

**GENERAL ASSEMBLY OF NORTH CAROLINA**  
**SESSION 2009**

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**HOUSE BILL 1601**

Short Title: Career Fire and Rescue 25-Year Retirement. (Public)

Sponsors: Representatives Mackey; Faison and Wray.

Referred to: Pensions and Retirement, if favorable, Appropriations.

May 6, 2009

1 A BILL TO BE ENTITLED  
2 AN ACT TO DEFINE CAREER FIREFIGHTERS' AND CAREER RESCUE SQUAD  
3 WORKERS' ACCRUAL RATES FOR MEMBERS AND BENEFICIARIES OF THE  
4 LOCAL GOVERNMENTAL EMPLOYEES' RETIREMENT SYSTEM AND TO ALLOW  
5 CAREER FIREFIGHTERS AND CAREER RESCUE SQUAD WORKERS TO RETIRE  
6 WITH UNREDUCED BENEFITS AFTER COMPLETING TWENTY-FIVE YEARS OF  
7 SERVICE.

8 The General Assembly of North Carolina enacts:

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

10 "(7b) "Career firefighter" means a person (i) who is a full-time paid employee of  
11 an employer that participates in the Local Governmental Employees'  
12 Retirement System and maintains a fire department certified by the North  
13 Carolina Department of Insurance and (ii) who is actively serving in a  
14 position with assigned primary duties and responsibilities for the prevention,  
15 detection, and suppression of fire.

16 (7c) "Career rescue squad worker" means a person (i) who is a full-time paid  
17 employee of an employer that participates in the Local Governmental  
18 Employees' Retirement System and maintains a rescue squad or emergency  
19 medical services team certified by the North Carolina Department of  
20 Insurance or the Department of Health and Human Services and (ii) who is  
21 actively serving in a position with assigned primary duties and  
22 responsibilities for the alleviation of human suffering and assistance to  
23 persons who are in difficulty, who are injured, or who become suddenly ill,  
24 by providing proper and efficient care or emergency medical services."

25 **SECTION 2.** G.S. 128-24(5) reads as rewritten:

26 "(5) The provisions of this subdivision (5) shall apply to any member whose  
27 membership is terminated on or after July 1, 1965, and who becomes entitled  
28 to benefits hereunder in accordance with the provisions hereof.

29 a. Notwithstanding any other provision of this Chapter, any member  
30 who separates from service prior to the attainment of the age of 60  
31 years for any reason other than death or retirement for disability as  
32 provided in G.S. 128-27(c), after completing 15 or more years of  
33 creditable service, and who leaves his total accumulated  
34 contributions in said System shall have the right to retire on a  
35 deferred retirement allowance upon attaining the age of 60 years;  
36 provided that such member may retire only upon written application  
37 to the Board of Trustees setting forth at what time, not less than one



1 day nor more than 90 days subsequent to the execution and filing  
 2 thereof, he desires to be retired; and further provided that in the case  
 3 of a member who so separates from service on or after July 1, 1967,  
 4 the aforestated requirement of 15 or more years of creditable service  
 5 shall be reduced to 12 or more years of creditable service; and further  
 6 provided that in the case of a member who so separates from service  
 7 on or after July 1, 1971, or whose account is active on July 1, 1971,  
 8 the aforestated requirement of 12 or more years of creditable service  
 9 shall be reduced to five or more years of creditable service. Such  
 10 deferred retirement allowance shall be computed in accordance with  
 11 the service retirement provisions of this Article pertaining to a  
 12 member who is not a law enforcement officer or eligible former law  
 13 enforcement officer.

