

employment prior to July 1, 1975, may join the Teachers' Retirement System if any such employee elects to do so within one year of July 1, 1976. Clerical employees who enter a contract of employment after July 1, 1975, shall participate in the Teachers' Retirement System. However, any eligible professional employee who joined the Teachers' Retirement System in the period July 1, 1975, to June 30, 1976, without exercising his option as provided in this subsection, shall be permitted to withdraw his accumulated contribution in the Teachers' Retirement System. In the event a professional employee or clerical employee elects not to become a member of the Teachers' Retirement System and subsequently becomes a member, [he shall not be permitted to] THE PROFESSIONAL OR CLERICAL EMPLOYEE MAY purchase credit for service performed prior to his membership in said system.

(C) (1) IF A PROFESSIONAL OR CLERICAL EMPLOYEE WHO SUBSEQUENTLY ELECTS TO BECOME A MEMBER, PURCHASES PURCHASE CREDIT FOR SERVICE PERFORMED BEFORE MEMBERSHIP AS AUTHORIZED IN SUBSECTION (B) OF THIS SECTION, THE PROFESSIONAL OR CLERICAL EMPLOYEE SHALL PAY THE TEACHERS' RETIREMENT SYSTEM FOR THE CREDIT PURCHASED AN AMOUNT EQUAL TO THE SUM OF:

(I) THE CONTRIBUTIONS THE EMPLOYEE WOULD HAVE BEEN REQUIRED TO MAKE DURING THE SERVICE PERFORMED BEFORE THE EMPLOYEE'S ENTRANCE INTO THE TEACHERS' RETIREMENT SYSTEM; AND

(II) INTEREST AT THE AVERAGE RATE OF INTEREST COMPOUNDED ANNUALLY FOR THE 5 YEARS PRECEDING THE YEAR OF PAYMENT.

(2) THE RATE OF INTEREST FOR ANY 1 YEAR SHALL BE COMPUTED AS THE SUM OF THE INVESTMENT INCOME AND THE REALIZED GAINS AND LOSSES DIVIDED BY THE BOOK VALUE OF THE TOTAL INVESTMENTS.

(3) A PROFESSIONAL OR CLERICAL EMPLOYEE WHO ELECTS TO PURCHASE CREDIT FOR SERVICE PERFORMED BEFORE MEMBERSHIP AS AUTHORIZED IN SUBSECTION (B) OF THIS SECTION MUST DO SO PRIOR TO JULY 1, 1989.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 1988.

Approved May 17, 1988.

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