

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2005

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SENATE DRS75185-LL-54A* (2/14)

Short Title: 25-Year Retirement for First Responders.

(Public)

Sponsors: Senator Brock.

Referred to:

A BILL TO BE ENTITLED

AN ACT TO ALLOW LAW ENFORCEMENT OFFICERS WHO ARE MEMBERS OF THE TEACHERS' AND STATE EMPLOYEES' RETIREMENT SYSTEM OR THE LOCAL GOVERNMENTAL EMPLOYEES' RETIREMENT SYSTEM AND CAREER FIREFIGHTERS AND CAREER EMERGENCY MEDICAL SERVICES WORKERS WHO ARE MEMBERS OF THE LOCAL GOVERNMENTAL EMPLOYEES' RETIREMENT SYSTEM TO RETIRE WITH UNREDUCED BENEFITS AFTER COMPLETING TWENTY-FIVE YEARS OF SERVICE.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 135-5(b19) reads as rewritten:

"(b19) Service Retirement Allowance of Members Retiring on or After July 1, ~~2002~~2002, but Before July 1, 2005. – Upon retirement from service in accordance with subsection (a) or (a1) above, on or after July 1, 2002, but before July 1, 2005, a member shall receive the following service retirement allowance:

(1) A member who is a law enforcement officer or an eligible former law enforcement officer shall receive a service retirement allowance computed as follows:

- a. If the member's service retirement date occurs on or after his 55th birthday, and completion of five years of creditable service as a law enforcement officer, or after the completion of 30 years of creditable service, the allowance shall be equal to one and eighty-two hundredths percent (1.82%) of his average final compensation, multiplied by the number of years of his creditable service.
- b. If the member's service retirement date occurs on or after his 50th birthday and before his 55th birthday with 15 or more years of creditable service as a law enforcement officer and

1 prior to the completion of 30 years of creditable service, his
2 retirement allowance shall be equal to the greater of:

- 3 1. The service retirement allowance payable under
4 G.S. 135-5(b19)(1)a. reduced by one-third of one percent
5 (1/3 of 1%) thereof for each month by which his
6 retirement date precedes the first day of the month
7 coincident with or next following the month the member
8 would have attained his 55th birthday; or
- 9 2. The service retirement allowance as computed under
10 G.S. 135-5(b19)(1)a. reduced by five percent (5%) times
11 the difference between 30 years and his creditable
12 service at retirement.

13 (2) A member who is not a law enforcement officer or an eligible former
14 law enforcement officer shall receive a service retirement allowance
15 computed as follows:

- 16 a. If the member's service retirement date occurs on or after his
17 65th birthday upon the completion of five years of membership
18 service or after the completion of 30 years of creditable service
19 or on or after his 60th birthday upon the completion of 25 years
20 of creditable service, the allowance shall be equal to one and
21 eighty-two hundredths percent (1.82%) of his average final
22 compensation, multiplied by the number of years of creditable
23 service.
- 24 b. If the member's service retirement date occurs after his 60th
25 birthday and before his 65th birthday and prior to his
26 completion of 25 years or more of creditable service, his
27 retirement allowance shall be computed as in
28 G.S. 135-5(b19)(2)a. but shall be reduced by one-quarter of one
29 percent (1/4 of 1%) thereof for each month by which his
30 retirement date precedes the first day of the month coincident
31 with or next following his 65th birthday.
- 32 c. If the member's early service retirement date occurs on or after
33 his 50th birthday and before his 60th birthday and after
34 completion of 20 years of creditable service but prior to the
35 completion of 30 years of creditable service, his early service
36 retirement allowance shall be equal to the greater of:
 - 37 1. The service retirement allowance as computed under
38 G.S. 135-5(b19)(2)a. but reduced by the sum of
39 five-twelfths of one percent (5/12 of 1%) thereof for
40 each month by which his retirement date precedes the
41 first day of the month coincident with or next following
42 the month the member would have attained his 60th
43 birthday, plus one-quarter of one percent (1/4 of 1%)
44 thereof for each month by which his 60th birthday

- 1 precedes the first day of the month coincident with or
2 next following his 65th birthday; or
3 2. The service retirement allowance as computed under
4 G.S. 135-5(b19)(2)a. reduced by five percent (5%) times
5 the difference between 30 years and his creditable
6 service at retirement; or
7 3. If the member's creditable service commenced prior to
8 July 1, 1994, the service retirement allowance equal to
9 the actuarial equivalent of the allowance payable at the
10 age of 60 years as computed in G.S. 135-5(b19)(2)b.
11 d. Notwithstanding the foregoing provisions, any member whose
12 creditable service commenced prior to July 1, 1963, shall not
13 receive less than the benefit provided by G.S. 135-5(b)."