14 b. In lieu of the benefits provided in paragraph a of this subdivision,  
 15 any member who separates from service prior to the attainment of the  
 16 age of 60 years, for any reason other than death or retirement for  
 17 disability as provided in G.S. 128-27(c), after completing 20 or more  
 18 years of creditable service, and who leaves his total accumulated  
 19 contributions in said System may elect to retire on an early  
 20 retirement allowance upon attaining the age of 50 years or at any  
 21 time thereafter; provided that such member may so retire only upon  
 22 written application to the Board of Trustees setting forth at what  
 23 time, not less than one day nor more than 90 days subsequent to the  
 24 execution and filing thereof, he desires to be retired. Such early  
 25 retirement allowance so elected shall be equal to the deferred  
 26 retirement allowance otherwise payable at the attainment of the age  
 27 of 60 years reduced by the percentage thereof indicated below.

Age at Retirement	Percentage Reduction
59	7
58	14
57	20
56	25
55	30
54	35
53	39
52	43
51	46
50	50

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 42 b1. In lieu of the benefits provided in paragraphs a and b of this  
 43 subdivision, any member who is a law enforcement ~~officer~~ officer,  
 44 career firefighter, or career rescue squad worker at the time of  
 45 separation from service prior to the attainment of the age of 50 years,  
 46 for any reason other than death or disability as provided in this  
 47 Article, after completing 15 or more years of creditable service in  
 48 this capacity immediately prior to separation from service, and who  
 49 leaves his total accumulated contributions in this System, may elect  
 50 to retire on a deferred early retirement allowance upon attaining the  
 51 age of 50 years or at any time thereafter; provided, that the member

1 may commence retirement only upon written application to the  
2 Board of Trustees setting forth at what time, as of the first day of a  
3 calendar month, not less than one day nor more than 90 days  
4 subsequent to the execution and filing thereof, he desires to  
5 commence retirement. The deferred early retirement allowance shall  
6 be computed in accordance with the service retirement provisions of  
7 this Article pertaining to law enforcement ~~officers.~~ officers, career  
8 firefighters, or career rescue squad workers.

9 b2. In lieu of the benefits provided in paragraphs a and b of this  
10 subdivision, any member who is a law enforcement ~~officer-officer,~~  
11 career firefighter, or career rescue squad worker at the time of  
12 separation from service prior to the attainment of the age of 55 years,  
13 for any reason other than death or disability as provided in this  
14 Article, after completing five or more years of creditable service in  
15 this capacity immediately prior to separation from service, and who  
16 leaves his total accumulated contributions in this System may elect to  
17 retire on a deferred service retirement allowance upon attaining the  
18 age of 55 years or at any time thereafter; provided, that the member  
19 may commence retirement only upon written application to the  
20 Board of Trustees setting forth at what time, as of the first day of a  
21 calendar month not less than one day nor more than 90 days  
22 subsequent to the execution and filing thereof, he desires to  
23 commence retirement. The deferred service retirement allowance  
24 shall be computed in accordance with the service retirement  
25 provisions of this Article pertaining to law enforcement ~~officers.~~  
26 officers, career firefighters, or career rescue squad workers.

27 b3. Deferred retirement allowance of members retiring on or after July 1,  
28 1995. – In lieu of the benefits provided in paragraphs a. and b. of this  
29 subdivision, any member who separates from service prior to  
30 attainment of age 60 years, after completing 20 or more years of  
31 creditable service, and who leaves his total accumulated  
32 contributions in said System, may elect to retire on a deferred  
33 retirement allowance upon attaining the age of 50 years or any time  
34 thereafter; provided that such member may so retire only upon  
35 written application to the Board of Trustees setting forth at what  
36 time, not less than one day nor more than 90 days subsequent to the  
37 execution and filing thereof, he desires to be retired. Such deferred  
38 retirement allowance shall be computed in accordance with the  
39 service retirement provisions of this Article pertaining to a member  
40 who is not a law enforcement officer or an eligible former law  
41 enforcement officer.

