

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2017

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HOUSE BILL 340

Short Title: Special Separation Allowance for Firefighters. (Public)

Sponsors: Representatives Dollar, Malone, Saine, and Clampitt (Primary Sponsors).  
*For a complete list of sponsors, refer to the North Carolina General Assembly web site.*

Referred to: Pensions and Retirement, if favorable, State and Local Government II

March 15, 2017

1 A BILL TO BE ENTITLED  
2 AN ACT TO CREATE A SPECIAL SEPARATION ALLOWANCE FOR STATE AND LOCAL  
3 FIREFIGHTERS.

4 The General Assembly of North Carolina enacts:

5 **SECTION 1.** Chapter 143 of the General Statutes is amended by adding a new Article  
6 to read:

7 "Article 12I.

8 "Special Separation Allowances for State and Local Firefighters.

9 **"§ 143-166.90. Special separation allowances for State firefighters.**

10 (a) As used in this section, the term "firefighter" shall mean a full-time paid employee of  
11 any State department, agency, or institution actively serving in a position with assigned primary  
12 duties and responsibilities for the prevention, detection, and suppression of fire.

13 (b) Every firefighter who qualifies under this section shall receive, beginning in the month  
14 in which the firefighter retires on a basic service retirement under the provisions of G.S. 135-5(a),  
15 an annual separation allowance equal to eighty-five hundredths percent (0.85%) of the annual  
16 equivalent of the base rate of compensation most recently applicable to the firefighter for each  
17 year of creditable service. The allowance shall be paid in equal installments on the payroll  
18 frequency used by the employer. To qualify for the allowance, the firefighter shall meet all of the  
19 following criteria:

20 (1) The firefighter has either (i) completed 30 or more years of creditable service or  
21 (ii) attained 60 years of age and completed 25 or more years of creditable  
22 service.

23 (2) The firefighter has not attained 62 years of age.

24 (3) The firefighter has completed at least five years of continuous service rendered  
25 on or after July 1, 2017, as a firefighter immediately preceding a service  
26 retirement. Any break in the continuous service required by this subdivision  
27 because of disability retirement or disability salary continuation benefits shall  
28 not adversely affect a firefighter's qualification to receive the allowance,  
29 provided the firefighter returns to service within 45 days after the disability  
30 benefits cease and is otherwise qualified to receive the allowance.

31 (c) As used in this section, "creditable service" means the service for which credit is  
32 allowed under the retirement system of which the firefighter is a member, provided that at least  
33 fifty percent (50%) of the service is as a firefighter.

34 (d) Payment to a retired firefighter under the provisions of this section shall cease upon the  
35 earlier of following:



1           (1)    The death of the firefighter.

2           (2)    The last day of the month in which the firefighter attains 62 years of age.

3           (3)    The first day of reemployment by any State department, agency, or institution,  
4                except that this subdivision does not apply to a firefighter returning to State  
5                employment in a position exempt from the North Carolina Human Resources  
6                Act in an agency other than the agency from which that firefighter retired.

7           (e)    This section does not affect the benefits to which an individual may be entitled from  
8           State, local, federal, or private retirement systems. The benefits payable under this section shall  
9           not be subject to any increases in salary or retirement allowances that may be authorized by the  
10           General Assembly for employees of the State or retired employees of the State.

11          (f)    The head of each State department, agency, or institution shall determine the eligibility  
12           of employees for the benefits provided under this section.

13          (g)    The Director of the Budget may authorize the transfer of funds within the budgets of  
14           each State department, agency, or institution necessary to carry out the purposes of this section.  
15           These funds shall be taken from those appropriated to the department, agency, or institution for  
16           salaries and related fringe benefits.

17          (h)    The head of each State department, agency, or institution shall make the payments set  
18           forth in subsection (b) of this section to those persons certified under subsection (f) of this section  
19           from funds available in subsection (g) of this section.

20    **§ 143-166.92. Special separation allowances for local firefighters.**

21          (a)    As used in this section, the term "firefighter" means a person (i) who is a full-time paid  
22           employee of an employer that participates in the Local Governmental Employees' Retirement  
23           System, or an equivalent locally sponsored retirement plan, and maintains a fire department  
24           certified by the North Carolina Department of Insurance and (ii) who is actively serving in a  
25           position with assigned primary duties and responsibilities for the prevention, detection, and  
26           suppression of fire.

27          (b)    Every firefighter who qualifies under this section shall receive an annual separation  
28           allowance beginning in the month in which the firefighter retires on a basic service retirement  
29           under the provisions of G.S. 128-27(a) or a locally sponsored retirement plan. The annual  
30           separation allowance shall be equal to eighty-five hundredths percent (0.85%) of the annual  
31           equivalent of the base rate of compensation most recently applicable to the firefighter for each  
32           year of creditable service. The allowance shall be paid in equal installments on the payroll  
33           frequency used by the employer. To qualify for the allowance, the firefighter shall meet all of the  
34           following criteria:

35           (1)    The firefighter has either (i) completed 30 or more years of creditable service or  
36                (ii) attained 60 years of age and completed 25 or more years of creditable  
37                service.

38           (2)    The firefighter has not attained 62 years of age.

39           (3)    The firefighter has completed at least five years of continuous service rendered  
40                on or after July 1, 2017, as a firefighter immediately preceding a service  
41                retirement. Any break in the continuous service required by this subdivision  
42                because of disability retirement or disability salary continuation benefits shall  
43                not adversely affect a firefighter's qualification to receive the allowance,  
44                provided the firefighter returns to service within 45 days after the disability  
45                benefits cease and is otherwise qualified to receive the allowance.

46          (c)    As used in this section, "creditable service" means the service for which credit is  
47           allowed under the retirement system of which the firefighter is a member, provided that at least  
48           fifty percent (50%) of the service is as a firefighter.

49          (d)    Payment to a retired firefighter under the provisions of this section shall cease upon the  
50           earlier of following:

51           (1)    The death of the firefighter.

1           (2)    The last day of the month in which the firefighter attains 62 years of age.

2           (3)    The first day of reemployment by a local government employer in any capacity.

3       Notwithstanding the provisions of subdivision (3) of this subsection, a local government  
4 employer may employ retired firefighters in a public safety position in a capacity not requiring  
5 participation in the Local Governmental Employees' Retirement System or an equivalent locally  
6 sponsored retirement plan, and doing so shall not cause payment to cease to those firefighters  
7 under the provisions of this section.

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

12       (f)    The governing body of each local employer shall determine the eligibility of  
13 employees for the benefits provided under this section.

14       (g)    The governing body of each local employer shall make the payments set forth in  
15 subsection (b) of this section to those persons certified under subsection (f) of this section from  
16 funds available."

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