

1 20 NCAC 02B .0101 is amended as published in 36:23 NCR, page 1843, with changes, as follows:

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

4  
5 **SECTION .0100 - GENERAL PROVISIONS**

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7 **20 NCAC 02B .0101 GENERAL INFORMATION**

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

9 (1) The ~~chief officer~~ Director is the Director of the Retirement ~~Systems~~; Systems Division;

10 (2) The mailing address and physical address is Retirement Systems Division, Department of State  
11 Treasurer, 3200 Atlantic Avenue, Raleigh, North Carolina 27604, 27604;

12 ~~(3) The office is located in the Longleaf Building, at 3200 Atlantic Avenue, Raleigh, North Carolina.~~

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14 *History Note: Authority G.S. 135-6(f);*

15 *Eff. February 1, 1976;*

16 *Readopted Eff. September 21, 1977;*

17 *Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. October 21,*  
18 *2018;*

19 *Amended Eff. September 1, ~~2019~~ 2019;*

20 *Amended Eff.*  
21

1 20 NCAC 02B .0202 is ~~repealed through readoption~~ ~~readopted~~ as published 36:23 NCR, page 1843 as follows:  
2 follows; the Rule was originally proposed to be amended, but it is repealed:

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4 **20 NCAC 02B .0202 ACTUARIAL TABLES: RATES AND ASSUMPTIONS**

5 ~~(a) Actuarial tables and assumptions will be adopted by the board [Board] of trustees [Trustees] after the presentation~~  
6 ~~of the recommendations of the actuary by including the tables, rates, etc. in the minutes of the board with the resolution~~  
7 ~~adopting said tables, rates or assumptions. [As provided by G.S. 150B-1(d), these actions of the Board of Trustees are~~  
8 ~~not subject to rule making requirements.]~~

9 ~~(b) The director [Director] of the retirement systems shall maintain a file of copies of all resolutions adopting tables,~~  
10 ~~rates or assumptions and the current version of all tables as amended by the board [Board] of trustees [Trustees.] The~~  
11 ~~file shall be open and readily available to the public during regular office hours.~~

12 ~~(c) This Rule includes but is not limited to the following actuarial tables and assumptions:~~

- 13 (1) — interest rate assumptions;  
14 (2) — salary increase assumptions;  
15 (3) — required contribution rates;  
16 (4) — mortality assumptions;  
17 (5) — separation and retirement assumptions;  
18 (6) — joint and survivor tables;  
19 (7) — reserve transfer tables.

20 ~~(c)d) Tables, rates and assumptions shall become effective on the first day of the month following adoption, unless~~  
21 ~~a specific effective date is included in the adopting resolution. If the specific date is included, the tables, rates or~~  
22 ~~assumptions shall be effective as provided in the adopting resolution.~~

23  
24 *History Note: Authority G.S. 135-6(m); 135-6(f);*  
25 *Eff. February 1, 1976;*  
26 *Readopted Eff. September 21, 1977;*  
27 *Amended Eff. August 1, 1981-1981;*  
28 *~~Repealed [Readopted] Eff.~~*

1 20 NCAC 02B .0210 is readopted as published in 36:23 NCR, page 1844, with changes, as follows:

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3 **20 NCAC 02B .0210 MEDICAL BOARD**

4 In accordance with the authority contained in G.S. 135-6(k) G.S. 135-6(k), membership of the ~~medical~~Medical  
5 ~~board~~Board is increased from three to consists of five physicians physicians, with a quorum of three being required at  
6 meetings approving applications for disability retirement.

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8 *History Note: Authority G.S. 135-6(k); 135-6(f);*

9 *Eff. February 1, 1976;*

10 *Readopted Eff. September 21, 1977. 1977;*

11 *Readopted Eff.*

12

1 20 NCAC 02B .0211 is readopted with changes as published in 36:23 NCR, page 1844, with changes as follows:

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3 **20 NCAC 02B .0211      OPTIONAL RETIREMENT PROGRAM**

4 An individual who is employed by a state university at a rank or in a position ineligible which does not qualify him  
5 for participation in the Optional Retirement Program. optional retirement program, as provided by G.S. 135-5.1, and  
6 who later is reclassified to an eligible rank or position the rank of instructor or above shall be permitted to elect exercise  
7 the option of electing to withdraw from the Teachers' and State Employees' Retirement System and to begin  
8 participation in the Optional Retirement Program optional retirement program as though ~~he~~ the individual were a new  
9 employee.