42 c. Should a beneficiary who retired on an early or service retirement  
43 allowance be reemployed by, or otherwise engaged to perform  
44 services for, an employer participating in the Retirement System on a  
45 part-time, temporary, interim, or on fee-for-service basis, whether  
46 contractual or otherwise, and if such beneficiary earns an amount  
47 during the 12-month period immediately following the effective date  
48 of retirement or in any calendar year which exceeds fifty percent  
49 (50%) of the reported compensation, excluding terminal payments,  
50 during the 12 months of service preceding the effective date of  
51 retirement, or twenty thousand dollars (\$20,000), whichever is

1 greater, as hereinafter indexed, then the retirement allowance shall be  
2 suspended as of the first day of the month following the month in  
3 which the reemployment earnings exceed the amount above, for the  
4 balance of the calendar year, except when the reemployment earnings  
5 exceed the amount above in the month of December, in which case  
6 the retirement allowance shall not be suspended. The retirement  
7 allowance of the beneficiary shall be reinstated as of January 1 of  
8 each year following suspension. The amount that may be earned  
9 before suspension shall be increased on January 1 of each year by the  
10 ratio of the Consumer Price Index to the Index one year earlier,  
11 calculated to the nearest tenth of a percent (1/10 of 1%).

- 12 d. Should a beneficiary who retired on an early or service retirement  
13 allowance be restored to service as an employee, then the retirement  
14 allowance shall cease as of the first day of the month following the  
15 month in which the beneficiary is restored to service and the  
16 beneficiary shall become a member of the Retirement System and  
17 shall contribute thereafter as allowed by law at the uniform  
18 contribution payable by all members.

19 Upon his subsequent retirement, he shall be paid a retirement  
20 allowance determined as follows:

- 21 1. For a member who earns at least three years' membership  
22 service after restoration to service, the retirement allowance  
23 shall be computed on the basis of his compensation and  
24 service before and after the period of prior retirement without  
25 restriction; provided, that if the prior allowance was based on  
26 a social security leveling payment option, the allowance shall  
27 be adjusted actuarially for the difference between the amount  
28 received under the optional payment and what would have  
29 been paid if the retirement allowance had been paid without  
30 optional modification.
- 31 2. For a member who does not earn three years' membership  
32 service after restoration to service, the retirement allowance  
33 shall be equal to the sum of the retirement allowance to which  
34 he would have been entitled had he not been restored to  
35 service, without modification of the election of an optional  
36 allowance previously made, and the retirement allowance that  
37 results from service earned since being restored to service;  
38 provided, that if the prior retirement allowance was based on  
39 a social security leveling payment option, the prior allowance  
40 shall be adjusted actuarially for the difference between the  
41 amount that would have been paid for each month had the  
42 payment not been suspended and what would have been paid  
43 if the retirement allowance had been paid without optional  
44 modification."

45 **SECTION 3.** G.S. 128-27(a) reads as rewritten:

46 "(a) Service Retirement Benefits.

- 47 (1) Any member may retire upon written application to the Board of Trustees  
48 setting forth at what time, as of the first day of a calendar month, not less  
49 than one day nor more than 120 days subsequent to the execution and filing  
50 thereof, he desires to be retired: Provided, that the said member at the time  
51 so specified for his retirement shall have attained the age of 60 years and

1 have at least five years of creditable service or shall have completed 30 years  
2 of creditable service, or if a ~~fireman, he~~ career firefighter or career rescue  
3 squad worker, the member shall have attained the age of 55 years and have  
4 at least five years of creditable service completed at least 25 years of  
5 creditable service provided that the last five years of creditable service is as  
6 a career firefighter or career rescue squad worker.

7 (2) Repealed by Session Laws 1983 (Regular Session, 1984), c. 1019, s. 1.

8 (3) Repealed by Session Laws 1971, c. 325, s. 12.

9 (4) Any member who was in service October 8, 1981, who had attained 60 years  
10 of age, may retire upon written application to the Board of Trustees setting  
11 forth at what time, as of the first day of a calendar month, not less than one  
12 day nor more than 90 days subsequent to the execution and filing thereof, he  
13 desires to be retired.

