

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2001

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HOUSE BILL 1077

Short Title: Firefighters' and Rescue Squad Workers' Retire. (Public)

Sponsors: Representatives Arnold; Baddour and Russell.

Referred to: Pensions and Retirement.

April 11, 2001

A BILL TO BE ENTITLED

AN ACT TO PROVIDE FOR CAREER FIREFIGHTERS' AND RESCUE SQUAD  
WORKERS' BENEFITS IN THE LOCAL GOVERNMENTAL EMPLOYEES'  
RETIREMENT SYSTEM.

The General Assembly of North Carolina enacts:

**SECTION 1.** Article 12E of Chapter 143 of the General Statutes reads as  
rewritten:

"Article 12E.

"Retirement Benefits for Local Governmental Law-Enforcement ~~Officers.~~ Officers and  
Career Firefighters and Rescue Squad Workers.

**"§ 143-166.50. Retirement benefits for local governmental law-enforcement  
~~officers.~~ officers and career firefighters and rescue squad workers.**

(a) Definitions. – The following words and phrases as used in this Article, unless  
a different meaning is plainly required by the context, have the following meaning:

(1) "Beneficiary" means any person in receipt of a retirement allowance or  
other benefit from a Retirement System.

(1a) "Career firefighter" means a person (i) who is a full-time paid  
employee of an employer that participates in the Local Governmental  
Employees' Retirement System and maintains a fire department  
certified by the North Carolina Department of Insurance, and (ii) who  
is actively serving in a position with assigned primary duties and  
responsibilities for the prevention, detection, and suppression of fire.

(1b) "Career rescue squad worker" means a person (i) who is a full-time  
paid employee of an employer that participates in the Local  
Governmental Employees' Retirement System and maintains a rescue  
squad or emergency medical services team certified by the North  
Carolina Department of Insurance, and (ii) who is actively serving in a  
position with assigned primary duties and responsibilities for the

1 alleviation of human suffering and assistance to persons who are in  
2 difficulty, who are injured, or who become suddenly ill, by providing  
3 proper and efficient care or emergency medical services.

4 (2) "Employer" means a county, city, town or other political subdivision  
5 of the State.

6 (3) "Law-enforcement officer" means a full-time paid employee of an  
7 employer, who possesses the power of arrest, who has taken the law  
8 enforcement oath administered under the authority of the State as  
9 prescribed by G.S. 11-11, and who is certified as a law enforcement  
10 officer under the provisions of Chapter 17C of the General Statutes or  
11 certified as a deputy sheriff under the provisions of Chapter 17E of the  
12 General Statutes. "Law enforcement officer" also means the sheriff of  
13 the county. The number of paid personnel employed as law  
14 enforcement officers by a law enforcement agency may not exceed the  
15 number of law enforcement positions approved by the applicable local  
16 governing board.

17 (4) "Law-Enforcement Officers' Retirement System" means the system  
18 provided for under Article 12 of Chapter 143 of the General Statutes,  
19 as it existed prior to January 1, 1986.

20 (5) "Local Governmental Employees' Retirement System" means the  
21 Local Governmental Employees' Retirement System of North Carolina  
22 provided for under Article 3 of Chapter 128 of the General Statutes.

23 (6) "Member" means an ~~officer~~ officer, firefighter, or rescue squad worker  
24 included in the membership of a retirement system, including former  
25 officers officers, firefighters, or rescue squad workers no longer  
26 employed who also elected to leave their accumulated contributions on  
27 deposit with a Retirement System.

28 (7) "Officer" means a "law-enforcement officer."

29 (8) "State" means the State of North Carolina.

30 (b) Basic Retirement System. – On and after January 1, 1986, law-enforcement  
31 officers employed by an employer shall be members of the Local Government  
32 Employees' Retirement System, and beneficiaries who were last employed as officers  
33 by an employer, or who are surviving beneficiaries of officers last employed by an  
34 employer, are beneficiaries of the Local Governmental Employees' Retirement System  
35 and paid in benefit amounts then in effect. All members of the Law-Enforcement  
36 Officers' Retirement System last employed and paid by an employer are members of the  
37 Local Retirement System.

