

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2017

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HOUSE BILL 340
PROPOSED COMMITTEE SUBSTITUTE H340-PCS40310-TV-3

Short Title: Special Separation Allowance Firefighters/RSW.

(Public)

Sponsors:

Referred to:

March 15, 2017

1 A BILL TO BE ENTITLED
2 AN ACT TO CREATE A SPECIAL SEPARATION ALLOWANCE FOR STATE AND
3 LOCAL FIREFIGHTERS AND RESCUE SQUAD WORKERS.

4 The General Assembly of North Carolina enacts:

5 **SECTION 1.** Chapter 143 of the General Statutes is amended by adding a new
6 Article to read:

7 "Article 12I.

8 "Special Separation Allowances for State and Local Firefighters and Rescue Squad Workers.

9 "§ 143-166.90. Special separation allowances for State firefighters and rescue squad
10 workers.

11 (a) The following definitions apply in this section:

12 (1) "Creditable service" means the service for which credit is allowed under the
13 retirement system of which the firefighter or rescue squad worker is a
14 member, provided that at least fifty percent (50%) of the service is as a
15 firefighter or rescue squad worker.

16 (2) "Firefighter" shall mean a full-time paid employee of any State department,
17 agency, or institution actively serving in a position with assigned primary
18 duties and responsibilities for the prevention, detection, and suppression of
19 fire.

20 (3) "Rescue squad worker" shall mean a full-time paid employee of any State
21 department, agency, or institution who meets the definition of "emergency
22 medical services personnel" under G.S. 131E-155.

23 (b) Every firefighter or rescue squad worker who qualifies under this section shall
24 receive, beginning in the month in which the firefighter or rescue squad worker retires on a
25 basic service retirement under the provisions of G.S. 135-5(a), an annual separation allowance
26 equal to eighty-five hundredths percent (0.85%) of the annual equivalent of the base rate of
27 compensation most recently applicable to the firefighter or rescue squad worker for each year
28 of creditable service. The allowance shall be paid in equal installments on the payroll frequency
29 used by the employer. To qualify for the allowance, the firefighter or rescue squad worker shall
30 meet all of the following criteria:

31 (1) The firefighter or rescue squad worker has either (i) completed 30 or more
32 years of creditable service or (ii) attained 60 years of age and completed 25
33 or more years of creditable service.

34 (2) The firefighter or rescue squad worker has not attained 62 years of age.

35 (3) The firefighter or rescue squad worker has completed at least five years of
36 continuous service rendered on or after July 1, 2017, as a firefighter or



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1 rescue squad worker immediately preceding a service retirement. Any break
2 in the continuous service required by this subdivision because of disability
3 retirement or disability salary continuation benefits shall not adversely affect
4 a firefighter's or rescue squad worker's qualification to receive the
5 allowance, provided the firefighter or rescue squad worker returns to service
6 within 45 days after the disability benefits cease and is otherwise qualified to
7 receive the allowance.

8 (c) Payment to a retired firefighter or rescue squad worker under the provisions of this
9 section shall cease upon the earlier of following:

10 (1) The death of the firefighter or rescue squad worker.

11 (2) The last day of the month in which the firefighter or rescue squad worker
12 attains 62 years of age.

13 (3) The first day of reemployment by any State department, agency, or
14 institution, except that this subdivision does not apply to a firefighter or
15 rescue squad worker returning to State employment in a position exempt
16 from the North Carolina Human Resources Act in an agency other than the
17 agency from which that firefighter or rescue squad worker retired.

18 (d) This section does not affect the benefits to which an individual may be entitled from
19 State, local, federal, or private retirement systems. The benefits payable under this section shall
20 not be subject to any increases in salary or retirement allowances that may be authorized by the
21 General Assembly for employees of the State or retired employees of the State.

22 (e) The head of each State department, agency, or institution shall determine the
23 eligibility of employees for the benefits provided under this section.

24 (f) The Director of the Budget may authorize the transfer of funds within the budgets of
25 each State department, agency, or institution necessary to carry out the purposes of this section.
26 These funds shall be taken from those appropriated to the department, agency, or institution for
27 salaries and related fringe benefits.