14 **SECTION 2.** G.S. 135-5 is amended by adding a new subsection to read:

15 "(b20) Service Retirement Allowance of Members Retiring on or After July 1, 2005.
16 – Upon retirement from service in accordance with subsection (a) or (a1) above, on or
17 after July 1, 2005, a member shall receive the following service retirement allowance:

- 18 (1) A member who is a law enforcement officer or an eligible former law
19 enforcement officer shall receive a service retirement allowance
20 computed as follows:
21 a. If the member's service retirement date occurs on or after his
22 55th birthday, and completion of five years of creditable service
23 as a law enforcement officer, or after the completion of 25 years
24 of creditable service, the allowance shall be equal to one and
25 eighty-two hundredths percent (1.82%) of his average final
26 compensation, multiplied by the number of years of his
27 creditable service.
28 b. If the member's service retirement date occurs on or after his
29 50th birthday and before his 55th birthday with 15 or more
30 years of creditable service as a law enforcement officer and
31 prior to the completion of 25 years of creditable service, his
32 retirement allowance shall be equal to the greater of:
33 1. The service retirement allowance payable under
34 G.S. 135-5(b20)(1)a. reduced by one-third of one percent
35 (1/3 of 1%) thereof for each month by which his
36 retirement date precedes the first day of the month
37 coincident with or next following the month the member
38 would have attained his 55th birthday; or
39 2. The service retirement allowance as computed under
40 G.S. 135-5(b20)(1)a. reduced by five percent (5%) times
41 the difference between 25 years and his creditable
42 service at retirement.

1 (2) A member who is not a law enforcement officer or an eligible former
2 law enforcement officer shall receive a service retirement allowance
3 computed as follows:

4 a. If the member's service retirement date occurs on or after his
5 65th birthday upon the completion of five years of membership
6 service or after the completion of 30 years of creditable service
7 or on or after his 60th birthday upon the completion of 25 years
8 of creditable service, the allowance shall be equal to one and
9 eighty-two hundredths percent (1.82%) of his average final
10 compensation, multiplied by the number of years of creditable
11 service.

12 b. If the member's service retirement date occurs after his 60th
13 birthday and before his 65th birthday and prior to his
14 completion of 25 years or more of creditable service, his
15 retirement allowance shall be computed as in
16 G.S. 135-5(b20)(2)a. but shall be reduced by one-quarter of one
17 percent (1/4 of 1%) thereof for each month by which his
18 retirement date precedes the first day of the month coincident
19 with or next following his 65th birthday.

20 c. If the member's early service retirement date occurs on or after
21 his 50th birthday and before his 60th birthday and after
22 completion of 20 years of creditable service but prior to the
23 completion of 30 years of creditable service, his early service
24 retirement allowance shall be equal to the greater of:

25 1. The service retirement allowance as computed under
26 G.S. 135-5(b20)(2)a. but reduced by the sum of
27 five-twelfths of one percent (5/12 of 1%) thereof for
28 each month by which his retirement date precedes the
29 first day of the month coincident with or next following
30 the month the member would have attained his 60th
31 birthday, plus one-quarter of one percent (1/4 of 1%)
32 thereof for each month by which his 60th birthday
33 precedes the first day of the month coincident with or
34 next following his 65th birthday; or

35 2. The service retirement allowance as computed under
36 G.S. 135-5(b20)(2)a. reduced by five percent (5%) times
37 the difference between 30 years and his creditable
38 service at retirement; or

39 3. If the member's creditable service commenced prior to
40 July 1, 1994, the service retirement allowance equal to
41 the actuarial equivalent of the allowance payable at the
42 age of 60 years as computed in G.S. 135-5(b20)(2)b.