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11 *History Note:      Authority G.S. 135-5.1; 135-6(f);*

12 *Eff. February 1, 1976;*

13 *Readopted Eff. September 21, ~~1977~~.1977;*

14 *Readopted Eff.*

15

1 20 NCAC 02B .0213 is repealed as published in 36:23 NCR, page 1844, as follows:

2

3 **20 NCAC 02B .0213      DISABILITY RETIREMENT ALLOWANCE DEFINED**

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5 *History Note:*     *Authority G.S. 135-5(1)(3);*

6                     *Eff. October 29, ~~1979~~ 1979;*

7                     ~~Repealed ~~Eff.~~ Eff.~~

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1 20 NCAC 02B .0301 is readopted as published in 36:23 NCR, page 1844, as follows:

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**SECTION .0300 - BENEFICIARIES**

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6 **20 NCAC 02B .0301 DESIGNATION**

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

10

11 *History Note: Authority G.S. 135-5(g); 135-5(l); 135-6(f);*

12

*Eff. February 1, 1976;*

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*Readopted Eff. September 21, ~~1977~~-1977;*

14

*Readopted Eff.*

15

1 20 NCAC 02B .0302 is readopted as published in 36:23 NCR, page 1844, with changes, as follows:

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3 **20 NCAC 02B .0302 PRINCIPAL BENEFICIARY**

- 4 (a) More than one principal beneficiary may be ~~named~~ designated for the return of accumulated contributions under  
5 the provisions of G.S. 135-5(f) to share equally. In the event of the death of any so designated principal  
6 beneficiary for the return of accumulated contributions, ~~named~~, those surviving principal beneficiaries shall share  
7 equally in the total benefits. ~~However, if there is only one living designated principal beneficiary for the return of~~  
8 accumulated contributions at the member's death and the member has met all other requirements under the  
9 provisions of G.S. 135-5(m), the designated principal beneficiary may elect to receive the alternative benefit under  
10 the provisions of G.S. 135-5(m).
- 11 (b) More than one principal beneficiary may be designated for the death benefit of an active member or a retired  
12 member under the provisions of G.S. 135-5(l) to share equally. In the event of the death of any so designated  
13 principal ~~beneficiary(ies)~~ beneficiary for the death benefit of an active member or retired member, those  
14 surviving principal beneficiaries ~~beneficiary(ies)~~ shall share equally in the total benefits.
- 15 (c) More than one principal beneficiary may be designated for the guaranteed refund under the provisions of G.S.  
16 135-5(g1) to share equally. In the event of the death of any so designated principal beneficiary ~~beneficiary(ies)~~  
17 for the guaranteed refund, those surviving principal beneficiaries ~~beneficiary(ies)~~ shall share equally in the total  
18 benefits.

19  
20 *History Note: Authority G.S. 135-5(f); 135-5(g); 135-5(g1); 135-5(l); 135-5(m); 135-6(f);*  
21 *Eff. February 1, 1976;*  
22 *Readopted Eff. September 21, ~~1977~~.1977;*  
23 *Readopted Eff.*

20 NCAC 02B .0303 is readopted as published in 36:23 NCR, page 1844, with changes, as follows:

**20 NCAC 02B .0303 CONTINGENT BENEFICIARY**

~~A principal beneficiary may be named with the stipulation that should he predecease the member, payment of the amount due, if any, will be made to a designated contingent beneficiary. It is permissible to name more than one contingent beneficiary. In the event of the death of any so named, those surviving shall share equally in the total benefits. If more than one principal beneficiary is named, the naming of a contingent beneficiary or beneficiaries will not be permitted.~~

(a) The following shall apply to designating [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(ies)] beneficiary predecease the member, payment of the amount due, if any, shall be made to the designated contingent [beneficiary or beneficiaries] [beneficiary(ies)] 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] [beneficiary(ies)] 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] [beneficiary(ies)] 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 [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] [beneficiary(ies)] predecease the member, payment of the amount due, if any, shall be made to the designated contingent [beneficiary or beneficiaries] [beneficiary(ies)] 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] [beneficiary(ies)] 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] [beneficiary(ies)] 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.

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

3 (1) A principal beneficiary may be designated for the guaranteed refund with the stipulation that should  
4 the principal beneficiary ~~beneficiary(ies)~~ predecease the member, payment of the amount due, if  
5 any, shall be made to the designated contingent beneficiary or beneficiaries ~~beneficiary(ies)~~ for  
6 the guaranteed refund.

7 (2) If more than one principal beneficiary is designated for the guaranteed refund, payment of the  
8 amount due, if any, shall be paid to any surviving principal beneficiaries ~~beneficiary(ies)~~  
9 designated for the guaranteed refund, sharing equally in the total benefits payable, and shall not be  
10 paid to any contingent beneficiary.

11 (3) It is permissible to designate more than one contingent beneficiary for the guaranteed refund.  
12 Payment of the amount due, if any, shall be paid to the surviving contingent beneficiaries  
13 ~~beneficiary(ies)~~ designated for the guaranteed refund, sharing equally in the total benefits, only in  
14 the event that there is no surviving principal beneficiary designated for the guaranteed refund.

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16 *History Note: Authority G.S. 135-5(f); 135-5(g); 135-5(g1); 135-5(l); 135-6(f);*

17 *Eff. February 1, 1976;*

18 *Readopted Eff. September 21, 1977-1977;*

19 *Readopted Eff.*

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1 20 NCAC 02B .0304 is readopted as published in 36:23 NCR, page 1845, with changes, as follows:

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4 **20 NCAC 02B .0304 NO LIVING BENEFICIARY**

5 If no ~~designated named~~ beneficiary, whether principal or contingent, is living at the time of the member's death,  
6 payment of the amount due, if any, will be made to the estate ~~[legal representative]~~ administrator or executor of the  
7 estate or the collector of funds for the estate of the member.

