

GENERAL ASSEMBLY OF NORTH CAROLINA
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HOUSE PRINCIPAL CLERK

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HOUSE BILL DRH10410-MGp-152A

Short Title: 25-Year Retirement for First Responders. (Public)

Sponsors: Representative Saine.

Referred to:

A BILL TO BE ENTITLED

AN ACT ALLOWING FIRST RESPONDERS (LAW ENFORCEMENT OFFICERS, FIREFIGHTERS, AND EMERGENCY MEDICAL SERVICES PERSONNEL) WHO ARE MEMBERS OF THE TEACHERS' AND STATE EMPLOYEES' RETIREMENT SYSTEM OR THE LOCAL GOVERNMENTAL EMPLOYEES' RETIREMENT SYSTEM TO RETIRE WITH UNREDUCED BENEFITS AFTER ACHIEVING TWENTY-FIVE YEARS OF CREDITABLE SERVICE AND MAKING CONFORMING CHANGES.

The General Assembly of North Carolina enacts:

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

"§ 135-1. Definitions.

The following words and phrases as used in this Chapter, unless a different meaning is plainly required by the context, shall have the following meanings:

...

(9a) "Emergency medical services personnel" or "EMS personnel" shall mean all full-time employees of any State department, agency, or institution who meet the definition of emergency services personnel under G.S. 131E-155.

...

(11b) "Firefighter" shall mean all full-time employees of any State department, agency, or institution who are actively serving in a position with assigned primary duties and responsibilities for the prevention, detection, and suppression of fire.

~~(11c)~~(11c) "Fraud investigation" means an independent review or examination by Retirement Systems Division staff or authorized representatives who are assisting the Retirement Systems Division staff of records, activities, actions, or decisions by employers or other affiliated or associated entities having an impact on the Retirement System. The purpose of a fraud investigation is to help detect and prevent fraud and to ensure full accountability in the use of pension funds.

~~(11e)~~(11d) "Law Enforcement Officer" means a full time paid employee of an employer who is actively serving in a position with assigned primary duties and responsibilities for prevention and detection of crime or the general enforcement of the criminal laws of the State of North Carolina or serving civil processes, and who possesses the power of arrest by virtue of an oath administered under the authority of the State. "Law Enforcement Officer" also means a probation/parole officer as defined in this section with respect to any service rendered on or after July 1, 2017.



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2 **SECTION 1.(b)** G.S. 135-5(a) is amended by adding a new subdivision to read:

3 "(4b) Any member who is a law enforcement officer, firefighter, or emergency
4 medical services personnel and has completed 25 years of creditable service
5 may retire upon electronic submission or written application to the Board of
6 Trustees setting forth at what time, as of the first day of a calendar month, not
7 less than one day nor more than 120 days subsequent to the execution and
8 filing thereof, the member desires to be retired; provided, however, that any
9 member who has met the 25 years of creditable service required by this
10 subsection but does not retire and later becomes employed other than as the
11 member was employed while completing 25 years of creditable service shall
12 continue to have the right to commence retirement."

13 **SECTION 1.(c)** G.S. 135-5(b21) reads as rewritten:

14 "(b21) Service Retirement Allowance of Non-First Responder Members Retiring on or After
15 July 1, 2019; and First Responder Members Retiring on or After July 1, 2019, but
16 Before January 1, 2022. – Upon retirement from service on or after July 1, 2019, in accordance
17 with subsection (a) or (a1) of this section, a member shall receive the following service retirement
18 allowance:

19 "

20 **SECTION 1.(d)** G.S. 135-5 is amended by adding a new subsection to read:

21 "(b22) Service Retirement Allowance of First Responders Retiring on or After January 1,
22 2022. – Upon retirement from service on or after January 1, 2022, in accordance with subsection
23 (a) or (a1) of this section and notwithstanding any other provision of this section to the contrary,
24 a member who is a law enforcement officer, eligible former law enforcement officer, firefighter,
25 eligible former firefighter, emergency medical services personnel, or eligible former medical
26 service personnel shall receive a service retirement allowance computed as follows:

27 (1) If the member's service retirement date occurs on or after the member's 55th
28 birthday and completion of five years of creditable service as a law
29 enforcement officer, as a firefighter, or as EMS personnel, or after the
30 completion of 25 years of creditable service, the allowance shall be equal to
31 one and eighty-two hundredths percent (1.82%) of the member's average final
32 compensation multiplied by the number of years of the member's creditable
33 service.