38 (c) Rights. – Notwithstanding any other provisions of law, any accrued or  
39 inchoate rights of a member of the Law-Enforcement Officers' Retirement System as of  
40 his transfer to the Local Governmental Employees' Retirement System on January 1,  
41 1986, including the rights to a vested deferred retirement allowance and to commence  
42 retirement at certain ages with required years of service as a law-enforcement officer,  
43 may in no way be diminished; provided, however, in no event may a member

1 commence retirement and continue membership service with the same Retirement  
2 System after January 1, 1986.

3 (d) Court Cost Receipts. – Of the sum derived from the cost of court provided for  
4 in G.S. 7A-304(a)(3), the amount designated for this Article, except for the amount  
5 designated for the provisions of G.S. 143-166.50(e), shall be paid over to the pension  
6 accumulation fund of the Local Governmental Employees' Retirement System and shall  
7 offset, to the extent of these receipts, the employers' normal contribution rate required in  
8 G.S. 128-30(d)(2) as it pertains to law enforcement officers.

9 (e) Supplemental Retirement Income Plan for Local Governmental  
10 Law-Enforcement Officers. – As of January 1, 1986, all law-enforcement officers  
11 employed by a local government employer, are participating members of the  
12 Supplemental Retirement Income Plan as provided by Article 5 of Chapter 135 of the  
13 General Statutes. In addition to the contributions transferred from the Law-Enforcement  
14 Officers' Retirement System, participants may make voluntary contributions to the  
15 Supplemental Retirement Income Plan to be credited to the designated individual  
16 accounts of participants; provided, in no instance shall the total contributions by a  
17 participant exceed ten percent (10%) of a participant's compensation within any  
18 calendar year. From July 1, 1987, until July 1, 1988, local government employers of law  
19 enforcement officers shall contribute an amount equal to at least two percent (2%) of  
20 participating local officers' monthly compensation to the Supplemental Retirement  
21 Income Plan to be credited to the designated individual accounts of participating local  
22 officers; and on and after July 1, 1988, local government employers of law enforcement  
23 officers shall contribute an amount equal to five percent (5%) of participating local  
24 officers' monthly compensation to the Supplemental Retirement Income Plan to be  
25 credited to the designated individual accounts of participating local officers.

26 Additional contributions shall also be made to the individual accounts of all  
27 participants in the Plan, except for Sheriffs, on a per capita equal-share basis from the  
28 sum of one dollar and twenty-five cents (\$1.25) for each cost of court collected under  
29 G.S. 7A-304.

30 (e1) Rights of Participants under the Uniformed Services Employment and  
31 Reemployment Rights Act. – A participant whose employment is interrupted by reason  
32 of service in the Uniformed Services, as that term is defined in section 4303(16) of the  
33 Uniformed Services Employment and Reemployment Rights Act, Public Law 103-353,  
34 hereafter referred to as "USERRA", shall be entitled to all rights and benefits that the  
35 participant would have been entitled to under this section had the participant's  
36 employment not been interrupted, provided that the participant returns to service as a  
37 law enforcement officer while the participant's reemployment rights are protected under  
38 the provisions of USERRA.

39 (e2) Supplemental Retirement Income Plan for Full-Time Local Career Firefighters  
40 and Rescue Squad Workers. – As of January 1, 2002, all career firefighters and career  
41 rescue squad workers employed by a local government employer are participating  
42 members of the Supplemental Retirement Income Plan as provided by Article 5 of  
43 Chapter 135 of the General Statutes. Participants may make voluntary contributions to  
44 the Supplemental Retirement Income Plan to be credited to the designated individual

1 accounts of participants; however, in no instance shall the total contributions by a  
2 participant exceed ten percent (10%) of a participant's compensation within any  
3 calendar year. On and after January 1, 2002, local government employers of career  
4 firefighters or career rescue squad workers shall contribute an amount equal to five  
5 percent (5%) of participating firefighters' or rescue squad workers' monthly  
6 compensation to the Supplemental Retirement Income Plan to be credited to the  
7 designated individual accounts of participating firefighters or rescue squad workers."