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

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1 20 NCAC 02B .0305 is readopted as published in 36:23 NCR, page 1845, with changes, as follows:

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**20 NCAC 02B .0305 BENEFICIARY WHO IS A MINOR**

- (a) Payments to beneficiaries who are minors will be made to a duly an appointed guardian or to the clerk of superior court in the county in which the beneficiary resides they reside to the extent that such payment may be is authorized by law.
- (b) In the event that the [duly] appointed guardian or the clerk of superior court in the county in which the beneficiary resides [they reside] is unwilling or unable to accept payment [payment(s)] on behalf of the minor beneficiary [beneficiary(ies)]. 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. September 21, 1977-1977;  
 Readopted Eff.*

1 20 NCAC 02B .0307 is readopted as published in 36:23 NCR, page 1845, with changes, as follows:

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**20 NCAC 02B .0307 CHANGE IN BENEFICIARY**

Prior to retirement, the member ~~may, has the right~~ at any time, ~~and from time to time~~, to 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) without the knowledge or consent of the beneficiaries. 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; ~~depleted; or~~
- (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; ~~until such time~~  
as the retired member’s last day of active service is greater than 180 days prior to the change;] or
- (3) The death benefit for retired members under the provisions of G.S. 135-5(l).

~~Any such change must be submitted~~ The member shall submit any such change to the ~~board~~Board of ~~trustees.~~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. September 21, 1977-1977;  
Readopted Eff.*

1 20 NCAC 02B .0308 is readopted with changes as published in 36:23 NCR, page 1845, with changes, as follows:

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3 **20 NCAC 02B .0308 SPECIAL RULE: BENEFICIARY BEFORE JULY 1, 1967**

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

- 8 (1) the member had properly designated one person for the death benefit at a time when there were  
9 separate forms for designation of beneficiary for return of contributions and designation of  
10 beneficiary for the death benefit;
- 11 (2) the person designated as beneficiary for the death benefit is living at the time of the member's death;
- 12 (3) any previously designated beneficiary for the return of contributions who is living at the time of the  
13 member's death or, if such previously designated beneficiary dies between the time of the member's  
14 death and the time of determination of payment of the return of accumulated contributions, the  
15 legatee or legatees, legatee(s), heirs at law, successors successors, or assigns of such beneficiary,  
16 waives all claims to or interest in the return of the member's contributions;
- 17 (4) the member did not designate any other person for the return of contributions after making a  
18 designation of beneficiary for the death benefit; and
- 19 (5) clear and convincing evidence is presented to the ~~retirement system~~Division showing that the  
20 member thought ~~he~~the member had or intended to have designated for the return of contributions  
21 the same person whom ~~he~~the member designated as beneficiary for the death benefit.

22 In such cases, the beneficiary shall be entitled to receive the survivor's alternate benefit pursuant to G.S. 135-5(m) to  
23 the same extent that ~~he~~the beneficiary would have been entitled to receive the survivor's alternate benefit under G.S.  
24 135-5(m) if the member had actually designated such beneficiary for the return of contributions in a duly executed  
25 and filed form for the designation of beneficiary for return of contributions.

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27 *History Note: Authority G.S. 135-5(f); 135-5(m); 135-6(f);*  
28 *Eff. October 29, ~~1979~~1979;*  
29 *Readopted Eff.*

1 20 NCAC 02B .0401 is readopted as published in 36:23 NCR, page 1845, with changes, as follows:

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3 **SECTION .0400 - EMPLOYER CONTRIBUTIONS**

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6 **20 NCAC 02B .0401 REFUNDS**

7 (a) ~~The retirement~~Retirement system~~System~~ will make no refunds of employer contributions ~~contributions~~[,] paid into  
8 the pension accumulation fund by the employer in the amount equal to a percentage of the actual compensation of  
9 each member ~~[member,]~~ in cases of erroneous employee deductions except those which are corrected by the employing  
10 unit on a subsequent payroll within the calendar year in which the errors occur. ~~The only exception to this Rule is~~  
11 ~~that an error occurring in December may be corrected (without loss of the employer contribution) by submission of a~~  
12 ~~revised payroll with checks for the correct amount before January 31 of the following year.~~

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

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

22  
23 *History Note: Authority G.S. 135-2; 135-6(f);135-8(f);*  
24 *Eff. February 1, 1976;*  
25 *Readopted Eff. September 21, 1977.1977;*  
26 *Readopted Eff.*  
27

1 20 NCAC 02B .0402 is readopted with changes as published in 36:23 NCR, page 1846, with changes, as follows:

2

3 **20 NCAC 02B .0402 FORWARDING OF EMPLOYER CONTRIBUTIONS**

4 All units shall ~~should~~ forward to the ~~retirement~~Retirement system~~System~~ the employer's contributions monthly at the  
5 same time the employee's contributions are forwarded.