34 (2) If the member's service retirement date occurs on or after the member's 50th
35 birthday and before the member's 55th birthday with 15 or more years of
36 creditable service as a law enforcement officer, firefighter, or EMS personnel
37 and prior to the completion of 25 years of creditable service, the retirement
38 allowance shall be equal to the greater of the following amounts:

39 a. The service retirement allowance payable under subdivision (1) of this
40 subsection reduced by one-third of one percent (1/3 of 1%) thereof for
41 each month by which the retirement date precedes the first day of the
42 month coincident with or next following the month the member would
43 have attained age 55.

44 b. The service retirement allowance as computed under subdivision (1)
45 of this subsection reduced by five percent (5%) times the difference
46 between 25 years and the amount of creditable service at retirement."

47 **SECTION 1.(e)** G.S. 135-5(m) reads as rewritten:

48 "(m) Survivor's Alternate Benefit. – Upon the death of a member in service, the beneficiary
49 designated to receive a return of accumulated contributions shall have the right to elect to receive
50 in lieu thereof the reduced retirement allowance provided by Option 2 of subsection (g) above

1 computed by assuming that the member had retired on the first day of the month following the
2 date of ~~his~~the member's death, provided that all four of the following conditions apply:

- 3 (1) a. The member had attained such age and/or creditable service to be
4 eligible to commence retirement with an early or service retirement
5 allowance, or
6 b. The member had obtained 20 years of creditable service in which case
7 the retirement allowance shall be computed in accordance with
8 G.S. 135-5(b19)(1)b. or G.S. 135-5(b19)(2)c., notwithstanding the
9 requirement of obtaining age 50, or
10 b1. The member was a law enforcement ~~officer~~officer who had obtained
11 15 years of service as a law enforcement ~~officer~~officer, or the member
12 was a firefighter who had obtained 15 years of service as a firefighter,
13 or the member was EMS personnel who had obtained 15 years of
14 service as EMS personnel, and was killed in the line of duty, in which
15 case the retirement allowance shall be computed in accordance with
16 G.S. 135-5(b19)(1)b., —G.S. 135-5(b22)(1), notwithstanding the
17 requirement of obtaining age 50.
18 c. Repealed by Session Laws 2010-72, s. 2(a), effective July 1, 2010.

19"

20 **SECTION 2.(a)** G.S. 128-21 is amended by adding a new subdivision to read:

21 "(9a) "Emergency medical services personnel" or "EMS personnel" means all
22 full-time rescue squad workers and all full-time employees of any employer
23 that participates in the Local Governmental Employees' Retirement System
24 who meet the definition of emergency services personnel under
25 G.S. 131E-155."

26 **SECTION 2.(b)** G.S. 128-27(a) is amended by adding a new subdivision to read:

27 "(6) Any member who is a law enforcement, firefighter, or emergency medical
28 services personnel who has completed 25 years of creditable service may
29 retire upon electronic submission or written application to the Board of
30 Trustees setting forth at what time, as of the first day of a calendar month, not
31 less than one day nor more than 120 days subsequent to the execution and
32 filing of the application, the member desires to be retired; provided, however,
33 that any member who has met the conditions required by this subdivision but
34 does not retire and later becomes employed other than as the member was
35 employed while completing 25 years of creditable service shall continue to
36 have the right to commence retirement."