14 (5) Any member who is a law enforcement officer, career firefighter, or career  
15 rescue squad worker and who attains age 50 and completes 15 or more years  
16 of creditable service in this capacity or who attains age 55 and completes  
17 five or more years of creditable service in this capacity, may retire upon  
18 written application to the Board of Trustees setting forth at what time, as of  
19 the first day of a calendar month, not less than one day nor more than 90  
20 days subsequent to the execution and filing thereof, ~~he~~ the member desires to  
21 be retired; provided, also, any member who has met the conditions required  
22 by this ~~subdivision~~ section but does not retire, and later becomes an  
23 employee other than as a law enforcement officer, career firefighter, or  
24 career rescue squad worker, continues to have the right to commence  
25 retirement."

26 **SECTION 4.** G.S. 128-27(b21) reads as rewritten:

27 "(b21) Service Retirement Allowance of Member Retiring on or After July 1, ~~2003-2003,~~  
28 but Before July 1, 2009. – Upon retirement from service in accordance with subsection (a) or  
29 (a1) above, on or after July 1, 2003, but before July 1, 2009, a member shall receive the  
30 following service retirement allowance:

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

34 a. If the member's service retirement date occurs on or after his 55th  
35 birthday and completion of five years of creditable service as a law  
36 enforcement officer, or after the completion of 30 years of creditable  
37 service, the allowance shall be equal to one and eighty-five  
38 hundredths percent (1.85%) of his average final compensation,  
39 multiplied by the number of years of his creditable service.

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

45 1. The service retirement allowance payable under  
46 G.S. 128-27(b21)(1)a. reduced by one-third of one percent  
47 (1/3 of 1%) thereof for each month by which his retirement  
48 date precedes the first day of the month coincident with or  
49 next following the month the member would have attained his  
50 55th birthday;

- 1                                   2.     The service retirement allowance as computed under  
2                                   G.S. 128-27(b21)(1)a. reduced by five percent (5%) times the  
3                                   difference between 30 years and his creditable service at  
4                                   retirement.
- 5                   (2)    A member who is not a law enforcement officer or an eligible former law  
6                   enforcement officer shall receive a service retirement allowance computed  
7                   as follows:
- 8                   a.     If the member's service retirement date occurs on or after his 65th  
9                   birthday upon the completion of five years of creditable service or  
10                   after the completion of 30 years of creditable service or on or after  
11                   his 60th birthday upon the completion of 25 years of creditable  
12                   service, the allowance shall be equal to one and eighty-five  
13                   hundredths percent (1.85%) of average final compensation,  
14                   multiplied by the number of years of creditable service.
- 15                   b.     If the member's service retirement date occurs after his 60th birthday  
16                   and before his 65th birthday and prior to his completion of 25 years  
17                   or more of creditable service, his retirement allowance shall be  
18                   computed as in G.S. 128-27(b21)(2)a. but shall be reduced by  
19                   one-quarter of one percent ( $\frac{1}{4}$  of 1%) thereof for each month by  
20                   which his retirement date precedes the first day of the month  
21                   coincident with or next following his 65th birthday.
- 22                   c.     If the member's early service retirement date occurs on or after his  
23                   50th birthday and before his 60th birthday and after completion of 20  
24                   years of creditable service but prior to the completion of 30 years of  
25                   creditable service, his early service retirement allowance shall be  
26                   equal to the greater of:
- 27                   1.     The service retirement allowance as computed under  
28                   G.S. 128-27(b21)(2)a. but reduced by the sum of  
29                   five-twelfths of one percent ( $\frac{5}{12}$  of 1%) thereof for each  
30                   month by which his retirement date precedes the first day of  
31                   the month coincident with or next following the month the  
32                   member would have attained his 60th birthday, plus  
33                   one-quarter of one percent ( $\frac{1}{4}$  of 1%) thereof for each month  
34                   by which his 60th birthday precedes the first day of the month  
35                   coincident with or next following his 65th birthday; or
- 36                   2.     The service retirement allowance as computed under  
37                   G.S. 128-27(b21)(2)a. reduced by five percent (5%) times the  
38                   difference between 30 years and his creditable service at  
39                   retirement; or
- 40                   3.     If the member's creditable service commenced prior to July 1,  
41                   1995, the service retirement allowance equal to the actuarial  
42                   equivalent of the allowance payable at the age of 60 years as  
43                   computed in G.S. 128-27(b21)(2)b.
- 44                   d.     Notwithstanding the foregoing provisions, any member whose  
45                   creditable service commenced prior to July 1, 1965, shall not receive  
46                   less than the benefit provided by G.S. 128-27(b)."

