

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2009

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SENATE BILL 986*
Pensions & Retirement & Aging Committee Substitute Adopted 5/7/09

Short Title: Clarify Local Special Separation Allowance.

(Public)

Sponsors:

Referred to:

March 26, 2009

1 A BILL TO BE ENTITLED
2 AN ACT TO CLARIFY THE LAW REGARDING THE SPECIAL SEPARATION
3 ALLOWANCE PROVIDED TO LAW ENFORCEMENT OFFICERS UNDER THE
4 LOCAL GOVERNMENTAL EMPLOYEES' RETIREMENT SYSTEM.

5 The General Assembly of North Carolina enacts:

6 SECTION 1. G.S. 143-166.42 reads as rewritten:

7 "§ 143-166.42. Special separation allowances for local officers.

8 (a) On and after January 1, 1987, ~~the provisions of G.S. 143-166.41 shall apply to all~~
9 ~~eligible law enforcement officer~~every sworn law enforcement officer as defined by
10 G.S. 128-21(11b) or G.S. 143-166.50(a)(3) ~~who are employed by a local government~~
11 ~~employers, except as may be provided by this section. As to the applicability of the provisions~~
12 ~~of G.S. 143-166.41 to locally employed officers, the governing body for each unit of local~~
13 ~~government shall be responsible for making determinations of eligibility for their local officers~~
14 ~~retired under the provisions of G.S. 128-27(a) and for making payments to their eligible~~
15 ~~officers under the same terms and conditions, other than the source of payment, as apply to~~
16 ~~each State department, agency, or institution in payments to State officers according to the~~
17 ~~provisions of G.S. 143-166.41.~~government employer who qualifies under this section shall
18 receive, beginning in the month in which the officer retires on a basic service retirement under
19 the provisions of G.S. 128-27(a), an annual separation allowance equal to eighty-five
20 hundredths percent (0.85%) of the annual equivalent of the base rate of compensation most
21 recently applicable to the officer for each year of creditable service. The allowance shall be
22 paid in equal installments on the payroll frequency used by the employer. To qualify for the
23 allowance, the officer shall:

24 (1) Have (i) completed 30 or more years of creditable service or (ii) have
25 attained 55 years of age and completed five or more years of creditable
26 service; and

27 (2) Not have attained 62 years of age; and

28 (3) Have completed at least five years of continuous service as a law
29 enforcement officer as herein defined immediately preceding a service
30 retirement. Any break in the continuous service required by this subsection
31 because of disability retirement or disability salary continuation benefits
32 shall not adversely affect an officer's qualification to receive the allowance,
33 provided the officer returns to service within 45 days after the disability
34 benefits cease and is otherwise qualified to receive the allowance.

35 (b) As used in this section, "creditable service" means the service for which credit is
36 allowed under the retirement system of which the officer is a member, provided that at least
37 fifty percent (50%) of the service is as a law enforcement officer as herein defined.



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- 1 (c) Payment to a retired officer under the provisions of this section shall cease at the
2 first of:
3 (1) The death of the officer;
4 (2) The last day of the month in which the officer attains 62 years of age; or
5 (3) The first day of reemployment by a local government employer in any
6 capacity.

7 Notwithstanding the provisions of subdivision (3) of this subsection, a local government
8 employer may, in the interest of public safety, voluntarily adopt a policy allowing employment
9 of retired officers on a contractual basis, or in a temporary or reserve capacity not requiring
10 participation in the Local Governmental Employees' Retirement System, without causing the
11 cessation of payment to those officers under this section.

12 (d) This section does not affect the benefits to which an individual may be entitled from
13 State, local, federal, or private retirement systems. The benefits payable under this section shall
14 not be subject to any increases in salary or retirement allowances that may be authorized by
15 local government employers or for retired employees of local governments.

16 (e) The governing body of each local employer shall determine the eligibility of
17 employees for the benefits provided herein.

18 (f) The governing body of each local employer shall make the payments set forth in
19 subsection (a) of this section to those persons certified under subsection (e) of this section from
20 funds available."

21 **SECTION 2.** This act is effective when it becomes law.