

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.*