

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2021

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HOUSE BILL 406
Committee Substitute Favorable 4/13/21
Third Edition Engrossed 4/28/21
Senate Pensions and Retirement and Aging Committee Substitute Adopted 11/29/21

Short Title: Spec. Sep. Allowance/Certain 25-Yr LEOs. (Local)

Sponsors:

Referred to:

March 29, 2021

1 A BILL TO BE ENTITLED
2 AN ACT PROVIDING A SPECIAL SEPARATION ALLOWANCE FOR CERTAIN
3 CLEVELAND, RUTHERFORD, AND MOORE COUNTY LAW ENFORCEMENT
4 OFFICERS WHO ATTAIN TWENTY-FIVE YEARS OF SERVICE.

5 The General Assembly of North Carolina enacts:

6 **SECTION 1.(a)** The following definitions apply in this section:

- 7 (1) Creditable service. – The service for which credit is allowed under the
8 retirement system of which the officer is a member, provided that at least fifty
9 percent (50%) of the service is as a law enforcement officer.
10 (2) Law enforcement officer. – As defined by G.S. 128-21(11d) or
11 G.S. 143-166.50(a)(3).

12 **SECTION 1.(b)** On and after January 1, 2022, and notwithstanding any other
13 provision of law to the contrary, every sworn law enforcement officer who is employed by
14 Cleveland, Rutherford, or Moore Counties and qualifies under subsection (c) of this section shall
15 receive, beginning in the month in which the officer retires on a basic service retirement under
16 the provisions of G.S. 128-27(a), an annual separation allowance according to the following:

- 17 (1) Upon completion of 25 years of service, an amount equal to seven hundred
18 twenty-five thousandths percent (0.725%) of the annual equivalent of the base
19 rate of compensation most recently applicable to the officer for each year of
20 creditable service.
21 (2) Upon completion of 26 years of service, an amount equal to seven hundred
22 fifty thousandths percent (0.750%) of the annual equivalent of the base rate of
23 compensation most recently applicable to the officer for each year of
24 creditable service.
25 (3) Upon completion of 27 years of service, an amount equal to seven hundred
26 seventy-five thousandths percent (0.775%) of the annual equivalent of the
27 base rate of compensation most recently applicable to the officer for each year
28 of creditable service.
29 (4) Upon completion of 28 years of service, an amount equal to eight hundred
30 thousandths percent (0.800%) of the annual equivalent of the base rate of
31 compensation most recently applicable to the officer for each year of
32 creditable service.
33 (5) Upon completion of 29 years of service, an amount equal to eight hundred
34 twenty-five thousandths percent (0.825%) of the annual equivalent of the base



1 rate of compensation most recently applicable to the officer for each year of
2 creditable service.

- 3 (6) Upon completion of 30 years of service, an amount equal to eight hundred
4 fifty thousandths percent (0.850%) of the annual equivalent of the base rate of
5 compensation most recently applicable to the officer for each year of
6 creditable service.

7 The allowance authorized by this section shall be paid in equal installments on the
8 payroll frequency used by the employer.

9 **SECTION 1.(c)** In order to qualify for the allowance, the officer shall meet all of the
10 following criteria:

- 11 (1) Has completed 25 or more years of creditable service.
12 (2) Has not attained 62 years of age.
13 (3) Has completed at least 10 years of continuous service as a law enforcement
14 officer for either Cleveland, Rutherford, or Moore Counties immediately
15 preceding a service retirement. Any break in the continuous service required
16 by this subdivision because of disability retirement or disability salary
17 continuation benefits shall not adversely affect an officer's qualification to
18 receive the allowance, provided the officer returns to service within 45 days
19 after the disability benefits cease and is otherwise qualified to receive the
20 allowance.
21 (4) Is not a recipient of the special separation allowance provided under
22 G.S. 143-166.41 or G.S. 143-166.42.

23 **SECTION 1.(d)** Payment to a retired officer under the provisions of this section shall
24 cease at the earlier of the following:

- 25 (1) The death of the officer.
26 (2) The last day of the month in which the officer attains 62 years of age.
27 (3) The first day of reemployment by a local government employer in any
28 capacity.

29 **SECTION 1.(e)** Notwithstanding the provisions of subdivision (3) of subsection (d)
30 of this section, payments to a retired officer shall not cease when a local government employer
31 employs a retired officer for any of the following:

- 32 (1) In a public safety position in a capacity not requiring participation in the Local
33 Governmental Employees' Retirement System.
34 (2) In service to a county board of elections on an election day in a capacity that
35 complies with G.S. 128-21(19) and does not result in cessation or suspension
36 of the retiree's benefit from the Local Government Employees' Retirement
37 System.

38 **SECTION 1.(f)** This section does not affect the benefits to which an individual may
39 be entitled from State, local, federal, or private retirement systems. The benefits payable under
40 this section shall not be subject to any increases in salary or retirement allowances that may be
41 authorized by local government employers or for retired employees of local governments.

42 **SECTION 1.(g)** The governing bodies of Cleveland, Rutherford, and Moore
43 Counties shall determine the eligibility of employees for the benefits provided in this section.

44 **SECTION 1.(h)** The governing bodies of Cleveland, Rutherford, and Moore
45 Counties shall make the payments set forth in subsection (b) of this section to those individuals
46 determined to be eligible under subsections (c) and (g) of this section from funds available.

47 **SECTION 2.** This act applies only to Cleveland, Rutherford, and Moore Counties.

48 **SECTION 3.** This act becomes effective January 1, 2022, and applies prospectively
49 to eligibility determinations made by the governing bodies of Cleveland, Rutherford, and Moore
50 Counties on or after that date.