8 **SECTION 2.** G.S. 128-21 is amended by adding two new subdivisions to  
9 read:

10 "(17a) "Career firefighter" means a person (i) who is a full-time paid  
11 employee of an employer that participates in the Local Governmental  
12 Employees' Retirement System and maintains a fire department  
13 certified by the North Carolina Department of Insurance, and (ii) who  
14 is actively serving in a position with assigned primary duties and  
15 responsibilities for the prevention, detection, and suppression of fire.

16 (17b) "Career rescue squad worker" means a person (i) who is a full-time  
17 paid employee of an employer that participates in the Local  
18 Governmental Employees' Retirement System and maintains a rescue  
19 squad or emergency medical services team certified by the North  
20 Carolina Department of Insurance, and (ii) who is actively serving in a  
21 position with assigned primary duties and responsibilities for the  
22 alleviation of human suffering and assistance to persons who are in  
23 difficulty, who are injured, or who become suddenly ill, by providing  
24 proper and efficient care or emergency medical services."

25 **SECTION 3.** G.S. 128-24(5) reads as rewritten:

26 "(5) The provisions of this subdivision (5) shall apply to any member  
27 whose membership is terminated on or after July 1, 1965, and who  
28 becomes entitled to benefits hereunder in accordance with the  
29 provisions hereof.

30 a. Notwithstanding any other provision of this Chapter, any  
31 member who separates from service prior to the attainment of  
32 the age of 60 years for any reason other than death or retirement  
33 for disability as provided in G.S. 128-27(c), after completing 15  
34 or more years of creditable service, and who leaves his total  
35 accumulated contributions in said System shall have the right to  
36 retire on a deferred retirement allowance upon attaining the age  
37 of 60 years; provided that such member may retire only upon  
38 written application to the Board of Trustees setting forth at what  
39 time, not less than one day nor more than 90 days subsequent to  
40 the execution and filing thereof, he desires to be retired; and  
41 further provided that in the case of a member who so separates  
42 from service on or after July 1, 1967, the aforesated  
43 requirement of 15 or more years of creditable service shall be  
44 reduced to 12 or more years of creditable service; and further

1 provided that in the case of a member who so separates from  
 2 service on or after July 1, 1971, or whose account is active on  
 3 July 1, 1971, the aforesated requirement of 12 or more years of  
 4 creditable service shall be reduced to five or more years of  
 5 creditable service. Such deferred retirement allowance shall be  
 6 computed in accordance with the service retirement provisions  
 7 of this Article pertaining to a member who is not a law  
 8 enforcement officer or eligible former law enforcement officer.

9 b. In lieu of the benefits provided in paragraph a of this  
 10 subdivision, any member who separates from service prior to  
 11 the attainment of the age of 60 years, for any reason other than  
 12 death or retirement for disability as provided in G.S. 128-27(c),  
 13 after completing 20 or more years of creditable service, and  
 14 who leaves his total accumulated contributions in said System  
 15 may elect to retire on an early retirement allowance upon  
 16 attaining the age of 50 years or at any time thereafter; provided  
 17 that such member may so retire only upon written application to  
 18 the Board of Trustees setting forth at what time, not less than  
 19 one day nor more than 90 days subsequent to the execution and  
 20 filing thereof, he desires to be retired. Such early retirement  
 21 allowance so elected shall be equal to the deferred retirement  
 22 allowance otherwise payable at the attainment of the age of 60  
 23 years reduced by the percentage thereof indicated below.