6

7 *History Note:* Authority G.S. 135-6(f); 135-8(f); ~~135-8(f)(1)~~;

8

*Eff. February 1, 1976;*

9

*Readopted Eff. September 21, 1977-1977;*

10

*Readopted Eff.*

11

1 20 NCAC 02B .0404 is readopted as published in 36:23 NCR, page 1846, **with changes**, as follows:

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3 **20 NCAC 02B .0404 DUE DATE OF CONTRIBUTIONS**

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

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8 *History Note: Authority G.S. 135-6(f); 135-8(f);*

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*Eff. March 1, ~~1992~~ 1992;*

10

*Readopted Eff.*

11

1 20 NCAC 02B .0405 is repealed as published in 36:23 NCR, page 1846, follows:

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3 **20 NCAC 02B .0405 ANTI-PENSION SPIKING CONTRIBUTION-BASED BENEFIT CAP FACTOR**  
4 **(TSERS)**

5

6 *History Note: Authority G.S. 135-4(jj); 135-5(a3); 135-6(f);*

7 *Eff. March 21, ~~2019~~2019;*

8 *Repealed Eff.*

9

1 20 NCAC 02B .0501 is readopted with changes as published in 36:23 NCR, page 1846, with changes, as follows:

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4 **SECTION .0500 - TYPES OF RETIREMENT**

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7 **20 NCAC 02B .0501      DISABILITY RETIREMENT EXAMINATION**

8 The ~~director~~ Director Medical Board is authorized to conduct an examination in doubtful cases of disability to  
9 determine the condition of the disability, whether the member continues to be eligible for a disability retirement  
10 pursuant to G.S. 135-5(c), paying the expense of the same from the Pension Accumulation Fund, pension accumulation  
11 fund.

12  
13 *History Note:*      *Authority G.S. 135-2; 135-5(c); 135-6(f);*  
14                              *Eff. February 1, 1976;*  
15                              *Readopted Eff. September 21, ~~1977~~.1977;*  
16                              *Readopted Eff.*  
17

1 20 NCAC 02B .0502 is readopted with changes as published in 36:23 NCR, page 1846, with changes, as follows:

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4 **20 NCAC 02B .0502      DISABILITY RETIREMENT REPORTS**

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

9

10 *History Note:      Authority G.S. 135-5(e)(1); 135-6(f);*

11 *Eff. February 1, 1976;*

12 *Readopted Eff. September 21, ~~1977~~;*

13 *Readopted Eff.*

14

1 20 NCAC 02B .0503 is repealed through readoption as published in 36:23 NCR, page 1846, as follows:

2

3 **20 NCAC 02B .0503 FEES: INDEPENDENT MEDICAL EXAMS-DISABILITY RETIREMENTS**

4

5 *History Note: Authority G.S. 135-6(f); 135-6(k);*

6 *Eff. February 1, 1976;*

7 *Readopted Eff. September 21, 1977;*

8 *Amended Eff. August 1, ~~1981-1981~~;*

9 *Repealed Eff.*

10

1 20 NCAC 02B .0504 is readopted as published in 36:23 NCR page, 1846, as follows:

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4 **20 NCAC 02B .0504 INTEREST CREDITS**

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

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8 *History Note: Authority G.S. 135-6(f);*

9

*Eff. February 1, 1976;*

10

*Readopted Eff. September 21, ~~1977~~.*

11

*Readopted Eff.*

12

1 20 NCAC 02B .0510 is readopted as published in 36:23 NCR page 1845, **with changes**, as follows:

2

3 **20 NCAC 02B .0510 PENSIONS**

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

6

7 *History Note:* Authority G.S. 135-6(f); ~~135-14;~~

8

*Eff. February 1, 1976;*

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*Readopted Eff. September 21, ~~1977-1977;~~*

10

*Readopted Eff.*

11

1 20 NCAC 02B .0701 is readopted as published in 36:23 NCR, page 1846, **with changes**, as follows:

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3  
4 **SECTION .0700 - LEAVES OF ABSENCE**

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6 **20 NCAC 02B .0701 EDUCATIONAL LEAVES OF ABSENCE**

7 ~~(a) All members, who request approval to purchase creditable service and who fulfill all of the requirements of law~~  
8 ~~and the rules of the board, shall be allowed to purchase the service in accordance with the law and the rules of the~~  
9 ~~board.~~

10 ~~(b) Payments to be made for purchases on account of current leave of absence shall be submitted on Form 224,~~  
11 ~~Payment of Contributions for a Current Leave of Absence, which shall be submitted as required by law. If the~~  
12 ~~employer will make the monthly contributions equal to the normal and accrued liability contribution, the employer~~  
13 ~~shall submit the total payment. If the member will make the entire payment, the member shall submit the total~~  
14 ~~payment. In any case in which the employer continues to make salary payments, in whole or part, the director may~~  
15 ~~make an agreement with the employer on how to make the payments which is not inconsistent with the law or the~~  
16 ~~rules of the board.~~