28 (g) The head of each State department, agency, or institution shall make the payments
29 set forth in subsection (b) of this section to those persons certified under subsection (e) of this
30 section from funds available in subsection (f) of this section.

31 **§ 143-166.92. Special separation allowances for local firefighters and rescue squad**
32 **workers.**

33 (a) The following definitions apply in this section:

34 (1) "Creditable service" means the service for which credit is allowed under the
35 retirement system of which the firefighter or rescue squad worker is a
36 member, provided that at least fifty percent (50%) of the service is as a
37 firefighter or rescue squad worker.

38 (2) "Firefighter" means a person (i) who is a full-time paid employee of an
39 employer that participates in the Local Governmental Employees'
40 Retirement System, or an equivalent locally sponsored retirement plan, and
41 maintains a fire department certified by the North Carolina Department of
42 Insurance or a County Fire Marshal's Office and (ii) who is actively serving
43 in a position with assigned primary duties and responsibilities for the
44 prevention, detection, and suppression of fire.

45 (3) "Rescue squad worker" means a person (i) who is a full-time paid employee
46 of an employer that participates in the Local Governmental Employees'
47 Retirement System and maintains a rescue squad or emergency medical
48 services team certified by the North Carolina Department of Insurance or the
49 Department of Health and Human Services and (ii) who is actively serving
50 in a position with assigned primary duties and responsibilities for the
51 alleviation of human suffering and assistance to persons who are in

1 difficulty, who are injured, or who become suddenly ill, by providing proper
2 and efficient care or emergency medical services.

3 (b) Every firefighter or rescue squad worker who qualifies under this section shall
4 receive an annual separation allowance beginning in the month in which the firefighter or
5 rescue squad worker retires on a basic service retirement under the provisions of G.S. 128-27(a)
6 or a locally sponsored retirement plan. The annual separation allowance shall be equal to
7 eighty-five hundredths percent (0.85%) of the annual equivalent of the base rate of
8 compensation most recently applicable to the firefighter or rescue squad worker for each year
9 of creditable service. The allowance shall be paid in equal installments on the payroll frequency
10 used by the employer. To qualify for the allowance, the firefighter or rescue squad worker shall
11 meet all of the following criteria:

12 (1) The firefighter or rescue squad worker has either (i) completed 30 or more
13 years of creditable service or (ii) attained 60 years of age and completed 25
14 or more years of creditable service.

15 (2) The firefighter or rescue squad worker has not attained 62 years of age.

16 (3) The firefighter or rescue squad worker has completed at least five years of
17 continuous service rendered on or after July 1, 2017, as a firefighter or
18 rescue squad worker immediately preceding a service retirement. Any break
19 in the continuous service required by this subdivision because of disability
20 retirement or disability salary continuation benefits shall not adversely affect
21 a firefighter's or rescue squad worker's qualification to receive the
22 allowance, provided the firefighter or rescue squad worker returns to service
23 within 45 days after the disability benefits cease and is otherwise qualified to
24 receive the allowance.

25 (c) Payment to a retired firefighter or rescue squad worker under the provisions of this
26 section shall cease upon the earlier of following:

27 (1) The death of the firefighter or rescue squad worker.

28 (2) The last day of the month in which the firefighter or rescue squad worker
29 attains 62 years of age.

30 (3) The first day of reemployment by a local government employer in any
31 capacity.

32 Notwithstanding the provisions of subdivision (3) of this subsection, a local government
33 employer may employ retired firefighters and rescue squad workers in a public safety position
34 in a capacity not requiring participation in the Local Governmental Employees' Retirement
35 System or an equivalent locally sponsored retirement plan, and doing so shall not cause
36 payment to cease to those firefighters and rescue squad workers under the provisions of this
37 section.

38 (d) This section does not affect the benefits to which an individual may be entitled from
39 State, local, federal, or private retirement systems. The benefits payable under this section shall
40 not be subject to any increases in salary or retirement allowances that may be authorized by
41 local government employers or for retired employees of local governments.

42 (e) The governing body of each local employer shall determine the eligibility of
43 employees for the benefits provided under this section.

44 (f) The governing body of each local employer shall make the payments set forth in
45 subsection (b) of this section to those persons certified under subsection (e) of this section from
46 funds available."

47 **SECTION 2.** This act is effective when it becomes law.