

**GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2001**

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**HOUSE BILL 1419**

Short Title: Firefighters' & Rescue Workers' Retirement.

(Public)

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Sponsors: Representatives Wright; M. Crawford and Jeffus.

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Referred to: Pensions and Retirement.

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April 26, 2001

A BILL TO BE ENTITLED

1  
2 AN ACT TO PROVIDE FOR CAREER FIREFIGHTERS' AND RESCUE SQUAD  
3 WORKERS' BENEFITS IN THE LOCAL GOVERNMENTAL EMPLOYEES'  
4 RETIREMENT SYSTEM.

5 The General Assembly of North Carolina enacts:

6 **SECTION 1.** G.S. 128-21 is amended by adding two new subdivisions to  
7 read:

8 "(17a) "Career firefighter" means a person (i) who is a full-time paid  
9 employee of an employer that participates in the Local Governmental  
10 Employees' Retirement System and maintains a fire department  
11 certified by the North Carolina Department of Insurance, and (ii) who  
12 is actively serving in a position with assigned primary duties and  
13 responsibilities for the prevention, detection, and suppression of fire.

14 (17b) "Career rescue squad worker" means a person (i) who is a full-time  
15 paid employee of an employer that participates in the Local  
16 Governmental Employees' Retirement System and maintains a rescue  
17 squad or emergency medical services team certified by the North  
18 Carolina Department of Insurance, and (ii) who is actively serving in a  
19 position with assigned primary duties and responsibilities for the  
20 alleviation of human suffering and assistance to persons who are in  
21 difficulty, who are injured, or who become suddenly ill, by providing  
22 proper and efficient care or emergency medical services."

23 **SECTION 2.** G. S. 128-27(b18) read as rewritten:

24 "(b18) Service Retirement Allowance of Member Retiring on or After July 1, 2000-  
25 2000, but Before January 1, 2002. – Upon retirement from service in accordance with  
26 subsection (a) or (a1) above, on or after July 1, 2000, a member shall receive the  
27 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 30 years  
7 of creditable service, the allowance shall be equal to one and  
8 seventy-eight hundredths percent (1.78%) 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 30 years of creditable service, his  
15 retirement allowance shall be equal to the greater of:
- 16 1. The service retirement allowance payable under G.S.  
17 128-27(b18)(1)a. reduced by one-third of one percent  
18 (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(b18)(1)a. reduced by five percent (5%)  
24 times the difference between 30 years and his creditable  
25 service at retirement.
- 26 (2) A member who is not a law enforcement officer or an eligible former  
27 law enforcement officer shall receive a service retirement allowance  
28 computed as follows:
- 29 a. If the member's service retirement date occurs on or after his  
30 65th birthday upon the completion of five years of creditable  
31 service or after the completion of 30 years of creditable service  
32 or on or after his 60th birthday upon the completion of 25 years  
33 of creditable service, the allowance shall be equal to one and  
34 seventy-eight hundredths percent (1.78%) of average final  
35 compensation, multiplied by the number of years of creditable  
36 service.
- 37 b. If the member's service retirement date occurs after his 60th  
38 birthday and before his 65th birthday and prior to his  
39 completion of 25 years or more of creditable service, his  
40 retirement allowance shall be computed as in G.S. 128-  
41 27(b18)(2)a. but shall be reduced by one-quarter of one percent  
42 (1/4 of 1%) thereof for each month by which his retirement date  
43 precedes the first day of the month coincident with or next  
44 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 30 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(b18)(2)a. but reduced by the sum of five-  
8 twelfths of one percent (5/12 of 1%) thereof for each  
9 month by which his retirement date precedes the first day  
10 of the month coincident with or next following the  
11 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(b18)(2)a. reduced by five percent (5%)  
18 times the difference between 30 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(b18)(2)b.
- 24 d. Notwithstanding the foregoing provisions, any member whose  
25 creditable service commenced prior to July 1, 1965, shall not  
26 receive less than the benefit provided by G.S. 128-27(b).