47                   **SECTION 5.** G.S. 128-27 is amended by adding a new subsection to read:

48                   "(b22) Service Retirement Allowance of Member Retiring on or After July 1, 2009. – Upon  
49                   retirement from service in accordance with subsection (a) or (a1) of this section, on or after  
50                   July 1, 2009, a member shall receive the 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 computed  
3           as follows:
- 4           a.     If the member's service retirement date occurs on or after his 55th  
5           birthday and completion of five years of creditable service as a law  
6           enforcement officer or after the completion of 30 years of creditable  
7           service, the allowance shall be equal to one and eighty-five  
8           hundredths percent (1.85%) of his average final compensation,  
9           multiplied by the number of years of his creditable service.
- 10          b.     If the member's service retirement date occurs on or after his 50th  
11          birthday and before his 55th birthday with 15 or more years of  
12          creditable service as a law enforcement officer and prior to the  
13          completion of 30 years of creditable service, his retirement allowance  
14          shall be equal to the greater of:
- 15                1.     The service retirement allowance payable under  
16                G.S. 128-27(b22)(1)a. reduced by one-third of one percent  
17                (1/3 of 1%) thereof for each month by which his retirement  
18                date precedes the first day of the month coincident with or  
19                next following the month the member would have attained his  
20                55th birthday;
- 21                2.     The service retirement allowance as computed under  
22                G.S. 128-27(b22)(1)a. reduced by five percent (5%) times the  
23                difference between 30 years and his creditable service at  
24                retirement.
- 25          (2)   A member who is a career firefighter, an eligible former career firefighter, a  
26          career rescue squad worker, or an eligible former career rescue squad worker  
27          shall receive a service retirement allowance computed as follows:
- 28          a.     If the member's service retirement date occurs on or after his 55th  
29          birthday and completion of five years of creditable service as a career  
30          firefighter or a career rescue squad worker, or after the completion of  
31          25 years of creditable service, provided that the last five years of  
32          creditable service are as a career firefighter or career rescue squad  
33          worker, the allowance shall be equal to the sum of:
- 34                1.     One and eighty-five hundredths percent (1.85%) of the  
35                member's average final compensation, multiplied by the  
36                number of years of creditable service earned by the member  
37                in service other than as a career firefighter or career rescue  
38                squad worker;
- 39                2.     Two and twenty hundredths percent (2.20%) of the member's  
40                average final compensation, multiplied by the number of  
41                years of creditable service earned as a professional firefighter  
42                or rescue squad worker.
- 43          b.     If the member's service retirement date occurs on or after his 50th  
44          birthday and before his 55th birthday with 15 or more years of  
45          creditable service as a career firefighter or career rescue squad  
46          worker and prior to the completion of 25 years of creditable service,  
47          his retirement allowance shall be equal to the greater of:
- 48                1.     The service retirement allowance payable under  
49                G.S. 128-27(b22)(1)a. reduced by one-third of one percent  
50                (1/3 of 1%) thereof for each month by which his retirement  
51                date precedes the first day of the month coincident with or

