the authority to approve short-term and extended short-term disability benefits on behalf of the Retirement Systems Division:
- (1) Director of the Retirement Systems Division;
 - (2) Director of Operations;
 - (3) Disability Benefits Processing Manager;
 - (4) Disability Benefits Processing Supervisor;
 - (5) Clinical Reviewer; or
 - (6) Medical Board described in G.S. 135-6(k).
- (c) The Director of the Retirement Systems Division may designate additional positions to have the authority to approve, but not deny, short-term and extended short-term disability benefits.
- (d) Only the Medical Board may approve applications for short-term or extended-short-term disability benefits from individuals who have been employed at the Department of State Treasurer within the 365 days preceding the date of disability indicated on the individual's application for benefits.

History Note: *Authority G.S. 135-6(f); 135-105(f); 135-105(g);*
Eff. July 1, 2024.

20 NCAC 020 .0105 SHORT-TERM DISABILITY NOTIFICATION DATE

- (a) "Date of submission" means the date indicated on the Retirement Systems Division's hand-stamped postal mark if the submission is by mail or in person, the timestamp if the submission is by email, or the transmission date if the submission is by facsimile transmission.
- (b) "Notifications made" pursuant to G.S. 135-105(d) means the submission of a written request for reimbursement by an employer.
- (c) "Submission" means the act of presenting a document to the Retirement Systems Division for processing, consideration, or determination through one of the following methods:
- (1) Mail to the mailing address in Rule 20 NCAC 02B .0101;
 - (2) Electronic mail (email);
 - (3) Facsimile transmission; or
 - (4) In person at the physical address in Rule 20 NCAC 02B .0101.

*History Note: Authority G.S. 135-6(f); 135-105(d);
Eff. July 1, 2024.*

20 NCAC 020 .0106 EXTENDED SHORT-TERM DISABILITY APPLICATION DATE

(a) "Date of submission" means the date indicated on the Retirement Systems Division's hand-stamped postal mark if the submission is by mail or in person, the timestamp if the submission is by email, or the transmission date if the submission is by facsimile transmission.

(b) "Makes an application" pursuant to G.S. 135-105(g) means submission, in a method prescribed by Paragraph (c) of this Rule, of the following information:

- (1) Full name;
- (2) Mailing address;
- (3) Email address;
- (4) Telephone number;
- (5) Date of birth;
- (6) Member identification number assigned by the Retirement Systems Division;
- (7) Last four digits of Social Security Number;
- (8) Current or most recent employer;
- (9) Employer contact name; and
- (10) Signed and dated acknowledgement that the member has been receiving short-term benefits from the Disability Income Plan of North Carolina; is applying for extended short-term benefits; certifies that the illness did not result from active participation in a riot or actual or attempted commission of a terrorist act, felony, or intentional self-inflicted injury; authorizes health care providers to release to the Retirement Systems Division any medical records or other information about the disability; understands that a copy of such authorization will be as valid as the original; understands that the member, or the member's physician on the member's behalf, is to furnish the medical information to the Retirement Systems Division at no cost; and understands that the member cannot withdraw contributions from the Retirement System while receiving benefits under the Disability Income Plan of North Carolina.

(c) "Submission" means the action of presenting a document to the Retirement Systems Division for processing, consideration, or determination through one of the following methods:

- (1) Mail to the mailing address in Rule 20 NCAC 02B .0101;
- (2) Electronic mail (email);
- (3) Facsimile transmission; or
- (4) In person at the physical address in Rule 20 NCAC 02B .0101.

*History Note: Authority G.S. 135-6(f); 135-105(g);
Eff. July 1, 2024.*