

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

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SENATE BILL 538

Short Title: Professional Firefighters' Retirement.

(Public)

Sponsors: Senators Ballance; Carpenter, Conder, Dannelly, Jordan, Kinnaird, Ledbetter, Lee, Lucas, McDaniel, Phillips, Reeves, Weinstein, and Wellons.

Referred to: Pensions & Retirement and Insurance.

March 27, 1997

A BILL TO BE ENTITLED

1 AN ACT TO DEFINE A PROFESSIONAL FIREFIGHTERS' BENEFIT ACCRUAL
2 RATE FOR MEMBERS AND BENEFICIARIES OF THE LOCAL
3 GOVERNMENTAL EMPLOYEES' RETIREMENT SYSTEM.
4

5 The General Assembly of North Carolina enacts:

6 Section 1. G.S. 128-21 is amended by adding a new subdivision to read:

7 "(17a) 'Professional firefighter' means an individual (i) who is a full-time, paid
8 employee of a fire department certified by the North Carolina
9 Department of Insurance, and (ii) who is actively serving in a position
10 with assigned primary duties and responsibilities for the prevention,
11 detection, and suppression of fire."

12 Section 2. G.S. 128-27 is amended by adding a new subsection to read:

13 "(b16) Service Retirement Allowance of Professional Firefighters Retiring on or After
14 July 1, 1997. – Upon retirement from service, in accordance with subsection (a) of this
15 section, on or after July 1, 1997, a member who is a professional firefighter or an eligible
16 former professional firefighter shall receive a service retirement allowance computed in
17 the following manner:

18 (1) After completion of 25 years of creditable service as a professional
19 firefighter, a member may retire with an allowance equal to two and

one-half percent (2.5%) of the average final compensation for years of service earned on or after July 1, 1987, multiplied by the number of years of creditable service. Service time earned prior to July 1, 1987, shall be computed in accordance with the Local Governmental Employees' Retirement System rate current on the date the retirement becomes effective for the number of years of service earned prior to July 1, 1987.

(2) In lieu of the benefits provided in subdivision (1) of this subsection, any member who separates from service prior to attaining 60 years of age, for any reason other than death or retirement for disability as provided in this Article, after completing 15 or more years of creditable service, and who leaves the total accumulated contributions in the System, may elect to retire on an early retirement allowance upon attaining 50 years of age, or at any time thereafter. However, such a member may so retire only upon written application to the Board of Trustees setting forth at what time, not less than one day nor more than 90 days subsequent to execution and filing of the application, the member desires to retire. Early retirement elected under this subdivision shall be equal to the deferred retirement allowance otherwise payable upon attaining 60 years of age, reduced by the percentage indicated below:

| <u>Age at Retirement</u> | <u>Percentage Reduction</u> |
|--------------------------|-----------------------------|
| <u>59</u> | <u>4</u> |
| <u>58</u> | <u>8</u> |
| <u>57</u> | <u>12</u> |
| <u>56</u> | <u>16</u> |
| <u>55</u> | <u>20</u> |
| <u>54</u> | <u>24</u> |
| <u>53</u> | <u>28</u> |
| <u>52</u> | <u>32</u> |
| <u>51</u> | <u>36</u> |
| <u>50</u> | <u>40</u> |

(3) If the member's service retirement date occurs as a professional firefighter and upon the completion of 25 years of creditable service, not all of which was service as a professional firefighter, the member is eligible to retire as a professional firefighter under this section, but the member's retirement allowance shall be computed in subdivision (1) of this subsection only for the years of creditable service as a professional firefighter.

(4) If a member's service retirement date occurs upon the completion of 25 years of creditable service but does not occur as a professional firefighter, the member is not eligible to retire as a professional

1 firefighter under this subsection. The member's retirement allowance
2 pertaining to the service as a professional firefighter nevertheless is
3 equal to two and one-half percent (2.5%) of the member's average final
4 compensation multiplied by the number of years of creditable service.

5 (5) In lieu of the benefits provided in subdivisions (1) through (4) of this
6 subsection, any member who is a professional firefighter at the time of
7 separation from service prior to attaining 50 years of age, for any reason
8 other than death or disability as provided in this Article, after
9 completing 15 or more years of creditable service in that capacity prior
10 to separation from service, and who leaves the member's total
11 accumulated contributions in the System, may elect to retire on a
12 deferred early retirement allowance upon attaining 50 years of age or at
13 any time thereafter. However, the member may commence retirement
14 only upon written application to the Board of Trustees setting forth at
15 what time, as of the first day of a calendar month not less than one day
16 or more than 90 days subsequent to the execution and filing of the
17 application, the member desires to commence retirement. The deferred
18 early retirement allowance shall be computed in accordance with the
19 service retirement provisions of this Article pertaining to professional
20 firefighters.

21 (6) In lieu of the benefits provided in subdivisions (1) through (4) of this
22 subsection, any member who is a professional firefighter at the time of
23 separation from service prior to attaining 55 years of age, for any reason
24 other than death or disability as provided in this Article, after
25 completing five or more years of creditable service in that capacity prior
26 to separation from service, and who leaves the member's total
27 accumulated contributions in the System, may elect to retire on a
28 deferred early retirement allowance upon attaining 55 years of age or at
29 any time thereafter. However, the member may commence retirement
30 only upon written application to the Board of Trustees setting forth at
31 what time, as of the first day of a calendar month not less than one day
32 or more than 90 days subsequent to the execution and filing of the
33 application, the member desires to commence retirement. The deferred
34 early retirement allowance shall be computed in accordance with the
35 service retirement provisions of this Article pertaining to professional
36 firefighters."

37 Section 3. This act becomes effective July 1, 1997, and applies to persons
38 retiring on or after that date.