

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2017

H.B. 340
Mar 14, 2017
HOUSE PRINCIPAL CLERK

H

D

HOUSE BILL DRH40195-MR-29C (02/01)

Short Title: Special Separation Allowance for Firefighters. (Public)

Sponsors: Representatives Dollar, Malone, Saine, and Clampitt (Primary Sponsors).

Referred to:

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

4 The General Assembly of North Carolina enacts:

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

7 "Article 12I.

8 "Special Separation Allowances for State and Local Firefighters.

9 **§ 143-166.90. Special separation allowances for State firefighters.**

10 (a) As used in this section, the term "firefighter" shall mean a full-time paid employee of
11 any State department, agency, or institution actively serving in a position with assigned primary
12 duties and responsibilities for the prevention, detection, and suppression of fire.

13 (b) Every firefighter who qualifies under this section shall receive, beginning in the month
14 in which the firefighter retires on a basic service retirement under the provisions of G.S. 135-5(a),
15 an annual separation allowance equal to eighty-five hundredths percent (0.85%) of the annual
16 equivalent of the base rate of compensation most recently applicable to the firefighter for each
17 year of creditable service. The allowance shall be paid in equal installments on the payroll
18 frequency used by the employer. To qualify for the allowance, the firefighter shall meet all of the
19 following criteria:

20 (1) The firefighter has either (i) completed 30 or more years of creditable service or
21 (ii) attained 60 years of age and completed 25 or more years of creditable
22 service.

23 (2) The firefighter has not attained 62 years of age.

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

31 (c) As used in this section, "creditable service" means the service for which credit is
32 allowed under the retirement system of which the firefighter is a member, provided that at least
33 fifty percent (50%) of the service is as a firefighter.

34 (d) Payment to a retired firefighter under the provisions of this section shall cease upon the
35 earlier of following:

36 (1) The death of the firefighter.



* D R H 4 0 1 9 5 - M R - 2 9 C *

1 (2) The last day of the month in which the firefighter attains 62 years of age.

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

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

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

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

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

19 **§ 143-166.92. Special separation allowances for local firefighters.**

20 (a) As used in this section, the term "firefighter" means a person (i) who is a full-time paid
21 employee of an employer that participates in the Local Governmental Employees' Retirement
22 System, or an equivalent locally sponsored retirement plan, and maintains a fire department
23 certified by the North Carolina Department of Insurance and (ii) who is actively serving in a
24 position with assigned primary duties and responsibilities for the prevention, detection, and
25 suppression of fire.

26 (b) Every firefighter who qualifies under this section shall receive an annual separation
27 allowance beginning in the month in which the firefighter retires on a basic service retirement
28 under the provisions of G.S. 128-27(a) or a locally sponsored retirement plan. The annual
29 separation allowance shall be equal to eighty-five hundredths percent (0.85%) of the annual
30 equivalent of the base rate of compensation most recently applicable to the firefighter for each
31 year of creditable service. The allowance shall be paid in equal installments on the payroll
32 frequency used by the employer. To qualify for the allowance, the firefighter shall meet all of the
33 following criteria:

34 (1) The firefighter has either (i) completed 30 or more years of creditable service or
35 (ii) attained 60 years of age and completed 25 or more years of creditable
36 service.

37 (2) The firefighter has not attained 62 years of age.

38 (3) The firefighter has completed at least five years of continuous service rendered
39 on or after July 1, 2017, as a firefighter immediately preceding a service
40 retirement. Any break in the continuous service required by this subdivision
41 because of disability retirement or disability salary continuation benefits shall
42 not adversely affect a firefighter's qualification to receive the allowance,
43 provided the firefighter returns to service within 45 days after the disability
44 benefits cease and is otherwise qualified to receive the allowance.

45 (c) As used in this section, "creditable service" means the service for which credit is
46 allowed under the retirement system of which the firefighter is a member, provided that at least
47 fifty percent (50%) of the service is as a firefighter.

48 (d) Payment to a retired firefighter under the provisions of this section shall cease upon the
49 earlier of following:

50 (1) The death of the firefighter.

51 (2) The last day of the month in which the firefighter attains 62 years of age.

1 (3) The first day of reemployment by a local government employer in any capacity.
2 Notwithstanding the provisions of subdivision (3) of this subsection, a local government
3 employer may employ retired firefighters in a public safety position in a capacity not requiring
4 participation in the Local Governmental Employees' Retirement System or an equivalent locally
5 sponsored retirement plan, and doing so shall not cause payment to cease to those firefighters
6 under the provisions of this section.

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

11 (f) The governing body of each local employer shall determine the eligibility of
12 employees for the benefits provided under this section.

13 (g) The governing body of each local employer shall make the payments set forth in
14 subsection (b) of this section to those persons certified under subsection (f) of this section from
15 funds available."

16 **SECTION 2.** This act is effective when it becomes law.