Age at Retirement	Percentage Reduction
59	7
58	14
57	20
56	25
55	30
54	35
53	39
52	43
51	46
50	50

36 b1. In lieu of the benefits provided in paragraphs a and b of this  
 37 subdivision, any member who is a law enforcement ~~officer~~  
 38 officer, career firefighter, or career rescue squad worker at the  
 39 time of separation from service prior to the attainment of the  
 40 age of 50 years, for any reason other than death or disability as  
 41 provided in this Article, after completing 15 or more years of  
 42 creditable service in this capacity immediately prior to  
 43 separation from service, and who leaves his total accumulated  
 44 contributions in this System, may elect to retire on a deferred

1 early retirement allowance upon attaining the age of 50 years or  
2 at any time thereafter; provided, that the member may  
3 commence retirement only upon written application to the  
4 Board of Trustees setting forth at what time, as of the first day  
5 of a calendar month, not less than one day nor more than 90  
6 days subsequent to the execution and filing thereof, he desires  
7 to commence retirement. The deferred early retirement  
8 allowance shall be computed in accordance with the service  
9 retirement provisions of this Article pertaining to law  
10 enforcement ~~officers.~~ officers, career firefighters, or career  
11 rescue squad workers.

12 b2. In lieu of the benefits provided in paragraphs a and b of this  
13 subdivision, any member who is a law enforcement officer at  
14 the time of separation from service prior to the attainment of the  
15 age of 55 years, for any reason other than death or disability as  
16 provided in this Article, after completing five or more years of  
17 creditable service in this capacity immediately prior to  
18 separation from service, and who leaves his total accumulated  
19 contributions in this System may elect to retire on a deferred  
20 service retirement allowance upon attaining the age of 55 years  
21 or at any time thereafter; provided, that the member may  
22 commence retirement only upon written application to the  
23 Board of Trustees setting forth at what time, as of the first day  
24 of a calendar month not less than one day nor more than 90  
25 days subsequent to the execution and filing thereof, he desires  
26 to commence retirement. The deferred service retirement  
27 allowance shall be computed in accordance with the service  
28 retirement provisions of this Article pertaining to law  
29 enforcement ~~officers.~~ officers, career firefighters, or career  
30 rescue squad workers.

31 b3. Deferred retirement allowance of members retiring on or after  
32 July 1, 1995. – In lieu of the benefits provided in paragraphs a.  
33 and b. of this subdivision, any member who separates from  
34 service prior to attainment of age 60 years, after completing 20  
35 or more years of creditable service, and who leaves his total  
36 accumulated contributions in said System, may elect to retire on  
37 a deferred retirement allowance upon attaining the age of 50  
38 years or any time thereafter; provided that such member may so  
39 retire only upon written application to the Board of Trustees  
40 setting forth at what time, not less than one day nor more than  
41 90 days subsequent to the execution and filing thereof, he  
42 desires to be retired. Such deferred retirement allowance shall  
43 be computed in accordance with the service retirement  
44 provisions of this Article pertaining to a member who is not a

1 law enforcement ~~officer or~~ officer, an eligible former law  
2 enforcement ~~officer~~ officer, a career firefighter, an eligible  
3 former career firefighter, a career rescue squad worker, or an  
4 eligible former career rescue squad worker.

5 c. Should a beneficiary who retired on an early or service  
6 retirement allowance be reemployed, or otherwise engaged to  
7 perform services, by an employer participating in the  
8 Retirement System on a part-time, temporary, interim, or on  
9 fee-for-service basis, whether contractual or otherwise, and if  
10 such beneficiary earns an amount in any calendar year which  
11 exceeds fifty percent (50%) of the reported compensation,  
12 excluding terminal payments, during the 12 months of service  
13 preceding the effective date of retirement, or twenty thousand  
14 dollars (\$20,000), whichever is greater, as hereinafter indexed,  
15 then the retirement allowance shall be suspended as of the first  
16 day of the month following the month in which the  
17 reemployment earnings exceed the amount above, for the  
18 balance of the calendar year. The retirement allowance of the  
19 beneficiary shall be reinstated as of January 1 of each year  
20 following suspension. The amount that may be earned before  
21 suspension shall be increased on January 1 of each year by the  
22 ratio of the Consumer Price Index to the Index one year earlier,  
23 calculated to the nearest tenth of a percent (1/10 of 1%).