17 ~~(c) Contributions for purchase of service shall not be accepted unless the member has applied for permission to~~  
18 ~~purchase the service not later than the due date of the payment for the first month for which credit is to be purchased.~~  
19 ~~Applications after the last day of the first month for which service is to be purchased and the due date thereof shall be~~  
20 ~~accompanied by a check in payment of the contribution for said month.~~

21 ~~(d) Payment shall be deemed to have been made on the date received by the board, provided that a payment made by~~  
22 ~~mail which is clearly postmarked on or before the due date shall be deemed paid when due.~~

23 ~~(e) Purchases of service credit for leaves of absence prior to July 1, 1981 shall be made in the same manner as~~  
24 ~~prescribed in 20 NCAC 2B .1200, DELAYED PURCHASE OF SERVICE CREDITS.~~

25 (a) For the purposes of G.S. 135-8(b)(5), "stipend" shall mean a **["a"]** fixed sum of money paid periodically for services  
26 and to defray the cost of travel, housing, meals, or other **[living]** expenses resulting from participation in a full-time  
27 degree **program. [program.]**

28 (b) If the employer makes the monthly employer contribution equal to the normal and accrued liability contribution,  
29 the employer shall submit the total employer payment to the Retirement System.

30 (c) If the member makes the entire payment, the member shall submit the total employer and employee contribution  
31 to the Retirement System.

32 (d) A member, who is currently making contributions to purchase service for an educational leave of absence, and  
33 whose position before the leave of absence was paid on a less than 12-month basis, shall make the payment in the  
34 month after the regularly scheduled due date for payment of salary and shall earn service credits for **the said**  
35 contributions in the same manner ~~the member~~as he would if ~~the member~~he was currently being employed in that last  
36 position.

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

1 20 NCAC 02B .0706 is readopted as published in 36:23 NCR, page 1847, with changes, as follows:

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4 **20 NCAC 02B .0706 WORKERS' COMPENSATION LEAVES OF ABSENCE**

5 ~~(a) All members, who request approval to purchase creditable service and who fulfill all of the requirements of law~~  
6 ~~and the rules of the board, [Board,] shall be allowed to purchase the service in accordance with the law and rules of~~  
7 ~~the board. [Board.]~~

8 ~~(a) (b)~~ Purchases of creditable service for leaves of absence prior to July 1, 1983 shall be made in the same manner  
9 as prescribed in ~~[Section ]~~20 NCAC 2B ~~.1200,1200, as then effective. DELAYED PURCHASE OF SERVICE~~  
10 ~~CREDITS. A fee in the amount of twenty five dollars (\$25.00) for each payment will be assessed members at the~~  
11 ~~time of purchase as provided by law.~~

12 ~~(b) (e)~~ Purchases of creditable service for leaves of absence on and after July 1, 1983 shall be paid in the manner  
13 prescribed in law equal to the sum of the total employer and employee percentage rates of contribution in effect at the  
14 time of purchase multiplied by the annual rate of compensation of the member immediately prior to the leave of  
15 absence applied to the period of the leave commencing on the first day and ending on the last day before return to  
16 service.

17 ~~(c) (d)~~ Members who had leaves of absence which otherwise met all requirements of law for purchase as creditable  
18 service except that the leaves of absence interrupted membership in the Local Governmental Employees' Retirement  
19 System or the Law Enforcement Officers' Retirement System and whose membership service before and after the  
20 leaves of absence has become membership service in the Teachers' and State Employees' Retirement System, may  
21 purchase creditable service as in Paragraph (b) of this Rule.

22 ~~(d) (e)~~ Members may purchase creditable service for leaves of absence only when they have membership service  
23 credits immediately prior to and immediately after the leaves of absence and such membership service is creditable  
24 service at the time of purchase.

25  
26 *History Note: Authority G.S. 135-4(r); 135-6(f);*  
27 *Eff. December 1, 1983;*  
28 *Amended Eff. August 1, ~~1988-1988;~~*  
29 *Readopted Eff.*  
30

1 20 NCAC 02B .0801 is repealed through readoption as published in 36:23 NCR, page 1847, as follows:

2

3

**SECTION .0800 - MILITARY SERVICE (INCHOATE RIGHTS ONLY)**

4

5

6 **20 NCAC 02B .0801 FEE**

7

8 *History Note: Authority G.S. 135-4(f)(6); 135-6(f);*

9

*Eff. February 1, 1976;*

10

*Readopted Eff. September 21, ~~1977~~1977;*

11

*Repealed Eff.*

12

1 20 NCAC 02B .0802 is readopted with changes as published in 36:23 NCR, page 1847, with changes, as follows:

2

3 **20 NCAC 02B .0802 QUALIFYING FOR CREDIT**

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

5

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

7

*Eff. February 1, 1976;*

8

*Readopted Eff. September 21, ~~1977~~ 1977;*

9

*Readopted Eff.*

10

1 20 NCAC 02B .0803 is amended as published in 36:23 NCR, page 1847, **with changes**, as follows:

2

3 **20 NCAC 02B .0803 COMPUTATION OF COST**

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

- 5 (1) 1/12 of the annualized rate of compensation the member earned when the member~~he~~ first entered
- 6 membership; multiplied by~~times~~
- 7 (2) the employee contribution rate at that time; multiplied by~~times~~
- 8 (3) the number of months of military service for which credit is to be purchased; plus
- 9 (4) a factor equivalent to interest at the rate of six and one-half percent, compounded annually, from the
- 10 initial year of membership to the year of payment.

