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SESSION 2017

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HOUSE BILL 340  
Committee Substitute Favorable 3/29/17  
Third Edition Engrossed 4/6/17

Short Title: Special Separation Allowance Firefighters/RSW.

(Public)

Sponsors:

Referred to:

March 15, 2017

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

4 The General Assembly of North Carolina enacts:

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

7 "Article 12I.

8 "Special Separation Allowances for State and Local Firefighters and Rescue Squad Workers.

9 **"§ 143-166.90. Special separation allowances for State firefighters and rescue squad  
10 workers.**

11 (a) The following definitions apply in this section:

12 (1) "Creditable service" means the service for which credit is allowed under the  
13 retirement system of which the firefighter or rescue squad worker is a  
14 member, provided that at least fifty percent (50%) of the service is as a  
15 firefighter or rescue squad worker.

16 (2) "Firefighter" shall mean a full-time paid employee of any State department,  
17 agency, or institution actively serving in a position with assigned primary  
18 duties and responsibilities for the prevention, detection, and suppression of  
19 fire.

20 (3) "Rescue squad worker" shall mean a full-time paid employee of any State  
21 department, agency, or institution who meets the definition of "emergency  
22 medical services personnel" under G.S. 131E-155.

23 (b) Every firefighter or rescue squad worker who qualifies under this section shall  
24 receive, beginning in the month in which the firefighter or rescue squad worker retires on a  
25 basic service retirement under the provisions of G.S. 135-5(a), an annual separation allowance  
26 equal to eighty-five hundredths percent (0.85%) of the annual equivalent of the base rate of  
27 compensation most recently applicable to the firefighter or rescue squad worker for each year  
28 of creditable service. The allowance shall be paid in equal installments on the payroll frequency  
29 used by the employer. To qualify for the allowance, the firefighter or rescue squad worker shall  
30 meet all of the following criteria:

31 (1) The firefighter or rescue squad worker has either (i) completed 30 or more  
32 years of creditable service or (ii) attained 60 years of age and completed 25  
33 or more years of creditable service.

34 (2) The firefighter or rescue squad worker has not attained 62 years of age.



1           (3)    The firefighter or rescue squad worker has completed at least five years of  
2           continuous service, rendered on or after July 1, 2017, as a firefighter or  
3           rescue squad worker immediately preceding a service retirement. Any break  
4           in the continuous service required by this subdivision because of disability  
5           retirement or disability salary continuation benefits shall not adversely affect  
6           a firefighter's or rescue squad worker's qualification to receive the  
7           allowance, provided the firefighter or rescue squad worker returns to service  
8           within 45 days after the disability benefits cease and is otherwise qualified to  
9           receive the allowance.

10          (c)    Payment to a retired firefighter or rescue squad worker under the provisions of this  
11          section shall cease upon the earlier of following:

12           (1)    The death of the firefighter or rescue squad worker.

13           (2)    The last day of the month in which the firefighter or rescue squad worker  
14           attains 62 years of age.

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

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

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

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

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

33          **§ 143-166.92. Special separation allowances for local firefighters and rescue squad**  
34          **workers.**

35          (a)    The following definitions apply in this section:

36           (1)    "Creditable service" means the service for which credit is allowed under the  
37           retirement system of which the firefighter or rescue squad worker is a  
38           member, provided that at least fifty percent (50%) of the service is as a  
39           firefighter or rescue squad worker.

40           (2)    "Firefighter" means a person (i) who is a full-time paid employee of an  
41           employer that participates in the Local Governmental Employees'  
42           Retirement System, or an equivalent locally sponsored retirement plan, and  
43           maintains a fire department certified by the North Carolina Department of  
44           Insurance or a County Fire Marshal's Office and (ii) who is actively serving  
45           in a position with assigned primary duties and responsibilities for the  
46           prevention, detection, and suppression of fire.

47           (3)    "Rescue squad worker" means a person (i) who is a full-time paid employee  
48           of an employer that participates in the Local Governmental Employees'  
49           Retirement System and maintains a rescue squad or emergency medical  
50           services team certified by the North Carolina Department of Insurance or the  
51           Department of Health and Human Services and (ii) who is actively serving

1 in a position with assigned primary duties and responsibilities for the  
2 alleviation of human suffering and assistance to persons who are in  
3 difficulty, who are injured, or who become suddenly ill, by providing proper  
4 and efficient care or emergency medical services.

5 (b) Every firefighter or rescue squad worker who qualifies under this section shall  
6 receive an annual separation allowance beginning in the month in which the firefighter or  
7 rescue squad worker retires on a basic service retirement under the provisions of G.S. 128-27(a)  
8 or a locally sponsored retirement plan. The annual separation allowance shall be equal to  
9 eighty-five hundredths percent (0.85%) of the annual equivalent of the base rate of  
10 compensation most recently applicable to the firefighter or rescue squad worker for each year  
11 of creditable service. The allowance shall be paid in equal installments on the payroll frequency  
12 used by the employer. To qualify for the allowance, the firefighter or rescue squad worker shall  
13 meet all of the following criteria:

14 (1) The firefighter or rescue squad worker has either (i) completed 30 or more  
15 years of creditable service or (ii) attained 60 years of age and completed 25  
16 or more years of creditable service.

17 (2) The firefighter or rescue squad worker has not attained 62 years of age.

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

27 (c) Payment to a retired firefighter or rescue squad worker under the provisions of this  
28 section shall cease upon the earlier of following:

29 (1) The death of the firefighter or rescue squad worker.

30 (2) The last day of the month in which the firefighter or rescue squad worker  
31 attains 62 years of age.

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

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

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

44 (e) The governing body of each local employer shall determine the eligibility of  
45 employees for the benefits provided under this section.

46 (f) The governing body of each local employer shall make the payments set forth in  
47 subsection (b) of this section to those persons certified under subsection (e) of this section from  
48 funds available."

49 **SECTION 2.** This act is effective when it becomes law and applies to firefighters  
50 and rescue squad workers retiring on or after July 1, 2022, with at least five years of continuous  
51 service that was rendered on or after July 1, 2017.