24 d. Should a beneficiary who retired on an early or service  
25 retirement allowance be restored to service as an employee,  
26 then the retirement allowance shall cease as of the first day of  
27 the month following the month in which the beneficiary is  
28 restored to service and the beneficiary shall become a member  
29 of the Retirement System and shall contribute thereafter as  
30 allowed by law at the uniform contribution payable by all  
31 members.

32 Upon his subsequent retirement, he shall be paid a  
33 retirement allowance determined as follows:

34 1. For a member who earns at least three years' membership  
35 service after restoration to service, the retirement  
36 allowance shall be computed on the basis of his  
37 compensation and service before and after the period of  
38 prior retirement without restriction; provided, that if the  
39 prior allowance was based on a social security leveling  
40 payment option, the allowance shall be adjusted  
41 actuarially for the difference between the amount  
42 received under the optional payment and what would  
43 have been paid if the retirement allowance had been paid  
44 without optional modification.

- 1                                   2. For a member who does not earn three years'  
2 membership service after restoration to service, the  
3 retirement allowance shall be equal to the sum of the  
4 retirement allowance to which he would have been  
5 entitled had he not been restored to service, without  
6 modification of the election of an optional allowance  
7 previously made, and the retirement allowance that  
8 results from service earned since being restored to  
9 service; provided, that if the prior retirement allowance  
10 was based on a social security leveling payment option,  
11 the prior allowance shall be adjusted actuarially for the  
12 difference between the amount that would have been  
13 paid for each month had the payment not been suspended  
14 and what would have been paid if the retirement  
15 allowance had been paid without optional modification."

16 **SECTION 4.** G.S. 128-27(a) reads as rewritten:

17 "(a) Service Retirement Benefits. –

- 18 (1) Any member may retire upon written application to the Board of  
19 Trustees setting forth at what time, as of the first day of a calendar  
20 month, not less than one day nor more than 90 days subsequent to the  
21 execution and filing thereof, he desires to be retired: Provided, that the  
22 said member at the time so specified for his retirement shall have  
23 attained the age of 60 years and have at least five years of creditable  
24 service or shall have completed 30 years of creditable service, or if a  
25 ~~fireman, he~~ career firefighter or career rescue squad worker, the  
26 member shall have attained the age of 55 years and have at least five  
27 years of creditable service.
- 28 (2) Repealed by Session Laws 1983 (Regular Session, 1984), c. 1019, s. 1.
- 29 (3) Repealed by Session Laws 1971, c. 325, s. 12.
- 30 (4) Any member who was in service October 8, 1981, who had attained 60  
31 years of age, may retire upon written application to the Board of  
32 Trustees setting forth at what time, as of the first day of a calendar  
33 month, not less than one day nor more than 90 days subsequent to the  
34 execution and filing thereof, he desires to be retired.
- 35 (5) Any member who is a law enforcement ~~officer,~~ officer, career  
36 firefighter, or career rescue squad worker and who attains age 50 and  
37 completes 15 or more years of creditable service in this capacity or  
38 who attains age 55 and completes five or more years of creditable  
39 service in this capacity, may retire upon written application to the  
40 Board of Trustees setting forth at what time, as of the first day of a  
41 calendar month, not less than one day nor more than 90 days  
42 subsequent to the execution and filing thereof, ~~he~~ the member desires  
43 to be retired; provided, also, any member who has met the conditions  
44 required by this ~~subdivision~~ section but does not retire, and later



1 becomes an employee other than as a law enforcement ~~officer~~, officer,  
2 career firefighter, or career rescue squad worker continues to have the  
3 right to commence retirement."

