

**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.*