1 d. Notwithstanding the foregoing provisions, any member whose
2 creditable service commenced prior to July 1, 1963, shall not
3 receive less than the benefit provided by G.S. 135-5(b)."

4 **SECTION 3.** G.S. 135-5(m) reads as rewritten:

5 "(m) Survivor's Alternate Benefit. – Upon the death of a member in service, the
6 principal beneficiary designated to receive a return of accumulated contributions shall
7 have the right to elect to receive in lieu thereof the reduced retirement allowance
8 provided by Option 2 of subsection (g) above computed by assuming that the member
9 had retired on the first day of the month following the date of his death, provided that
10 the following conditions apply:

- 11 (1) a. The member had attained such age and/or creditable service to
12 be eligible to commence retirement with an early or service
13 retirement allowance,
14 b. The member had obtained 20 years of creditable service in
15 which case the retirement allowance shall be computed in
16 accordance with ~~G.S. 135-5(b19)(1)b. or G.S. 135-5(b19)(2)c.,~~
17 G.S. 135-5(b20)(1)b. or G.S. 135-5(b20)(2)c., notwithstanding
18 the requirement of obtaining age 50, or
19 c. The member had not commenced to receive a retirement
20 allowance as provided under this Chapter.
21 (2) The member had designated as the principal beneficiary to receive a
22 return of his accumulated contributions one and only one person who
23 was living at the time of his death.
24 (3) The member had not instructed the Board of Trustees in writing that he
25 did not wish the provisions of this subsection to apply.

26 For the purpose of this benefit, a member is considered to be in service at the date of
27 his death if his death occurs within 180 days from the last day of his actual service. The
28 last day of actual service shall be determined as provided in subsection (l) of this
29 section. Upon the death of a member in service, the surviving spouse may make all
30 purchases for creditable service as provided for under this Chapter for which the
31 member had made application in writing prior to the date of death, provided that the
32 date of death occurred prior to or within 60 days after notification of the cost to make
33 the purchase. The term "in service" as used in this subsection includes a member in
34 receipt of a benefit under the Disability Income Plan as provided in Article 6 of this
35 Chapter."

36 **SECTION 4.** G.S. 128-21 is amended by adding two new subdivisions to
37 read:

38 "(17a) "Career firefighter" means a person (i) who is a full-time paid
39 employee of an employer that participates in the Local Governmental
40 Employees' Retirement System and maintains a fire department
41 certified by the North Carolina Department of Insurance, and (ii) who
42 is actively serving in a position with assigned primary duties and
43 responsibilities for the prevention, detection, and suppression of fire.

1 (17b) "Career emergency medical services worker" means a person (i) who
2 is a full-time paid employee of an employer that participates in the
3 Local Governmental Employees' Retirement System and maintains an
4 emergency medical services team certified by the North Carolina
5 Department of Insurance, and (ii) who is actively serving in a position
6 with assigned primary duties and responsibilities for the alleviation of
7 human suffering and assistance to persons who are in difficulty, who
8 are injured, or who become suddenly ill, by providing emergency
9 medical services."

10 **SECTION 5.** G.S. 128-27(b21) reads as rewritten:

11 "(b21) Service Retirement Allowance of Member Retiring on or After July 1, ~~2003-~~
12 2004, but Before July 1, 2005. – Upon retirement from service in accordance with
13 subsection (a) or (a1) above, on or after July 1, 2003, but before July 1, 2005, a member
14 shall receive the following service retirement allowance:

15 (1) A member who is a law enforcement officer or an eligible former law
16 enforcement officer shall receive a service retirement allowance
17 computed as follows:

18 a. If the member's service retirement date occurs on or after his
19 55th birthday and completion of five years of creditable service
20 as a law enforcement officer, or after the completion of 30 years
21 of creditable service, the allowance shall be equal to one and
22 eighty-five hundredths percent (1.85%) of his average final
23 compensation, multiplied by the number of years of his
24 creditable service.