11

12 *History Note:* Authority G.S. 135-4(f); 135-6(f); **S.L. 1981, C. 636;**

13 *Eff. February 1, 1976;*

14 *Readopted September 21, ~~1977-1977~~;*

15 *Amended Eff.*

16

1 20 NCAC 02B .0804 is readopted with changes as published in 36:23 NCR, page 1847, with changes, as follows:

2

3

4 **20 NCAC 02B .0804 CIVIL SERVICE PARTICIPATION**

5 A member of the Teachers' and State Employees' Retirement System whose employment in this State state requires  
6 ~~him the member~~ to participate in the Federal Civil Service Program in lieu of the ~~social~~ Social security ~~Security~~ program  
7 shall not be barred from receiving military service credit for which ~~he the member~~ is otherwise eligible in the  
8 ~~retirement~~ Retirement system, ~~[ Systems, ]~~ System, despite the fact that ~~he the member~~ may also receive credit under  
9 the Federal Civil Service Program ~~civil service~~ for the same period of military service, provided that ~~he the member~~  
10 makes the required payment.

11

12 *History Note:* Authority G.S. 135-4(f)(6); 135-6(f); S.L. 1981, C. 636;

13

*Eff. February 1, 1976;*

14

*Readopted Eff. September 21, ~~1977~~.1977;*

15

*Readopted Eff.*

16

1 20 NCAC 02B .0805 is readopted as published in 36:23 NCR, page 1847, with changes, as follows:

2  
3  
4 **20 NCAC 02B .0805 SERVICE CONNECTED DISABILITY**

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

15  
16 *History Note:* Authority G.S. 135-4(f)(6); 135-6(f); S.L. 1981, C. 636;

17 *Eff. February 1, 1976;*

18 *Readopted Eff. September 21, 1977-1977;*

19 *Readopted Eff.*

1 20 NCAC 02B .0806 is readopted as published in 36:23 NCR, page 1847, with changes, as follows:

2  
3

4 **20 NCAC 02B .0806 RECALCULATION OF BENEFITS**

5 For members already retired who ~~avail themselves of these provisions~~ purchase service under G.S. 135-4(f)(6), any  
6 recalculation of benefits shall be based on the law in effect at the time of the individual's retirement. The calculation  
7 of both the benefit and the cost of the credit shall include the effects of retirement including the additional service  
8 credit resulting from the purchase and ~~effect shall be given for~~ all benefit increases subsequent to the date of retirement.  
9 ~~retirement which shall be a part of the total cost of providing the additional service credit.~~

10

11 *History Note:* Authority G.S. 135-4(f)(6); 135-6(f); S.L. 1981, C. 636;

12 *Eff. February 1, 1976;*

13 *Readopted Eff. September 21, ~~1977~~ 1977;*

14 *Readopted Eff.*

15

1 20 NCAC 02B .0807 is readopted as published in 36:23 NCR page, 1847, with changes, as follows:

2

3

4 **20 NCAC 02B .0807 CHANGE IN BENEFITS**

5 For members already retired, any change in benefits resulting from these provisions the purchase of credit pursuant to  
6 Section .800 of this Subchapter shall become effective as of the first of the month following receipt of the required  
7 payment.

8

9 *History Note:* Authority G.S. 135-4(f)(6); 135-6(f); S.L. 1981, C. 636;

10 *Eff. February 1, 1976;*

11 *Readopted Eff. September 21, ~~1977~~.1977;*

12 *Readopted Eff.*

13

1 20 NCAC 02B .0810 is readopted with changes as published in 36:23 NCR, page 1847, with changes, as follows:

2

3

4 **20 NCAC 02B .0810 RESTORING MEMBERSHIP**

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

8

9 *History Note:* Authority G.S. 135-4(f); 135-4(k1); 135-6(f); S.L. 1981, C. 636;

10

*Eff. February 1, 1976;*

11

*Readopted Eff. September 21, ~~1977~~.1977;*

12

*Readopted Eff.*

13

1 20 NCAC 02B .0901 is repealed through readoption as published in 36:23 NCR, page 1847, as follows:

2

3

4

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

5

6

7 **20 NCAC 02B .0901 FEE**

8

9 *History Note: Authority G.S. 135-4(l); 135-6(f);*

10

*Eff. February 1, 1976;*

11

*Readopted Eff. September 21, ~~1977~~1977;*

12

*Repealed Eff.*

13

1 20 NCAC 02B .0902 is readopted with changes as published in 36:23 NCR, page 1847, with changes, as follows:

2

3

4 **20 NCAC 02B .0902 QUALIFYING FOR CREDIT**

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

7

8 *History Note:* Authority G.S. 135-4(l); 135-6(f); S.L. 1981, C. 636;

