

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2001

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HOUSE BILL 1078

Short Title: Firefighters' 25-Year Retirement.

(Public)

Sponsors: Representative Arnold.

Referred to: Pensions and Retirement.

April 11, 2001

A BILL TO BE ENTITLED

AN ACT TO ALLOW FIREFIGHTERS WHO ARE MEMBERS OF THE LOCAL GOVERNMENTAL EMPLOYEES' RETIREMENT SYSTEM TO RETIRE WITH UNREDUCED BENEFITS AFTER COMPLETING TWENTY-FIVE YEARS OF SERVICE.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 128-21 is amended by adding a new subdivision to read:

"(17a) "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 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."

SECTION 2. G.S. 128-27(b18) reads as rewritten:

"(b18) Service Retirement Allowance of Member Retiring on or After July 1, 2000-2000, but Before July 1, 2001.- Upon retirement from service in accordance with subsection (a) or (a1) above, on or after July 1, 2000, but before July 1, 2001, a member shall receive the following service retirement allowance:

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

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

- 1 b. If the member's service retirement date occurs on or after his
2 50th birthday and before his 55th birthday with 15 or more
3 years of creditable service as a law enforcement officer and
4 prior to the completion of 30 years of creditable service, his
5 retirement allowance shall be equal to the greater of:
- 6 1. The service retirement allowance payable under G.S.
7 128-27(b18)(1)a. reduced by one-third of one percent
8 (1/3 of 1%) thereof for each month by which his
9 retirement date precedes the first day of the month
10 coincident with or next following the month the member
11 would have attained his 55th birthday;
- 12 2. The service retirement allowance as computed under
13 G.S. 128-27(b18)(1)a. reduced by five percent (5%)
14 times the difference between 30 years and his creditable
15 service at retirement.
- 16 (2) A member who is not a law enforcement officer or an eligible former
17 law enforcement officer shall receive a service retirement allowance
18 computed as follows:
- 19 a. If the member's service retirement date occurs on or after his
20 65th birthday upon the completion of five years of creditable
21 service or after the completion of 30 years of creditable service
22 or on or after his 60th birthday upon the completion of 25 years
23 of creditable service, the allowance shall be equal to one and
24 seventy-eight hundredths percent (1.78%) of average final
25 compensation, multiplied by the number of years of creditable
26 service.
- 27 b. If the member's service retirement date occurs after his 60th
28 birthday and before his 65th birthday and prior to his
29 completion of 25 years or more of creditable service, his
30 retirement allowance shall be computed as in G.S.
31 128-27(b18)(2)a. but shall be reduced by one-quarter of one
32 percent (1/4 of 1%) thereof for each month by which his
33 retirement date precedes the first day of the month coincident
34 with or next following his 65th birthday.
- 35 c. If the member's early service retirement date occurs on or after
36 his 50th birthday and before his 60th birthday and after
37 completion of 20 years of creditable service but prior to the
38 completion of 30 years of creditable service, his early service
39 retirement allowance shall be equal to the greater of:
- 40 1. The service retirement allowance as computed under
41 G.S. 128-27(b18)(2)a. but reduced by the sum of
42 five-twelfths of one percent (5/12 of 1%) thereof for
43 each month by which his retirement date precedes the
44 first day of the month coincident with or next following

1 the month the member would have attained his 60th
2 birthday, plus one-quarter of one percent (1/4 of 1%)
3 thereof for each month by which his 60th birthday
4 precedes the first day of the month coincident with or
5 next following his 65th birthday; or

6 2. The service retirement allowance as computed under
7 G.S. 128-27(b18)(2)a. reduced by five percent (5%)
8 times the difference between 30 years and his creditable
9 service at retirement; or

10 3. If the member's creditable service commenced prior to
11 July 1, 1995, the service retirement allowance equal to
12 the actuarial equivalent of the allowance payable at the
13 age of 60 years as computed in G.S. 128-27(b18)(2)b.

14 d. Notwithstanding the foregoing provisions, any member whose
15 creditable service commenced prior to July 1, 1965, shall not
16 receive less than the benefit provided by G.S. 128-27(b)."

17 **SECTION 3.** G.S. 128-27 is amended by adding a new section to read:

18 "(b19) Service Retirement Allowance of Member Retiring on or After July 1,
19 2001. – Upon retirement from service in accordance with subsection (a) or (a1) above,
20 on or after July 1, 2001, a member shall receive the following service retirement
21 allowance:

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

25 a. If the member's service retirement date occurs on or after his
26 55th birthday and completion of five years of creditable service
27 as a law enforcement officer, or after the completion of 30 years
28 of creditable service, the allowance shall be equal to one and
29 seventy-eight hundredths percent (1.78%) of his average final
30 compensation, multiplied by the number of years of his
31 creditable service.

32 b. If the member's service retirement date occurs on or after his
33 50th birthday and before his 55th birthday with 15 or more
34 years of creditable service as a law enforcement officer and
35 prior to the completion of 30 years of creditable service, his
36 retirement allowance shall be equal to the greater of:

37 1. The service retirement allowance payable under G.S.
38 128-27(b19)(1)a. reduced by one-third of one percent
39 (1/3 of 1%) thereof for each month by which his
40 retirement date precedes the first day of the month
41 coincident with or next following the month the member
42 would have attained his 55th birthday;

43 2. The service retirement allowance as computed under
44 G.S. 128-27(b19)(1)a. reduced by five percent (5%)