4 **SECTION 5.** G.S. 128-27(b18) reads as rewritten:

5 "(b18) Service Retirement Allowance of Member Retiring on or After July 1,  
6 ~~2000-2000, but Before January 1, 2002.~~ – Upon retirement from service in accordance  
7 with subsection (a) or (a1) above, on or after July 1, 2000, but before January 1, 2002, a  
8 member shall receive the following service retirement allowance:

9 (1) A member who is a law enforcement officer or an eligible former law  
10 enforcement officer shall receive a service retirement allowance  
11 computed as follows:

12 a. If the member's service retirement date occurs on or after his  
13 55th birthday and completion of five years of creditable service  
14 as a law enforcement officer, or after the completion of 30 years  
15 of creditable service, the allowance shall be equal to one and  
16 seventy-eight hundredths percent (1.78%) of his average final  
17 compensation, multiplied by the number of years of his  
18 creditable service.

19 b. If the member's service retirement date occurs on or after his  
20 50th birthday and before his 55th birthday with 15 or more  
21 years of creditable service as a law enforcement officer and  
22 prior to the completion of 30 years of creditable service, his  
23 retirement allowance shall be equal to the greater of:

24 1. The service retirement allowance payable under G.S.  
25 128-27(b18)(1)a. reduced by one-third of one percent  
26 (1/3 of 1%) thereof for each month by which his  
27 retirement date precedes the first day of the month  
28 coincident with or next following the month the member  
29 would have attained his 55th birthday; or

30 2. The service retirement allowance as computed under  
31 G.S. 128-27(b18)(1)a. reduced by five percent (5%)  
32 times the difference between 30 years and his creditable  
33 service at retirement.

34 (2) A member who is not a law enforcement officer or an eligible former  
35 law enforcement officer shall receive a service retirement allowance  
36 computed as follows:

37 a. If the member's service retirement date occurs on or after his  
38 65th birthday upon the completion of five years of creditable  
39 service or after the completion of 30 years of creditable service  
40 or on or after his 60th birthday upon the completion of 25 years  
41 of creditable service, the allowance shall be equal to one and  
42 seventy-eight hundredths percent (1.78%) of average final  
43 compensation, multiplied by the number of years of creditable  
44 service.

- 1           b.    If the member's service retirement date occurs after his 60th  
2            birthday and before his 65th birthday and prior to his  
3            completion of 25 years or more of creditable service, his  
4            retirement allowance shall be computed as in G.S.  
5            128-27(b18)(2)a. but shall be reduced by one-quarter of one  
6            percent (1/4 of 1%) thereof for each month by which his  
7            retirement date precedes the first day of the month coincident  
8            with or next following his 65th birthday.
- 9           c.    If the member's early service retirement date occurs on or after  
10           his 50th birthday and before his 60th birthday and after  
11           completion of 20 years of creditable service but prior to the  
12           completion of 30 years of creditable service, his early service  
13           retirement allowance shall be equal to the greater of:
- 14           1.    The service retirement allowance as computed under  
15            G.S. 128-27(b18)(2)a. but reduced by the sum of  
16            five-twelfths of one percent (5/12 of 1%) thereof for  
17            each month by which his retirement date precedes the  
18            first day of the month coincident with or next following  
19            the month the member would have attained his 60th  
20            birthday, plus one-quarter of one percent (1/4 of 1%)  
21            thereof for each month by which his 60th birthday  
22            precedes the first day of the month coincident with or  
23            next following his 65th birthday; or
- 24           2.    The service retirement allowance as computed under  
25            G.S. 128-27(b18)(2)a. reduced by five percent (5%)  
26            times the difference between 30 years and his creditable  
27            service at retirement; or
- 28           3.    If the member's creditable service commenced prior to  
29            July 1, 1995, the service retirement allowance equal to  
30            the actuarial equivalent of the allowance payable at the  
31            age of 60 years as computed in G.S. 128-27(b18)(2)b.
- 32           d.    Notwithstanding the foregoing provisions, any member whose  
33            creditable service commenced prior to July 1, 1965, shall not  
34            receive less than the benefit provided by G.S. 128-27(b)."