9

*Eff. February 1, 1976;*

10

*Readopted Eff. September 21, ~~1977~~.1977;*

11

*Readopted Eff.*

12

1 20 NCAC 02B .0903 is readopted as published in 36:23 NCR, page 1847, with changes, as follows:

2

3

4 **20 NCAC 02B .0903 DEFINITION**

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

7

8 *History Note:* Authority G.S. 135-4(l); 135-6(f); S.L. 1981, C. 636;

9

*Eff. February 1, 1976;*

10

*Readopted Eff. September 21, 1977.*

11

*Readopted Eff.*

12

1 20 NCAC 02B .0904 is readopted with changes as published in 36:23 NCR, page 1847, with changes, as follows:

2  
3  
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9  
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17  
18

**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~~times~~
- (2) the employee contribution rate at that time; ~~times~~multiplied by
- (3) the number of months of out-of-state service for which credit is to be purchased; multiplied by~~times~~
- (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. September 21, ~~1977~~.1977;  
Readopted Eff.

1 20 NCAC 02B .0905 is readopted as published in 36:23 NCR, page 1848, with changes, as follows:

2  
3

4 **20 NCAC 02B .0905 RECALCULATION OF BENEFITS**

5 For members already retired who ~~avail themselves of the provisions for out of state service purchase service under~~  
6 G.S. 135-4(l), as repealed by Session Law 1981-636, Section 1, where the text of the repealed statutory provision may  
7 be found in the Editor's Note to G.S. 135-4 in the 2021 Edition of the General Statutes of North Carolina, any  
8 recalculation of benefits shall be based on the law in effect at the time of the individual's retirement. The calculation  
9 of both the benefit and the cost of the credit shall include the effects of ~~retirement including~~ the additional service  
10 credit ~~resulting from the purchase~~ and ~~effect shall be given for~~ all benefit increases subsequent to the date of retirement.  
11 ~~retirement which shall be a part of the total cost of providing the additional service credit.~~

12  
13  
14  
15  
16  
17

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

1 20 NCAC 02B .0906 is readopted as published in 36:23 NCR, page 1848, **with changes**, as follows:

2

3

4 **20 NCAC 02B .0906 CHANGE IN BENEFITS**

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

7

8 *History Note:* Authority G.S. 135-4(l); 135-6(f); **S.L. 1981, C. 636;**

9

*Eff. February 1, 1976;*

10

*Readopted Eff. September 21, ~~1977~~1977;*

11

*Readopted Eff.*

12

1 20 NCAC 02B .1003 is repealed through readoption as published in 36:23 NCR, page 1848, as follows:

2

3

4 **20 NCAC 02B .1003 PRIOR SERVICE WITH GENERAL ASSEMBLY**

5

6 *History Note: Authority G.S. 135-4(j1); 135-6(f);*

7 *Eff. October 29, ~~1979~~1979;*

8 *Repealed Eff.*

9

1 20 NCAC 02B .1004 is readopted as published in 36:23 NCR, page 1848, with changes, as follows:

2  
3  
4 **20 NCAC 02B .1004 TEMPORARY SERVICE PURCHASE (INCHOATE RIGHTS ONLY)**

5 (a) A member eligible under G.S. 135-4(p) to purchase service for temporary State employment shall ~~make the~~  
6 ~~application on Form 222, apply for the purchase. Application to Purchase Service Credits for Full Time Temporary~~  
7 ~~State Employment.~~ Employer certification of temporary State employment and the compensation received for such  
8 service shall ~~be made on Form 222-A, Employer Certification of Full Time Temporary Service, and shall accompany~~  
9 the application. The application shall include: the member's Member Identification Number; last employer under the  
10 Retirement System; and the member's signature and signature date. For each temporary position for which the  
11 member desires to purchase credit, the application shall identify the government employer, position title, start date,  
12 end date, and the member's last name while working in the position. The employer's certification shall include the  
13 position title, start and end date of the eligible period, number of months in the annual contract to perform services,  
14 beginning and ending months of the annual contract period for retirement service purposes, and the name, position,  
15 employer, email address, telephone number, signature, and signature date of the employer contact certifying the  
16 information.

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

20 (c) ~~Since the actual cost to fund the liability created on account of the purchase has a direct relationship to the~~  
21 ~~purchasing member's current level of compensation, the employer cost will be computed on the member's level of~~  
22 ~~compensation at the time of purchase.~~ The employer cost, ~~therefore~~, shall be equal to the total employee and employer  
23 rates of contribution at the member's level of compensation at the time of purchase and for the period of service being  
24 purchased, less the required member contribution.

