

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2001**

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HOUSE BILL 825

Short Title: Correctional Officers/28-Year Retirement.

(Public)

Sponsors: Representative Cox.

Referred to: Pensions and Retirement.

March 27, 2001

A BILL TO BE ENTITLED

1
2 AN ACT TO ALLOW CORRECTIONAL OFFICERS AND PROBATION/PAROLE
3 OFFICERS OF THE DEPARTMENT OF CORRECTION TO RETIRE WITH
4 UNREDUCED BENEFITS AFTER COMPLETING TWENTY-EIGHT YEARS OF
5 SERVICE.

6 The General Assembly of North Carolina enacts:

7 **SECTION 1.** G.S. 135-1 is amended by adding a new subdivision to read:

8 "(7b) "Correctional officer" means a full-time paid employee of the
9 Department of Correction who has been certified as a criminal justice
10 officer as provided under Chapter 17C of the General Statutes."

11 **SECTION 2.** G.S. 135-5(b18) reads as rewritten:

12 "(b18) Service Retirement Allowance of Members Retiring on or After July 1, 2000-
13 2000, but Before July 1, 2001. – Upon retirement from service in accordance with
14 subsection (a) or (a1) above, on or after July 1, 2000, but before July 1, 2001, a member
15 shall receive the following service retirement ~~allowance~~-allowance:

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

19 a. If the member's service retirement date occurs on or after his
20 55th birthday, and completion of five years of creditable service
21 as a law enforcement officer, or after the completion of 30 years
22 of creditable service, the allowance shall be equal to one and
23 eighty-one hundredths percent (1.81%) of his average final
24 compensation, multiplied by the number of years of his
25 creditable service.

26 b. If the member's service retirement date occurs on or after his
27 50th birthday and before his 55th birthday with 15 or more
28 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 G.S.
4 135-5(b18)(1)a. reduced by one-third of one percent ($1/3$
5 of 1%) thereof for each month by which his retirement
6 date precedes the first day of the month coincident with
7 or next following the month the member would have
8 attained his 55th birthday; or

9 2. The service retirement allowance as computed under
10 G.S. 135-5(b18)(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-one hundredths percent (1.81%) 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 G.S.
28 135-5(b18)(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(b18)(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(b18)(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(b18)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 3.** G.S. 135-5 is amended by adding a new subsection to read:

15 "(b19) Service Retirement Allowance of Members Retiring on or After
16 July 1, 2001. – Upon retirement from service in accordance with subsection (a) or (a1)
17 above, on or after July 1, 2001, a member shall receive the following service retirement
18 allowance:

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

22 a. If the member's service retirement date occurs on or after his
23 55th birthday, and completion of five years of creditable service
24 as a law enforcement officer, or after the completion of 30 years
25 of creditable service, the allowance shall be equal to one and
26 eighty-one hundredths percent (1.81%) of his average final
27 compensation, multiplied by the number of years of his
28 creditable service.

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

34 1. The service retirement allowance payable under G.S.
35 135-5(b19)(1)a. reduced by one-third of one percent (1/3
36 of 1%) thereof for each month by which his retirement
37 date precedes the first day of the month coincident with
38 or next following the month the member would have
39 attained his 55th birthday; or

40 2. The service retirement allowance as computed under
41 G.S. 135-5(b19)(1)a. reduced by five percent (5%) times
42 the difference between 30 years and his creditable
43 service at retirement.

- 1 (2) A member who is a correctional officer or an eligible former
2 correctional 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 28 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-one hundredths percent (1.81%) 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 28 years or more of creditable service, his
15 retirement allowance shall be computed as in G.S. 135-
16 5(b19)(2)a. but shall be reduced by one-quarter of one percent
17 (1/4 of 1%) thereof for each month by which his retirement date
18 precedes the first day of the month coincident with or next
19 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 28 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(b19)(2)a. but reduced by the sum of five-
27 twelfths of one percent (5/12 of 1%) thereof for each
28 month by which his retirement date precedes the first day
29 of the month coincident with or next following the
30 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(b19)(2)a. reduced by five percent (5%) times
37 the difference between 28 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(b19)b.
- 43 (3) A member who is not a law enforcement officer, an eligible former
44 law enforcement officer, a correctional officer, or an eligible former

1 correctional officer shall receive a service retirement allowance
2 computed as follows:

3 a. If the member's service retirement date occurs on or after his
4 65th birthday upon the completion of five years of membership
5 service or after the completion of 30 years of creditable service
6 or on or after his 60th birthday upon the completion of 25 years
7 of creditable service, the allowance shall be equal to one and
8 eighty-one hundredths percent (1.81%) of his average final
9 compensation, multiplied by the number of years of creditable
10 service.

11 b. If the member's service retirement date occurs after his 60th
12 birthday and before his 65th birthday and prior to his
13 completion of 25 years or more of creditable service, his
14 retirement allowance shall be computed as in G.S. 135-
15 5(b19)(2)a. but shall be reduced by one-quarter of one percent
16 (1/4 of 1%) thereof for each month by which his retirement date
17 precedes the first day of the month coincident with or next
18 following his 65th birthday.

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

24 1. The service retirement allowance as computed under
25 G.S. 135-5(b19)(2)a. but reduced by the sum of five-
26 twelfths of one percent (5/12 of 1%) thereof for each
27 month by which his retirement date precedes the first day
28 of the month coincident with or next following the
29 month the member would have attained his 60th
30 birthday, plus one-quarter of one percent (1/4 of 1%)
31 thereof for each month by which his 60th birthday
32 precedes the first day of the month coincident with or
33 next following his 65th birthday; or

34 2. The service retirement allowance as computed under
35 G.S. 135-5(b19)(2)a. reduced by five percent (5%) times
36 the difference between 30 years and his creditable
37 service at retirement; or

38 3. If the member's creditable service commenced prior to
39 July 1, 1994, the service retirement allowance equal to
40 the actuarial equivalent of the allowance payable at the
41 age of 60 years as computed in G.S. 135-5(b19)b.

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

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

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

- 8 (1) a. The member had attained such age and/or creditable service to
9 be eligible to commence retirement with an early or service
10 retirement allowance, or
11 b. The member had obtained 20 years of creditable service in
12 which case the retirement allowance shall be computed in
13 accordance with ~~G.S. 135-5(b18)(1)b.~~ G.S. 135-5(b18)(1)b. or
14 ~~G.S. 135-5(b18)(2)c.,~~ G.S. 135-5(b18)(2)c., notwithstanding the
15 requirement of obtaining age 50.
16 (2) The member had designated as the principal beneficiary to receive a
17 return of his accumulated contributions one and only one person who
18 was living at the time of his death.
19 (3) The member had not instructed the Board of Trustees in writing that he
20 did not wish the provisions of this subsection to apply.

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

31 **SECTION 5.** This act becomes effective July 1, 2001.