35           **SECTION 6.** G.S. 128-27 is amended by adding a new subsection to read:

36           "(b19) Service Retirement Allowance of Member Retiring on or After January 1,  
37           2002. – Upon retirement from service in accordance with subsection (a) or (a1) above,  
38           on or after January 1, 2002, a member shall receive the following service retirement  
39           allowance:

- 40           (1)   A member who is a law enforcement officer, an eligible former law  
41           enforcement officer, a career firefighter, an eligible former career  
42           firefighter, a career rescue squad worker, or an eligible former career  
43           rescue squad worker shall receive a service retirement allowance  
44           computed as follows:

- 1           a.    If the member's service retirement date occurs on or after his  
2                55th birthday and completion of five years of creditable service  
3                as a law enforcement officer, career firefighter, or career rescue  
4                squad worker, or after the completion of 30 years of creditable  
5                service, the allowance shall be equal to one and seventy-eight  
6                hundredths percent (1.78%) of his average final compensation,  
7                multiplied by the number of years of his creditable service.
- 8           b.    If the member's service retirement date occurs on or after his  
9                50th birthday and before his 55th birthday with 15 or more  
10              years of creditable service as a law enforcement officer, career  
11              firefighter, or career rescue squad worker and prior to the  
12              completion of 30 years of creditable service, his retirement  
13              allowance shall be equal to the greater of:
- 14                1.    The service retirement allowance payable under G.S.  
15                128-27(b19)(1)a. reduced by one-third of one percent  
16                (1/3 of 1%) thereof for each month by which his  
17                retirement date precedes the first day of the month  
18                coincident with or next following the month the member  
19                would have attained his 55th birthday; or
- 20                2.    The service retirement allowance as computed under  
21                G.S. 128-27(b19)(1)a. reduced by five percent (5%)  
22                times the difference between 30 years and his creditable  
23                service at retirement.

24           (2)   A member who is not a law enforcement officer, an eligible former  
25                law enforcement officer, a career firefighter, an eligible former career  
26                firefighter, a career rescue worker, or an eligible former career rescue  
27                squad worker shall receive a service retirement allowance computed as  
28                follows:

- 29           a.    If the member's service retirement date occurs on or after his  
30                65th birthday upon the completion of five years of creditable  
31                service or after the completion of 30 years of creditable service  
32                or on or after his 60th birthday upon the completion of 25 years  
33                of creditable service, the allowance shall be equal to one and  
34                seventy-eight hundredths percent (1.78%) of average final  
35                compensation, multiplied by the number of years of creditable  
36                service.
- 37           b.    If the member's service retirement date occurs after his 60th  
38                birthday and before his 65th birthday and prior to his  
39                completion of 25 years or more of creditable service, his  
40                retirement allowance shall be computed as in G.S. 128-  
41                27(b19)(2)a. but shall be reduced by one-quarter of one percent  
42                (1/4 of 1%) thereof for each month by which his retirement date  
43                precedes the first day of the month coincident with or next  
44                following his 65th birthday.