27 **SECTION 3.** G.S. 128-27 is amended by adding a new subsection to read:

28 "(b19) Service Retirement Allowance of Member Retiring on or After January 1,  
29 2002. – Upon retirement from service in accordance with subsection (a) or (a1) above,  
30 on or after January 1, 2002, a member shall receive the following service retirement  
31 allowance:

32 (1) A member who is a career firefighter, an eligible former career  
33 firefighter, a career rescue squad worker, or an eligible former career  
34 rescue squad worker shall receive a service retirement allowance  
35 computed as follows:

- 36 a. If the member's service retirement date occurs on or after his  
37 65th birthday upon the completion of five years of creditable  
38 service or after the completion of 30 years of creditable service  
39 or on or after his 60th birthday upon the completion of 25 years  
40 of creditable service, the allowance shall be equal to one and  
41 ninety-five hundredths percent (1.95%) of average final  
42 compensation, multiplied by the number of years of creditable  
43 service.

- 1           b. If the member's service retirement date occurs after his 60th  
2           birthday and before his 65th birthday and prior to his  
3           completion of 25 years or more of creditable service, his  
4           retirement allowance shall be computed as in G.S. 128-  
5           27(b18)(2)a. but shall be reduced by one-quarter of one percent  
6           (1/4 of 1%) thereof for each month by which his retirement date  
7           precedes the first day of the month coincident with or next  
8           following his 65th birthday.
- 9           c. If the member's early service retirement date occurs on or after  
10           his 50th birthday and before his 60th birthday and after  
11           completion of 20 years of creditable service but prior to the  
12           completion of 30 years of creditable service, his early service  
13           retirement allowance shall be equal to the greater of:
- 14           1. The service retirement allowance as computed under  
15           G.S. 128-27(b18)(2)a. but reduced by the sum of five-  
16           twelfths of one percent (5/12 of 1%) thereof for each  
17           month by which his retirement date precedes the first day  
18           of the month coincident with or next following the  
19           month the member would have attained his 60th  
20           birthday, plus one-quarter of one percent (1/4 of 1%)  
21           thereof for each month by which his 60th birthday  
22           precedes the first day of the month coincident with or  
23           next following his 65th birthday; or
- 24           2. The service retirement allowance as computed under  
25           G.S. 128-27(b18)(2)a. reduced by five percent (5%)  
26           times the difference between 30 years and his creditable  
27           service at retirement; or
- 28           3. If the member's creditable service commenced prior to  
29           July 1, 1995, the service retirement allowance equal to  
30           the actuarial equivalent of the allowance payable at the  
31           age of 60 years as computed in G.S. 128-27(b18)(2)b.
- 32           d. Notwithstanding the foregoing provisions, any member  
33           whose creditable service commenced prior to July 1,  
34           1965, shall not receive less than the benefit provided by  
35           G.S. 128-27(b).
- 36           (2) A member who is a law enforcement officer or an eligible former law  
37           enforcement officer shall receive a service retirement allowance  
38           computed as follows:
- 39           a. If the member's service retirement date occurs on or after his  
40           55th birthday and completion of five years of creditable service  
41           as a law enforcement officer, or after the completion of 30 years  
42           of creditable service, the allowance shall be equal to one and  
43           seventy-eight hundredths percent (1.78%) of his average final

