

**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.*