- 1           c.    If the member's early service retirement date occurs on or after  
2           his 50th birthday and before his 60th birthday and after  
3           completion of 20 years of creditable service but prior to the  
4           completion of 30 years of creditable service, his early service  
5           retirement allowance shall be equal to the greater of:
- 6           1.    The service retirement allowance as computed under  
7           G.S. 128-27(b19)(2)a. but reduced by the sum of five-  
8           twelfths of one percent (5/12 of 1%) thereof for each  
9           month by which his retirement date precedes the first day  
10           of the month coincident with or next following the  
11           month the member would have attained his 60th  
12           birthday, plus one-quarter of one percent (1/4 of 1%)  
13           thereof for each month by which his 60th birthday  
14           precedes the first day of the month coincident with or  
15           next following his 65th birthday; or
- 16           2.    The service retirement allowance as computed under  
17           G.S. 128-27(b19)(2)a. reduced by five percent (5%)  
18           times the difference between 30 years and his creditable  
19           service at retirement; or
- 20           3.    If the member's creditable service commenced prior to  
21           July 1, 1995, the service retirement allowance equal to  
22           the actuarial equivalent of the allowance payable at the  
23           age of 60 years as computed in G.S. 128-27(b19)(2)b.
- 24           d.    Notwithstanding the foregoing provisions, any member whose  
25           creditable service commenced prior to July 1, 1965, shall not  
26           receive less than the benefit provided by G.S. 128-27(b)."

27           **SECTION 7.** G.S. 128-27(m) reads as rewritten:

28           "(m) Survivor's Alternate Benefit. – Upon the death of a member in service, the  
29           principal beneficiary designated to receive a return of accumulated contributions shall  
30           have the right to elect to receive in lieu thereof the reduced retirement allowance  
31           provided by Option two of subsection (g) above computed by assuming that the member  
32           had retired on the first day of the month following the date of his death, provided that all  
33           three of the following conditions apply:

- 34           (1)    a.    The member had attained such age and/or creditable service to  
35           be eligible to commence retirement with an early or service  
36           retirement allowance, or
- 37           b.    The member had obtained 20 years of creditable service in  
38           which case the retirement allowance shall be computed in  
39           accordance with ~~G.S. 128-27(b18)(1)b. or G.S. 128-~~  
40           ~~27(b18)(2)e.,~~ G.S. 128-27(b19)(1)b. or G.S. 128-27(b19)(2)c.,  
41           notwithstanding the requirement of obtaining age 50.
- 42           (2)    The member had designated as the principal beneficiary to receive a  
43           return of his accumulated contributions one and only one person who  
44           is living at the time of his death.

1           (3) The member had not instructed the Board of Trustees in writing that he  
2           did not wish the provisions of this subsection apply.

3           For the purpose of this benefit, a member is considered to be in service at the date of  
4 his death if his death occurs within 180 days from the last day of his actual service. The  
5 last day of actual service shall be determined as provided in subsection (1) of this  
6 section. Upon the death of a member in service, the surviving spouse may make all  
7 purchases for creditable service as provided for under this Chapter for which the  
8 member had made application in writing prior to the date of death, provided that the  
9 date of death occurred prior to or within 60 days after notification of the cost to make  
10 the purchase."

11           **SECTION 8.** G.S. 105-228.5(d)(2) reads as rewritten:

12           "(2) Other Insurance Contracts. – The tax rate to be applied to gross  
13 premiums on all other insurance contracts issued by insurers shall be  
14 ~~one and nine tenths percent (1.9%).~~ two and three hundred nineteen  
15 ten-thousandths percent (2.0319%). The net proceeds shall be credited  
16 to the General Fund."

17           **SECTION 9.** There is appropriated from the General Fund to the Local  
18 Governmental Employees' Retirement System the sum of six million five hundred  
19 thousand dollars (\$6,500,000) for the 2001-2002 fiscal year and the sum of thirteen  
20 million dollars (\$13,000,000) for the 2002-2003 fiscal year to implement the provisions  
21 of this act.

22           **SECTION 10.** Section 8 of this act is effective for taxable years beginning  
23 on or after January 1, 2001. Section 9 of this act becomes effective July 1, 2001. The  
24 remainder of this act becomes effective January 1, 2002, but shall not affect the rights of  
25 a person who is a vested member of the Local Governmental Employees' Retirement  
26 System on that date to any disability benefits for which that person is otherwise eligible  
27 on that date.