- 1                   compensation, multiplied by the number of years of his  
2                   creditable service.
- 3           b.   If the member's service retirement date occurs on or after his  
4                   50th birthday and before his 55th birthday with 15 or more  
5                   years of creditable service as a law enforcement officer and  
6                   prior to the completion of 30 years of creditable service, his  
7                   retirement allowance shall be equal to the greater of:
- 8                   1.   The service retirement allowance payable under G.S.  
9                   128-27(b19)(1)a. reduced by one-third of one percent  
10                   (1/3 of 1%) thereof for each month by which his  
11                   retirement date precedes the first day of the month  
12                   coincident with or next following the month the member  
13                   would have attained his 55th birthday; or
- 14                   2.   The service retirement allowance as computed under  
15                   G.S. 128-27(b19)(1)a. reduced by five percent (5%)  
16                   times the difference between 30 years and his creditable  
17                   service at retirement.
- 18       (3)   A member who is not a career firefighter, an eligible former career  
19                   firefighter, a career rescue squad worker, an eligible former career  
20                   rescue squad worker, a former law enforcement officer, or an eligible  
21                   former law enforcement officer shall receive a service retirement  
22                   allowance computed as follows:
- 23                   a.   If the member's service retirement date occurs on or after his  
24                   65th birthday upon the completion of five years of creditable  
25                   service or after the completion of 30 years of creditable service  
26                   or on or after his 60th birthday upon the completion of 25 years  
27                   of creditable service, the allowance shall be equal to one and  
28                   seventy-eight hundredths percent (1.78%) of average final  
29                   compensation, multiplied by the number of years of creditable  
30                   service.
- 31                   b.   If the member's service retirement date occurs after his 60th  
32                   birthday and before his 65th birthday and prior to his  
33                   completion of 25 years or more of creditable service, his  
34                   retirement allowance shall be computed as in G.S.  
35                   128-27(b19)(2)a. but shall be reduced by one-quarter of one  
36                   percent (1/4 of 1%) thereof for each month by which his  
37                   retirement date precedes the first day of the month coincident  
38                   with or next following his 65th birthday.
- 39                   c.   If the member's early service retirement date occurs on or after  
40                   his 50th birthday and before his 60th birthday and after  
41                   completion of 20 years of creditable service but prior to the  
42                   completion of 30 years of creditable service, his early service  
43                   retirement allowance shall be equal to the greater of:

- 1                   1.    The service retirement allowance as computed under  
2                   G.S. 128-27(b19)(2)a. but reduced by the sum of  
3                   five-twelfths of one percent (5/12 of 1%) thereof for  
4                   each month by which his retirement date precedes the  
5                   first day of the month coincident with or next following  
6                   the month the member would have attained his 60th  
7                   birthday, plus one-quarter of one percent (1/4 of 1%)  
8                   thereof for each month by which his 60th birthday  
9                   precedes the first day of the month coincident with or  
10                  next following his 65th birthday; or
- 11                  2.    The service retirement allowance as computed under  
12                  G.S. 128-27(b19)(2)a. reduced by five percent (5%)  
13                  times the difference between 30 years and his creditable  
14                  service at retirement; or
- 15                  3.    If the member's creditable service commenced prior to  
16                  July 1, 1995, the service retirement allowance equal to  
17                  the actuarial equivalent of the allowance payable at the  
18                  age of 60 years as computed in G.S. 128-27(b19)(2)b.
- 19                  d.    Notwithstanding the foregoing provisions, any member whose  
20                  creditable service commenced prior to July 1, 1965, shall not  
21                  receive less than the benefit provided by G.S. 128-27(b)."

22                   **SECTION 4.** G.S. 128-27(m) reads as rewritten:

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

- 29                   (1)    a.    The member had attained such age and/or creditable service to  
30                   be eligible to commence retirement with an early or service  
31                   retirement allowance, or
- 32                   b.    The member had obtained 20 years of creditable service in  
33                   which case the retirement allowance shall be computed in  
34                   accordance with ~~G.S. 128-27(b18)(1)b. or G.S. 128-~~  
35                   ~~27(b18)(2)c.,~~ G.S. 128-27(b19)(1)b. or G.S. 128-27(b19)(2)c.,  
36                   notwithstanding the requirement of obtaining age 50.
- 37                   (2)    The member had designated as the principal beneficiary to receive a  
38                   return of his accumulated contributions one and only one person who  
39                   is living at the time of his death.
- 40                   (3)    The member had not instructed the Board of Trustees in writing that he  
41                   did not wish the provisions of this subsection apply.

42                   For the purpose of this benefit, a member is considered to be in service at the date of  
43                   his death if his death occurs within 180 days from the last day of his actual service. The  
44                   last day of actual service shall be determined as provided in subsection (l) of this

1 section. Upon the death of a member in service, the surviving spouse may make all  
2 purchases for creditable service as provided for under this Chapter for which the  
3 member had made application in writing prior to the date of death, provided that the  
4 date of death occurred prior to or within 60 days after notification of the cost to make  
5 the purchase."

