

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2021

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HOUSE BILL 944

Short Title: Firefighter & RSW Sep. Allowance & Trust Fund. (Public)

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

Referred to: Appropriations, if favorable, Rules, Calendar, and Operations of the House

May 12, 2021

1 A BILL TO BE ENTITLED
2 AN ACT CREATING A SPECIAL SEPARATION ALLOWANCE FOR STATE AND LOCAL
3 FIREFIGHTERS AND RESCUE SQUAD WORKERS AND ESTABLISHING A TRUST
4 FUND WITHIN THE DEPARTMENT OF STATE TREASURER TO COVER THE COST
5 OF THESE SEPARATION ALLOWANCES.

6 The General Assembly of North Carolina enacts:

7 **SECTION 1.(a)** Chapter 143 of the General Statutes is amended by adding a new
8 Article to read:

9 "Article 12I.

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

11 "**§ 143-166.90. Special separation allowances for State firefighters and rescue squad**
12 **workers.**

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

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

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

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

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

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

35 (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, 2021, as a firefighter or rescue
3 squad worker immediately preceding a service retirement. Any break in the
4 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 allowance,
7 provided the firefighter or rescue squad worker returns to service within 45
8 days after the disability benefits cease and is otherwise qualified to receive the
9 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 the 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 institution,
16 except that this subdivision does not apply to a firefighter or rescue squad
17 worker returning to State employment in a position exempt from the North
18 Carolina Human Resources Act in an agency other than the agency from
19 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 Retirement System shall determine the eligibility of employees for the benefits
25 provided under this section.

26 **§ 143-166.92. Special separation allowances for local firefighters and rescue squad**
27 **workers.**

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

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

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

40 (3) "Rescue squad worker" means a person (i) who is a full-time paid employee
41 of an employer that participates in the Local Governmental Employees'
42 Retirement System and maintains a rescue squad or emergency medical
43 services team certified by the North Carolina Department of Insurance or the
44 Department of Health and Human Services and (ii) who is actively serving in
45 a position with assigned primary duties and responsibilities for the alleviation
46 of human suffering and assistance to persons who are in difficulty, who are
47 injured, or who become suddenly ill by providing proper and efficient care or
48 emergency medical services.

49 (b) Every firefighter or rescue squad worker who qualifies under this section shall receive
50 an annual separation allowance beginning in the month in which the firefighter or rescue squad
51 worker retires on a basic service retirement under the provisions of G.S. 128-27(a) or a locally

1 sponsored retirement plan. The annual separation allowance shall be equal to eighty-five
2 hundredths percent (0.85%) of the annual equivalent of the base rate of compensation most
3 recently applicable to the firefighter or rescue squad worker for each year of creditable service.
4 The allowance shall be paid in equal monthly installments. To qualify for the allowance, the
5 firefighter or rescue squad worker shall meet all of the following criteria:

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

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

10 (3) The firefighter or rescue squad worker has completed at least five years of
11 continuous service, rendered on or after July 1, 2021, as a firefighter or rescue
12 squad worker immediately preceding a service retirement. Any break in the
13 continuous service required by this subdivision because of disability
14 retirement or disability salary continuation benefits shall not adversely affect
15 a firefighter's or rescue squad worker's qualification to receive the allowance,
16 provided the firefighter or rescue squad worker returns to service within 45
17 days after the disability benefits cease and is otherwise qualified to receive the
18 allowance.

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

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

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

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

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

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

35 (e) The Retirement System shall determine the eligibility of employees for the benefits
36 provided under this section."

37 **SECTION 1.(b)** This section is effective when it becomes law and applies to
38 firefighters and rescue squad workers retiring on or after July 1, 2026, with at least five years of
39 continuous service that was rendered on or after July 1, 2021.

40 **SECTION 2.(a)** Article 12I of Chapter 143 of the General Statutes, as enacted by
41 Section 1 of this act, is amended by adding a new section to read:

42 **"§ 143-166.94. Firefighters' and Rescue Squad Workers' Separation Allowance Trust**

43 **Fund.**

44 (a) There is established the Firefighters' and Rescue Squad Workers' Separation
45 Allowance Trust Fund in the Department of State Treasurer, which shall consist of State funds
46 appropriated by the General Assembly and interest and income earned by the Trust Fund. The
47 Department of State Treasurer shall use the money in the Trust Fund only to pay for the separation
48 allowances authorized by G.S. 143-166.90 and G.S. 143-166.92 and shall administer the Trust
49 Fund in a manner that ensures sufficient funds are available to make these authorized payments
50 as they become due.

1 (b) The Department of State Treasurer shall report annually on revenues and expenditures
2 of the Firefighters' and Rescue Squad Workers' Separation Allowance Trust Fund to the Joint
3 Legislative Commission on Governmental Operations."

4 **SECTION 2.(b)** There is appropriated from the General Fund to the Department of
5 State Treasurer the sum of one hundred forty-three million dollars (\$143,000,000) in
6 nonrecurring funds for the 2021-2022 fiscal year to be allocated to the Firefighters' and Rescue
7 Squad Workers' Separation Allowance Trust Fund established by G.S. 143-166.94, as enacted by
8 subsection (a) of this section.

9 **SECTION 3.** Except as otherwise provided, this act becomes effective July 1, 2021.