25 b. If the member's service retirement date occurs on or after his
26 50th birthday and before his 55th birthday with 15 or more
27 years of creditable service as a law enforcement officer and
28 prior to the completion of 30 years of creditable service, his
29 retirement allowance shall be equal to the greater of:

30 1. The service retirement allowance payable under
31 G.S. 128-27(b21)(1)a. reduced by one-third of one
32 percent (1/3 of 1%) thereof for each month by which his
33 retirement date precedes the first day of the month
34 coincident with or next following the month the member
35 would have attained his 55th birthday;

36 2. The service retirement allowance as computed under
37 G.S. 128-27(b21)(1)a. reduced by five percent (5%)
38 times the difference between 30 years and his creditable
39 service at retirement.

40 (2) A member who is not a law enforcement officer or an eligible former
41 law enforcement officer shall receive a service retirement allowance
42 computed as follows:

43 a. If the member's service retirement date occurs on or after his
44 65th birthday upon the completion of five years of creditable

1 service or after the completion of 30 years of creditable service
2 or on or after his 60th birthday upon the completion of 25 years
3 of creditable service, the allowance shall be equal to one and
4 eighty-five hundredths percent (1.85%) of average final
5 compensation, multiplied by the number of years of creditable
6 service.

7 b. If the member's service retirement date occurs after his 60th
8 birthday and before his 65th birthday and prior to his
9 completion of 25 years or more of creditable service, his
10 retirement allowance shall be computed as in
11 G.S. 128-27(b21)(2) a. but shall be reduced by one-quarter of
12 one percent (1/4 of 1%) thereof for each month by which his
13 retirement date precedes the first day of the month coincident
14 with or next following his 65th birthday.

15 c. If the member's early service retirement date occurs on or after
16 his 50th birthday and before his 60th birthday and after
17 completion of 20 years of creditable service but prior to the
18 completion of 30 years of creditable service, his early service
19 retirement allowance shall be equal to the greater of:

20 1. The service retirement allowance as computed under
21 G.S. 128-27(b21)(2)a. but reduced by the sum of
22 five-twelfths of one percent (5/12 of 1%) thereof for
23 each month by which his retirement date precedes the
24 first day of the month coincident with or next following
25 the month the member would have attained his 60th
26 birthday, plus one-quarter of one percent (1/4 of 1%)
27 thereof for each month by which his 60th birthday
28 precedes the first day of the month coincident with or
29 next following his 65th birthday; or

30 2. The service retirement allowance as computed under
31 G.S. 128-27(b21)(2)a. reduced by five percent (5%)
32 times the difference between 30 years and his creditable
33 service at retirement; or

34 3. If the member's creditable service commenced prior to
35 July 1, 1995, the service retirement allowance equal to
36 the actuarial equivalent of the allowance payable at the
37 age of 60 years as computed in G.S. 128-27(b21)(2)b.

38 d. Notwithstanding the foregoing provisions, any member whose
39 creditable service commenced prior to July 1, 1965, shall not
40 receive less than the benefit provided by G.S. 128-27(b)."

41 **SECTION 6.** G.S. 128-27 is amended by adding a new subsection to read:

42 "(b22) Service Retirement Allowance of Member Retiring on or After July 1, 2005.
43 – Upon retirement from service in accordance with subsection (a) or (a1) above, on or
44 after July 1, 2005, a member shall receive the following service retirement allowance:

- 1 (1) A member who is a law enforcement officer or an eligible former law
2 enforcement officer shall receive a service retirement allowance
3 computed as follows:
- 4 a. If the member's service retirement date occurs on or after his
5 55th birthday and completion of five years of creditable service
6 as a law enforcement officer, or after the completion of 25 years
7 of creditable service, the allowance shall be equal to one and
8 eighty-five hundredths percent (1.85%) of his average final
9 compensation, multiplied by the number of years of his
10 creditable service.
- 11 b. If the member's service retirement date occurs on or after his
12 50th birthday and before his 55th birthday with 15 or more
13 years of creditable service as a law enforcement officer and
14 prior to the completion of 25 years of creditable service, his
15 retirement allowance shall be equal to the greater of:
- 16 1. The service retirement allowance payable under
17 G.S. 128-27(b22)(1)a. reduced by one-third of one
18 percent (1/3 of 1%) thereof for each month by which his
19 retirement date precedes the first day of the month
20 coincident with or next following the month the member
21 would have attained his 55th birthday;
- 22 2. The service retirement allowance as computed under
23 G.S. 128-27(b22)(1)a. reduced by five percent (5%)
24 times the difference between 25 years and his creditable
25 service at retirement.
- 26 (2) A member who is a career firefighter, an eligible former career
27 firefighter, an emergency medical services worker, or an eligible
28 former career emergency medical services worker shall receive a
29 service retirement allowance computed as follows:
- 30 a. If the member's service retirement date occurs on or after his
31 65th birthday upon the completion of five years of creditable
32 service or after the completion of 25 years of creditable service,
33 the allowance shall be equal to one and eighty-five hundredths
34 percent (1.85%) of average final compensation, multiplied by
35 the number of years of creditable service.
- 36 b. If the member's service retirement date occurs after his 60th
37 birthday and before his 65th birthday and prior to his
38 completion of 25 years or more of creditable service, his
39 retirement allowance shall be computed as in
40 G.S. 128-27(b22)(2)a. but shall be reduced by one-quarter of
41 one percent (1/4 of 1%) thereof for each month by which his
42 retirement date precedes the first day of the month coincident
43 with or next following his 65th birthday.

- 1 c. If the member's early service retirement date occurs on or after
2 his 50th birthday and before his 60th birthday and after
3 completion of 20 years of creditable service but prior to the
4 completion of 25 years of creditable service, his early service
5 retirement allowance shall be equal to the greater of:
- 6 1. The service retirement allowance as computed under
7 G.S. 128-27(b22)(2)a. but reduced by the sum of
8 five-twelfths of one percent (5/12 of 1%) thereof for
9 each month by which his retirement date precedes the
10 first day of the month coincident with or next following
11 the month the member would have attained his 60th
12 birthday, plus one-quarter of one percent (1/4 of 1%)
13 thereof for each month by which his 60th birthday
14 precedes the first day of the month coincident with or
15 next following his 65th birthday; or
- 16 2. The service retirement allowance as computed under
17 G.S. 128-27(b22)(2)a. reduced by five percent (5%)
18 times the difference between 25 years and his creditable
19 service at retirement; or
- 20 3. If the member's creditable service commenced prior to
21 July 1, 1995, the service retirement allowance equal to
22 the actuarial equivalent of the allowance payable at the
23 age of 60 years as computed in G.S. 128-27(b22)(2)b.
- 24 d. Notwithstanding the foregoing provisions, any member
25 whose creditable service commenced prior to July 1,
26 1965, shall not receive less than the benefit provided by
27 G.S. 128-27(b).
- 28 (3) A member who is not a law enforcement officer, an eligible former
29 law enforcement officer, a career firefighter, an eligible former career
30 firefighter, a career emergency medical services worker, or an eligible
31 former career emergency medical services worker shall receive a
32 service retirement allowance computed as follows:
- 33 a. If the member's service retirement date occurs on or after his
34 65th birthday upon the completion of five years of creditable
35 service or after the completion of 30 years of creditable service
36 or on or after his 60th birthday upon the completion of 25 years
37 of creditable service, the allowance shall be equal to one and
38 eighty-five hundredths percent (1.85%) of average final
39 compensation, multiplied by the number of years of creditable
40 service.
- 41 b. If the member's service retirement date occurs after his 60th
42 birthday and before his 65th birthday and prior to his
43 completion of 25 years or more of creditable service, his
44 retirement allowance shall be computed as in

1 G.S. 128-27(b22)(2)a. but shall be reduced by one-quarter of
 2 one percent (1/4 of 1%) thereof for each month by which his
 3 retirement date precedes the first day of the month coincident
 4 with or next following his 65th birthday.