6 **SECTION 5.** G.S. 128-30(b)(1) reads as rewritten:

7 "(1) Prior to July 1, 1951, each participating employer shall cause to be  
8 deducted from the salary of each member of each and every payroll of  
9 such employer for each and every payroll period four per centum (4%)  
10 of his earnable compensation. On and after such date the rate so  
11 deducted shall be five per centum (5%) in the case of a Class A  
12 member or a Class C member, and four per centum (4%) in the case of  
13 a Class B member; provided, however, that with respect to any  
14 member who is covered under the Social Security Act in accordance  
15 with the agreement entered into during 1955 in accordance with the  
16 provisions of Article 2 of Chapter 135 of Volume 17 of the General  
17 Statutes, as amended, such deduction shall, commencing with the first  
18 day of the period of service with respect to which such agreement is  
19 effective, be at the rate of three per centum (3%) of the part of his  
20 actual compensation not in excess of the amount taxable to him under  
21 the Federal Insurance Contributions Act as from time to time in effect  
22 plus five per centum (5%) of the part of his actual compensation not so  
23 taxable; provided that in the case of any member so eligible and  
24 receiving compensation from two or more employers such deductions  
25 may be adjusted under such rules as the Board of Trustees may  
26 establish so as to be as nearly equivalent as practicable to the  
27 deductions which would have been made had the member received all  
28 of such compensation from one employer. Notwithstanding the  
29 foregoing, the Board of Trustees may in its discretion cause such  
30 portion as it may determine of deductions made between January 1,  
31 1955, and December 1, 1955, to be transferred into the contribution  
32 fund established under G.S. 135-24, such amounts so transferred shall  
33 in that event be deemed to be taxes contributed by employees as  
34 required under Article 2 of Chapter 135 of Volume 17 of the General  
35 Statutes, as amended, and shall be in lieu of contributions otherwise  
36 payable in the same amount as so required. In determining the amount  
37 earned by a member whose compensation is derived partly or wholly  
38 from fees, such member shall submit a sworn statement to his  
39 employer monthly, or at least quarterly, each year as to the amount of  
40 fees received by such member as compensation during the period, and  
41 each month, or at least quarterly, such member shall pay to his  
42 employer the proper per centum of such compensation received from  
43 fees, which shall be considered as deductions by the employer as  
44 provided in subdivisions (1) and (2) of this subsection.

1           Notwithstanding the foregoing, effective July 1, 1965, with  
2           respect to the period of service commencing on July 1, 1965, and  
3           ending December 31, 1965, the rates of such deductions shall be four  
4           per centum (4%) of the portion of compensation not in excess of  
5           forty-eight hundred dollars (\$4,800) and six per centum (6%) of the  
6           portion of compensation in excess of forty-eight hundred dollars  
7           (\$4,800); and with respect to the period of service commencing  
8           January 1, 1966, and ending June 30, 1967, the rate of such deduction  
9           shall be four per centum (4%) of the portion of compensation not in  
10          excess of fifty-six hundred dollars (\$5,600) and six per centum (6%) of  
11          the portion of compensation in excess of fifty-six hundred dollars  
12          (\$5,600); and with respect to the period of service commencing July 1,  
13          1967, and ending June 30, 1976, the rate of such deductions shall be  
14          five per centum (5%) of the portion of compensation not in excess of  
15          five thousand six hundred dollars (\$5,600) and six per centum (6%) of  
16          the portion of compensation in excess of five thousand six hundred  
17          dollars (\$5,600). Such rates shall apply uniformly to all members of  
18          the Retirement System, irrespective of class.

19          Notwithstanding the foregoing, effective July 1, 1976, with respect  
20          to compensation paid on and after July 1, 1976, the rate of such  
21          deductions shall be six per centum (6%) of the compensation received  
22          by any member. Such rates shall apply uniformly to all members of the  
23          Retirement System, irrespective of class.

24          Notwithstanding the foregoing, effective January 1, 2002, with  
25          respect to compensation paid on and after January 1, 2002, the rate of  
26          such deductions shall be nine per centum (9%) of the compensation  
27          received by career firefighters and career rescue squad workers and  
28          shall be six per centum (6%) of the compensation received by all other  
29          members."

30          **SECTION 6.** This act becomes effective January 1, 2002.