- 1 times the difference between 30 years and his creditable
2 service at retirement.
- 3 (2) A member who is a career firefighter or an eligible former career
4 firefighter shall receive a service retirement allowance computed as
5 follows:
- 6 a. If the member's service retirement date occurs on or after his
7 65th birthday upon the completion of five years of creditable
8 service or after the completion of 25 years of creditable service,
9 the allowance shall be equal to one and seventy-eight
10 hundredths percent (1.78%) of average final compensation,
11 multiplied by the number of years of creditable service.
- 12 b. If the member's service retirement date occurs after his 60th
13 birthday and before his 65th birthday and prior to his
14 completion of 25 years or more of creditable service, his
15 retirement allowance shall be computed as in G.S. 128-
16 27(b19)(2)a. but shall be reduced by one-quarter of one percent
17 (1/4 of 1%) thereof for each month by which his retirement date
18 precedes the first day of the month coincident with or next
19 following his 65th birthday.
- 20 c. If the member's early service retirement date occurs on or after
21 his 50th birthday and before his 60th birthday and after
22 completion of 20 years of creditable service but prior to the
23 completion of 25 years of creditable service, his early service
24 retirement allowance shall be equal to the greater of:
- 25 1. The service retirement allowance as computed under
26 G.S. 128-27(b19)(2)a. but reduced by the sum of five-
27 twelfths of one percent (5/12 of 1%) thereof for each
28 month by which his retirement date precedes the first day
29 of the month coincident with or next following the
30 month the member would have attained his 60th
31 birthday, plus one-quarter of one percent (1/4 of 1%)
32 thereof for each month by which his 60th birthday
33 precedes the first day of the month coincident with or
34 next following his 65th birthday; or
- 35 2. The service retirement allowance as computed under
36 G.S. 128-27(b19)(2)a. reduced by five percent (5%)
37 times the difference between 25 years and his creditable
38 service at retirement; or
- 39 3. If the member's creditable service commenced prior to
40 July 1, 1995, the service retirement allowance equal to
41 the actuarial equivalent of the allowance payable at the
42 age of 60 years as computed in G.S. 128-27(b19)(2)b.
- 43 (3) A member who is not a law enforcement officer, an eligible former
44 law enforcement officer, a career firefighter, or an eligible former

1 career firefighter shall receive a service retirement allowance
2 computed as follows:

3 a. If the member's service retirement date occurs on or after his
4 65th birthday upon the completion of five years of creditable
5 service or after the completion of 30 years of creditable service
6 or on or after his 60th birthday upon the completion of 25 years
7 of creditable service, the allowance shall be equal to one and
8 seventy-eight hundredths percent (1.78%) of average final
9 compensation, multiplied by the number of years of creditable
10 service.

11 b. If the member's service retirement date occurs after his 60th
12 birthday and before his 65th birthday and prior to his
13 completion of 25 years or more of creditable service, his
14 retirement allowance shall be computed as in G.S. 128-
15 27(b19)(2)a. but shall be reduced by one-quarter of one percent
16 (1/4 of 1%) thereof for each month by which his retirement date
17 precedes the first day of the month coincident with or next
18 following his 65th birthday.

19 c. If the member's early service retirement date occurs on or after
20 his 50th birthday and before his 60th birthday and after
21 completion of 20 years of creditable service but prior to the
22 completion of 30 years of creditable service, his early service
23 retirement allowance shall be equal to the greater of:

24 1. The service retirement allowance as computed under
25 G.S. 128-27(b19)(2)a. but reduced by the sum of five-
26 twelfths of one percent (5/12 of 1%) thereof for each
27 month by which his retirement date precedes the first day
28 of the month coincident with or next following the
29 month the member would have attained his 60th
30 birthday, plus one-quarter of one percent (1/4 of 1%)
31 thereof for each month by which his 60th birthday
32 precedes the first day of the month coincident with or
33 next following his 65th birthday; or

34 2. The service retirement allowance as computed under
35 G.S. 128-27(b19)(2)a. reduced by five percent (5%)
36 times the difference between 30 years and his creditable
37 service at retirement; or

38 3. If the member's creditable service commenced prior to
39 July 1, 1995, the service retirement allowance equal to
40 the actuarial equivalent of the allowance payable at the
41 age of 60 years as computed in G.S. 128-27(b19)(2)b.

42 d. Notwithstanding the foregoing provisions, any member whose
43 creditable service commenced prior to July 1, 1965, shall not
44 receive less than the benefit provided by G.S. 128-27(b)."

1 **SECTION 4.** G.S. 135-5(m) reads as rewritten:

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

- 8 (1) a. The member had attained such age and/or creditable service to
9 be eligible to commence retirement with an early or service
10 retirement allowance, or
11 b. The member had obtained 20 years of creditable service in
12 which case the retirement allowance shall be computed in
13 accordance with ~~G.S. 128-27(b18)(1)~~b. G.S. 128-27(b19)(1)
14 or ~~G.S. 128-27(b18)(2)~~c., G.S. 128-27(b19)(2)
15 notwithstanding the requirement of obtaining age 50.
16 (2) The member had designated as the principal beneficiary to receive a
17 return of his accumulated contributions one and only one person who
18 is living at the time of his death.
19 (3) The member had not instructed the Board of Trustees in writing that he
20 did not wish the provisions of this subsection apply.

21 For the purpose of this benefit, a member is considered to be in service at the date of
22 his death if his death occurs within 180 days from the last day of his actual service. The
23 last day of actual service shall be determined as provided in subsection (l) of this
24 section. Upon the death of a member in service, the surviving spouse may make all
25 purchases for creditable service as provided for under this Chapter for which the
26 member had made application in writing prior to the date of death, provided that the
27 date of death occurred prior to or within 60 days after notification of the cost to make
28 the purchase."

29 **SECTION 5.** This act becomes effective July 1, 2001.