37 **SECTION 2.(c)** G.S. 128-27(b22) reads as rewritten:

38 "(b22) Service Retirement Allowance of ~~Member~~ Non-First Responder Members Retiring
39 on or After ~~July 1, 2019~~ July 1, 2019; and First-Responder Members Retiring on or After July
40 1, 2019, but Before January 1, 2022. — Upon retirement from service in accordance with
41 subsection (a) or (a1) of this section, on or after July 1, 2019, a member shall receive for members
42 other than law enforcement officers, firefighters, and EMS personnel, and on or after July 1,
43 2019, but before January 1, 2022, for law enforcement officers, firefighters, and EMS personnel,
44 the following service retirement ~~allowance~~:allowance shall apply:
45

46"

47 **SECTION 2.(d)** G.S. 128-27 is amended by adding a new subsection to read:

48 "(b23) Service Retirement Allowance of Law Enforcement Officers, Firefighters, and
49 Emergency Medical Services Personnel Retiring on or After January 1, 2022. — Upon retirement
50 from service in accordance with subsection (a) or (a1) of this section on or after January 1, 2022,
51 and notwithstanding any other provision of this section to the contrary, a member who is a law
enforcement officer, eligible former law enforcement officer, firefighter, eligible former

1 firefighter, EMS personnel, or eligible former EMS personnel shall receive a service retirement
 2 allowance computed as follows:

3 (1) If the member's service retirement date occurs on or after the member's 55th
 4 birthday and completion of five years of creditable service as a law
 5 enforcement officer, as a firefighter, or as EMS personnel, or after the
 6 completion of 25 years of creditable service, the allowance shall be equal to
 7 one and eighty-five hundredths percent (1.85%) of the member's average final
 8 compensation multiplied by the number of years of the member's creditable
 9 service.

10 (2) If the member's service retirement date occurs on or after the member's 50th
 11 birthday and before the member's 55th birthday with 15 or more years of
 12 creditable service as a law enforcement officer, firefighter, or EMS personnel
 13 and prior to the completion of 25 years of creditable service, the retirement
 14 allowance shall be equal to the greater of the following amounts:

15 a. The service retirement allowance payable under subdivision (1) of this
 16 subsection reduced by one-third of one percent (1/3 of 1%) thereof for
 17 each month by which the retirement date precedes the first day of the
 18 month coincident with or next following the month the member would
 19 have attained age 55.

20 b. The service retirement allowance as computed under subdivision (1)
 21 of this subsection reduced by five percent (5%) times the difference
 22 between 25 years and the amount of creditable service at retirement."

23 **SECTION 2.(e)** G.S. 128-27(m) reads as rewritten:

24 "(m) Survivor's Alternate Benefit. – Upon the death of a member in service, the beneficiary
 25 designated to receive a return of accumulated contributions shall have the right to elect to receive
 26 in lieu thereof the reduced retirement allowance provided by Option two of subsection (g) above
 27 computed by assuming that the member had retired on the first day of the month following the
 28 date of the member's death, provided that all four of the following conditions apply:

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

32 b. The member had obtained 20 years of creditable service in which case
 33 the retirement allowance shall be computed in accordance with
 34 G.S. 128-27(b22)(1)c. or G.S. 128-27(b22)(2)c., notwithstanding the
 35 requirement of obtaining age 50, or

36 b1. The member was a law enforcement officer who had obtained 15 years
 37 of service as a law enforcement officer and was killed in the line of
 38 duty, or the member was a firefighter or a rescue squad worker who
 39 had obtained 15 years of service as a firefighter or a rescue squad
 40 worker and was killed in the line of duty, or the member was EMS
 41 personnel who had obtained 15 years of service as EMS personnel and
 42 was killed in the line of duty, in which cases the retirement allowance
 43 shall be computed in accordance with ~~G.S. 128-27(b22)(1)e.,~~
 44 G.S. 127-27(b23)(1), notwithstanding the requirement of obtaining
 45 age 50.