25 ~~(d) No purchases shall be allowed for 36 months or less.~~

26  
27 *History Note: Authority G.S. 135-4(p); 135-6(f); S.L. 2020-29;*  
28 *Eff. March 1, 1982;*  
29 *Amended Eff. March 1, 1985; September 1, 1982; ~~1982-1-1~~*  
30 *Readopted Eff.*  
31

1 20 NCAC 02B .1005 is repealed through readoption as published in 36:23 NCR, page 1848, as follows:

2

3 **20 NCAC 02B .1005 TEMPORARY SERVICE PURCHASE: FULL ACTUARIAL LIABILITY**

4

5 *History Note: Authority G.S. 135-4(s); 135-6(f);*

6 *Eff. December 1, 1983;*

7 *Amended Eff. August 1, 1988; September 1, ~~1984~~;*

8 *Repealed*

9

1 20 NCAC 02B .1006 is readopted as published in 36:23 NCR, page 1848, **with changes**, as follows:

2  
3  
4 **20 NCAC 02B .1006 PART-TIME SERVICE PURCHASE: FULL ACTUARIAL LIABILITY**

5 ~~(a) Members requesting approval to purchase creditable service shall make application on and acquire certification~~  
6 ~~from the employer of the part time employment on the form designated for this purpose.~~

7 ~~(a) (b) The phrase "part time" "Part-time" as used in G.S. 135-4(p2) 135-4(pl) shall refer to means~~ duties performed  
8 on less than a full-time basis **as classified by the employer**.

9 ~~(c) The phrase "completed 10 years or more of membership service" as used in G.S. 135-4(pl) shall mean membership~~  
10 ~~service completed after the "part time" state employment.~~

11 ~~(d) The amount of part time service to be purchased shall be computed as follows:~~

12 (1) ~~Determine the ratio of the actual gross compensation earned as a part time employee (numerator) to~~  
13 ~~the gross compensation that would have been earned as a full time employee (denominator);~~

14 (2) ~~Apply the ratio (quotient) determined in (1) of this Paragraph to the period of service rendered in~~  
15 ~~months.~~

16 ~~(e) Purchases of creditable service for part time state employment shall be made in the same manner as prescribed in~~  
17 ~~20 NCAC 2B .1200.~~

18 ~~(f) A fee in the amount of twenty five dollars (\$25.00) for each payment shall be assessed members at the time of~~  
19 ~~purchase as provided by law.~~

20  
21 *History Note: Authority G.S. 135-4(p2);(p1); 135-6(f);*

22 *Eff. March 1, 1985-1985;*

23 *Readopted Eff.*

24

1 20 NCAC 02B .1007 is repealed through readoption as published in 36:23 NCR, page 1849, as follows:

2

3

4 **20 NCAC 02B .1007 LOCAL GOVERNMENT SERVICE PURCHASE: FULL ACTUARIAL**  
5 **LIABILITY**

6

7 *History Note: Authority G.S. 135-4(t); 135-6(f);*

8

*Eff. March 1, ~~1985~~1985;*

9

*Repealed Eff.*

10

1 20 NCAC 02B .1101 is repealed through readoption as published in 36:23 NCR, page 1849, as follows:

2

3

4

**SECTION .1100 - VOLUNTARILY WITHDRAWN CONTRIBUTIONS**

5

6

7 **20 NCAC 02B .1101 FEE**

8

9 *History Note: Authority G.S. 135-4(k); 135-6(f);*

10 *Eff. February 1, 1976;*

11 *Readopted Eff. September 21, ~~1977~~1977;*

12 *Repealed Eff.*

13

1 20 NCAC 02B .1102 is repealed through readoption as published in 36:23 NCR, page 1849, as follows:

2

3

4 **20 NCAC 02B .1102 QUALIFICATION**

5

6 *History Note: Authority G.S. 135-4(k); 135-6(f);*

7

*Eff. February 1, 1976;*

8

*Readopted Eff. September 21, ~~1977~~1977;*

9

*Repealed Eff.*

10

1 20 NCAC 02B .1104 is repealed through readoption, as published in 36:23 NCR, page 1849, as follows:

2

3 **20 NCAC 02B .1104 RECALCULATION OF BENEFITS**

4

5 *History Note: Authority G.S. 135-4(k); 135-6(f);*

6 *Eff. February 1, 1976;*

7 *Readopted Eff. September 21, ~~1977~~.1977;*

8 *Repealed Eff.*

9

1 20 NCAC 02B .1204 is repealed through readoption as published in 36:23 NCR, page 1849, as follows:

2

3

4 **20 NCAC 02B .1204 DEFINITIONS**

5

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

7 *Eff. October 29, 1979;*

8 *Amended Eff. March 1, 1985; June 1, ~~1982-1982~~;*

9 *Repealed Eff.*

10

1 20 NCAC 02B .1205 is repealed through readoption as published in 36:23 NCR, page 1849, as follows:

2

3

4 **20 NCAC 02B .1205 COMPUTATION OF COST**

5

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

7 *Eff. October 29, 1979;*

8 *Amended Eff. June 1, ~~1982-1982~~;*

9 *Repealed Eff.*

10

1 20 NCAC 02B .1207 is repealed through readoption as published in 36:23 NCR, page 1850, as follows:

2

3

4 **20 NCAC 02B .1207 SPECIAL RULE FOR RETIRED APPLICANTS**

5

6 *History Note: Authority G.S. 135-4(m);135-6(f);*

7 *Eff. March 1, 1982;*

8 *Amended Eff. March 1, ~~1985~~; 1985;*

9 *Repealed Eff.*

10