5 c. If the member's early service retirement date occurs on or after
 6 his 50th birthday and before his 60th birthday and after
 7 completion of 20 years of creditable service but prior to the
 8 completion of 30 years of creditable service, his early service
 9 retirement allowance shall be equal to the greater of:

10 1. The service retirement allowance as computed under
 11 G.S. 128-27(b22)(2)a. but reduced by the sum of
 12 five-twelfths of one percent (5/12 of 1%) thereof for
 13 each month by which his retirement date precedes the
 14 first day of the month coincident with or next following
 15 the month the member would have attained his 60th
 16 birthday, plus one-quarter of one percent (1/4 of 1%)
 17 thereof for each month by which his 60th birthday
 18 precedes the first day of the month coincident with or
 19 next following his 65th birthday; or

20 2. The service retirement allowance as computed under
 21 G.S. 128-27(b22)(2)a. reduced by five percent (5%)
 22 times the difference between 30 years and his creditable
 23 service at retirement; or

24 3. If the member's creditable service commenced prior to
 25 July 1, 1995, the service retirement allowance equal to
 26 the actuarial equivalent of the allowance payable at the
 27 age of 60 years as computed in G.S. 128-27(b22)(2)b.

28 d. Notwithstanding the foregoing provisions, any member whose
 29 creditable service commenced prior to July 1, 1965, shall not
 30 receive less than the benefit provided by G.S. 128-27(b)."

31 **SECTION 7.** G.S. 128-27(m) reads as rewritten:

32 "(m) Survivor's Alternate Benefit. – Upon the death of a member in service, the
 33 principal beneficiary designated to receive a return of accumulated contributions shall
 34 have the right to elect to receive in lieu thereof the reduced retirement allowance
 35 provided by Option two of subsection (g) above computed by assuming that the member
 36 had retired on the first day of the month following the date of his death, provided that all
 37 three of the following conditions apply:

38 (1) a. The member had attained such age and/or creditable service to
 39 be eligible to commence retirement with an early or service
 40 retirement allowance, or

41 b. The member had obtained 20 years of creditable service in
 42 which case the retirement allowance shall be computed in
 43 accordance with G.S. 128-27(b21)(1)b. ~~or~~
 44 G.S. 128-27(b21)(2)e., G.S. 128-27(b22)(1)b. or

1 G.S. 128-27(b22)(2)c., notwithstanding the requirement of
2 obtaining age 50, or

3 c. The member had not commenced to receive a retirement
4 allowance as provided under this Chapter.

5 (2) The member had designated as the principal beneficiary to receive a
6 return of his accumulated contributions one and only one person who
7 is living at the time of his death.

8 (3) The member had not instructed the Board of Trustees in writing that he
9 did not wish the provisions of this subsection apply.

10 For the purpose of this benefit, a member is considered to be in service at the date of
11 his death if his death occurs within 180 days from the last day of his actual service. The
12 last day of actual service shall be determined as provided in subsection (l) of this
13 section. Upon the death of a member in service, the surviving spouse may make all
14 purchases for creditable service as provided for under this Chapter for which the
15 member had made application in writing prior to the date of death, provided that the
16 date of death occurred prior to or within 60 days after notification of the cost to make
17 the purchase."

18 **SECTION 8.** G.S. 143-166.41(a) reads as rewritten:

19 "(a) Notwithstanding any other provision of law, every sworn law-enforcement
20 officer as defined by G.S. 135-1(11b) or G.S. 143-166.30(a)(4) employed by a State
21 department, agency, or institution who qualifies under this section shall receive,
22 beginning on the last day of the month in which he retires on a basic service retirement
23 under the provisions of G.S. 135-5(a) or G.S. 143-166(y), an annual separation
24 allowance equal to eighty-five hundredths percent (0.85%) of the annual equivalent of
25 the base rate of compensation most recently applicable to him for each year of
26 creditable service. The allowance shall be paid in 12 equal installments on the last day
27 of each month. To qualify for the allowance the officer shall:

28 (1) Have (i) completed ~~30~~ 25 or more years of creditable service or, (ii)
29 have attained 55 years of age and completed five or more years of
30 creditable service; and

31 (2) Not have attained 62 years of age; and

32 (3) Have completed at least five years of continuous service as a law
33 enforcement officer as herein defined immediately preceding a service
34 retirement. Any break in the continuous service required by this
35 subsection because of disability retirement or disability salary
36 continuation benefits shall not adversely affect an officer's
37 qualification to receive the allowance, provided the officer returns to
38 service within 45 days after the disability benefits cease and is
39 otherwise qualified to receive the allowance."

40 **SECTION 9.** This act becomes effective July 1, 2005.