46 c. Repealed by Session Laws 2010-72, s. 2(b), effective July 1, 2010.

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48 **SECTION 3.(a)** G.S. 143-166.41(a) reads as rewritten:

49 "§ 143-166.41. Special separation allowance.

50 (a) Notwithstanding any other provision of law, every sworn law-enforcement officer as
 51 defined by G.S. 135-1(11c) or G.S. 143-166.30(a)(4) employed by a State department, agency,

1 or institution who qualifies under this section shall receive, beginning in the month in which he
2 retires on a basic service retirement under the provisions of G.S. 135-5(a), an annual separation
3 allowance equal to eighty-five hundredths percent (0.85%) of the annual equivalent of the base
4 rate of compensation most recently applicable to him for each year of creditable service. The
5 allowance shall be paid in equal installments on the payroll frequency used by the employer. To
6 qualify for the allowance the ~~officer shall:~~following requirements apply:

- 7 (1) ~~Have~~For officers retiring before January 1, 2022, the officer has either (i)
8 completed 30 or more years of creditable service or, (ii) ~~have~~ attained 55 years
9 of age and completed five or more years of creditable ~~service; and~~service.
- 10 (2) For officers retiring on or after January 1, 2022, the officer has either (i)
11 completed 25 or more years of creditable service or (ii) attained 55 years of
12 age and completed five or more years of creditable service.
- 13 (3) ~~Not have~~The officer has not attained 62 years of ~~age; and~~age.
- 14 (3)(4) ~~Have~~The officer has completed at least five years of continuous service as a
15 law enforcement officer as herein defined immediately preceding a service
16 retirement. Any break in the continuous service required by this subsection
17 because of disability retirement or disability salary continuation benefits shall
18 not adversely affect an officer's qualification to receive the allowance,
19 provided the officer returns to service within 45 days after the disability
20 benefits cease and is otherwise qualified to receive the allowance."

21 **SECTION 3.(b)** G.S. 143-166.42(a) reads as rewritten:

22 "**§ 143-166.42. Special separation allowances for local officers.**

23 (a) On and after January 1, 1987, every sworn law enforcement officer as defined by
24 G.S. 128-21(11d) or G.S. 143-166.50(a)(3) employed by a local government employer who
25 qualifies under this section shall receive, beginning in the month in which the officer retires on a
26 basic service retirement under the provisions of G.S. 128-27(a), an annual separation allowance
27 equal to eighty-five hundredths percent (0.85%) of the annual equivalent of the base rate of
28 compensation most recently applicable to the officer for each year of creditable service. The
29 allowance shall be paid in equal installments on the payroll frequency used by the employer. To
30 qualify for the allowance, the ~~officer shall:~~following requirements apply:

- 31 (1) ~~Have~~For officers retiring before January 1, 2022, the officer has either (i)
32 completed 30 or more years of creditable service or (ii) ~~have~~ attained 55 years
33 of age and completed five or more years of creditable ~~service; and~~service.
- 34 (2) For officers retiring on or after January 1, 2022, the officer has either (i)
35 completed 25 or more years of creditable service or (ii) attained 55 years of
36 age and completed five or more years of creditable service.
- 37 (3) ~~Not have~~The officer has not attained 62 years of ~~age; and~~age.
- 38 (3)(4) ~~Have~~The officer has completed at least five years of continuous service as a
39 law enforcement officer as herein defined immediately preceding a service
40 retirement. Any break in the continuous service required by this subsection
41 because of disability retirement or disability salary continuation benefits shall
42 not adversely affect an officer's qualification to receive the allowance,
43 provided the officer returns to service within 45 days after the disability
44 benefits cease and is otherwise qualified to receive the allowance."

45 **SECTION 4.** This act becomes effective January 1, 2022, and applies to eligible
46 retirements occurring on or after that date.