

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1993

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SENATE BILL 292

Short Title: GPAC/Law Enforcement Retire. Goal.

(Public)

Sponsors: Senator Martin of Guilford.

Referred to: Government Performance Audit.

February 22, 1993

A BILL TO BE ENTITLED

1 AN ACT TO IMPLEMENT RECOMMENDATIONS OF THE GOVERNMENT
2 PERFORMANCE AUDIT COMMITTEE TO SET A RETIREMENT INCOME
3 GOAL FOR LAW ENFORCEMENT PERSONNEL AND REVISE THE SPECIAL
4 SEPARATION ALLOWANCE ACCORDINGLY, AND TO RECONCILE THE
5 DIFFERENCES IN POSTRETIREMENT BENEFITS PROVIDED TO LAW
6 ENFORCEMENT OFFICERS, INCLUDING PENSION PLANS, 401(k) PLANS,
7 AND SEVERANCE ALLOWANCES.

8
9 The General Assembly of North Carolina enacts:

10 Section 1. Effective January 1, 1994, G.S. 143-166.41 reads as rewritten:

11 "**§ 143-166.41. Special separation allowance.**

12 (a) Notwithstanding any other provision of law, every sworn law-enforcement
13 officer as defined by G.S. 135-1(11b) or G.S. 143-166.30(a)(4) employed by a State
14 department, agency, or institution who qualifies under this section shall receive,
15 beginning on the last day of the month in which he retires on a basic service retirement
16 under the provisions of G.S. 135-5(a) or G.S. 143-166(y), an annual separation
17 allowance equal to eighty-five hundredths percent (0.85%) of ~~the annual equivalent of the~~
18 ~~base rate of compensation most recently applicable to him~~ his base salary for each year of
19 creditable service as a law enforcement officer, reduced by a determined maximum life
20 annuity value of benefits payable at the time of retirement from contributions other than
21 his own and earnings thereon whether withdrawn or not during the career of the officer
22 from the Supplemental Retirement Income Plan pursuant to Chapters 135 and 143 of the
23 General Statutes, as may be determined by the Department of the State Treasurer and
24 the Plan's Board of Trustees. However, in the event that the benefit provided by this

1 section, when added to the maximum benefits from the Teachers' and State Employees'
2 Retirement System and the Supplemental Income Plan, exceeds seventy-five percent
3 (75%) of the law enforcement officer's base salary, the benefits provided by this section
4 shall be reduced to the extent possible so that the total does not exceed seventy-five
5 percent (75%) of base salary. For purposes of this section, 'base salary' means the
6 annual equivalent of the base rate of compensation most recently applicable to the law
7 enforcement officer, not including pay for overtime or other types of extraordinary pay.

8 The allowance shall be paid in 12 equal installments on the last day of each month.
9 To qualify for the allowance the officer shall:

- 10 (1) Have (i) completed 30 or more years of creditable service or, (ii) have
11 attained 55 years of age and completed five or more years of creditable
12 service; and
13 (2) Not have attained 62 years of age; and
14 (3) Have completed at least five years of continuous service as a law
15 enforcement officer as herein defined immediately preceding a service
16 retirement. Any break in the continuous service required by this
17 subsection because of disability retirement or disability salary
18 continuation benefits shall not adversely affect an officer's
19 qualification to receive the allowance, provided the officer returns to
20 service within 45 days after the disability benefits cease and is
21 otherwise qualified to receive the allowance.

22 (b) As used in this section, 'creditable service' means the service for which credit
23 is allowed under the retirement system of which the officer is a member, provided that
24 at least fifty percent (50%) of the service is as a law enforcement officer as herein
25 defined.

26 (c) Payment to a retired officer under the provisions of this section shall cease at
27 the death of the individual or on the last day of the month in which he attains 62 years
28 of age or upon the first day of reemployment by any State department, agency, or
29 ~~institution~~ institution, or by any unit of local government within the State.

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

35 (e) The head of each State department, agency, or institution shall determine the
36 eligibility of employees for the benefits provided herein.

37 (f) The Director of the Budget may authorize from time to time the transfer of
38 funds within the budgets of each State department, agency, or institution necessary to
39 carry out the purposes of this Article. These funds shall be taken from those
40 appropriated to the department, agency, or institution for salaries and related fringe
41 benefits.

42 (g) The head of each State department, agency, or institution shall make the
43 payments set forth in subsection (a) to those persons certified under subsection (e) from
44 funds available under subsection (f)."

1 Sec. 2. Effective January 1, 1994, G.S. 143-166.42 reads as rewritten:

2 "**§ 143-166.42. Special separation allowances for local officers.**

3 On and after January 1, 1987, the provisions of G.S. 143-166.41 shall apply to all
4 eligible law-enforcement officers as defined by G.S. 128-21(11b) or G.S. 143-
5 166.50(a)(3) except sheriffs who are employed by local government employers, except
6 as may be provided by this section. As to the applicability of the provisions of G.S. 143-
7 166.41 to locally employed officers, the governing body for each unit of local
8 government shall be responsible for making determinations of eligibility for their local
9 officers retired under the provisions of G.S. 128-27(a) or an equivalent locally
10 sponsored retirement plan and for making payments to their eligible officers under the
11 same terms and conditions, other than the source of payment, as apply to each State
12 department, agency, or institution in payments to State officers according to the
13 provisions of G.S. 143-166.41. For the purposes of determining the net amount of
14 separation allowances payable to local officers under the provisions of G. S. 143-
15 166.41, benefits payable by any locally sponsored retirement plan that supplement
16 retirement benefits payable under Article 3 of Chapter 128 of the General Statutes shall
17 be treated the same as a determined maximum life annuity payable from the
18 Supplemental Retirement Income Plan."

19 Sec. 3. This act becomes effective January 1, 1994.