- 1                                    next following the month the member would have attained his  
2                                    55th birthday;  
3                                    2.    The service retirement allowance as computed under  
4                                    G.S. 128-27(b22)(1)a. reduced by five percent (5%) times the  
5                                    difference between 25 years and his creditable service at  
6                                    retirement.  
7                                    (3)   A member who is not a law enforcement officer, an eligible former law  
8                                    enforcement officer, a career firefighter, an eligible former career firefighter,  
9                                    a career rescue squad worker, or an eligible former career rescue squad  
10                                   worker shall receive a service retirement allowance computed as follows:  
11                                   a.    If the member's service retirement date occurs on or after his 65th  
12                                   birthday upon the completion of five years of creditable service or  
13                                   after the completion of 30 years of creditable service or on or after  
14                                   his 60th birthday upon the completion of 25 years of creditable  
15                                   service, the allowance shall be equal to one and eighty-five  
16                                   hundredths percent (1.85%) of average final compensation,  
17                                   multiplied by the number of years of creditable service.  
18                                   b.    If the member's service retirement date occurs after his 60th birthday  
19                                   and before his 65th birthday and prior to his completion of 25 years  
20                                   or more of creditable service, his retirement allowance shall be  
21                                   computed as in G.S. 128-27(b22)(2)a. but shall be reduced by  
22                                   one-quarter of one percent (1/4 of 1%) thereof for each month by  
23                                   which his retirement date precedes the first day of the month  
24                                   coincident with or next following his 65th birthday.  
25                                   c.    If the member's early service retirement date occurs on or after his  
26                                   50th birthday and before his 60th birthday and after completion of 20  
27                                   years of creditable service but prior to the completion of 30 years of  
28                                   creditable service, his early service retirement allowance shall be  
29                                   equal to the greater of:  
30                                   1.    The service retirement allowance as computed under  
31                                   G.S. 128-27(b22)(2)a. but reduced by the sum of  
32                                   five-twelfths of one percent (5/12 of 1%) thereof for each  
33                                   month by which his retirement date precedes the first day of  
34                                   the month coincident with or next following the month the  
35                                   member would have attained his 60th birthday, plus  
36                                   one-quarter of one percent (1/4 of 1%) thereof for each month  
37                                   by which his 60th birthday precedes the first day of the month  
38                                   coincident with or next following his 65th birthday; or  
39                                   2.    The service retirement allowance as computed under  
40                                   G.S. 128-27(b22)(2)a. reduced by five percent (5%) times the  
41                                   difference between 30 years and his creditable service at  
42                                   retirement; or  
43                                   3.    If the member's creditable service commenced prior to July 1,  
44                                   1995, the service retirement allowance equal to the actuarial  
45                                   equivalent of the allowance payable at the age of 60 years as  
46                                   computed in G.S. 128-27(b22)(2)b.  
47                                   d.    Notwithstanding the foregoing provisions, any member whose  
48                                   creditable service commenced prior to July 1, 1965, shall not receive  
49                                   less than the benefit provided by G.S. 128-27(b)."

50                                   **SECTION 6.** G.S. 128-30(d) is amended by adding a new subdivision to read:



1            "(10) Notwithstanding the foregoing provisions of this subsection, beginning with  
2            the December 31, 2006, valuation, the actuary shall determine an additional  
3            "accrued liability contribution" on account of each employer's career  
4            firefighters and career rescue squad workers. This contribution shall be that  
5            percentage of the career firefighters' and career rescue squad workers'  
6            compensation necessary to liquidate the "existing unfunded accrued  
7            liability" over a period of years to be determined by the Board of Trustees.  
8            The "existing unfunded accrued liability" for each employer shall be equal to  
9            the sum of two liabilities. The first is that portion of the unfunded accrued  
10           liability for additional benefits payable to each employer's career firefighters  
11           and career rescue squad workers who are members of the Retirement System  
12           on June 30, 2009. The "accrued liability contribution" determined on the  
13           basis of this subdivision shall be added to that determined under  
14           subdivisions (3) and (9) of this subsection and shall be included in the total  
15           amount payable under subdivision (5) of this subsection."

16            **SECTION 7.** This act becomes effective July 1, 2009, and applies to persons  
17            retiring on or after that date.