

**GENERAL ASSEMBLY OF NORTH CAROLINA**  
**SESSION 2003**

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**D**

**HOUSE DRH60057-LL-8A\* (1/15)**

Short Title: Law Officers' 25-Year Retirement.

(Public)

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Sponsors: Representative Moore.

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Referred to:

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A BILL TO BE ENTITLED

AN ACT TO ALLOW LAW ENFORCEMENT OFFICERS WHO ARE MEMBERS OF THE TEACHERS' AND STATE EMPLOYEES' RETIREMENT SYSTEM OR 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. 135-5(b19) reads as rewritten:

"(b19) Service Retirement Allowance of Members Retiring on or After July 1, ~~2002~~ 2002, but Before July 1, 2003. – Upon retirement from service in accordance with subsection (a) or (a1) above, on or after July 1, 2002, but before July 1, 2003, 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 eighty-two hundredths percent (1.82%) of his average final compensation, multiplied by the number of years of his creditable service.

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

- 1 1. The service retirement allowance payable under G.S.  
2 135-5(b19)(1)a. reduced by one-third of one percent (1/3  
3 of 1%) thereof for each month by which his retirement  
4 date precedes the first day of the month coincident with  
5 or next following the month the member would have  
6 attained his 55th birthday; or
  - 7 2. The service retirement allowance as computed under  
8 G.S. 135-5(b19)(1)a. reduced by five percent (5%) times  
9 the difference between 30 years and his creditable  
10 service at retirement.
- 11 (2) A member who is not a law enforcement officer or an eligible former  
12 law enforcement officer shall receive a service retirement allowance  
13 computed as follows:
- 14 a. If the member's service retirement date occurs on or after his  
15 65th birthday upon the completion of five years of membership  
16 service or after the completion of 30 years of creditable service  
17 or on or after his 60th birthday upon the completion of 25 years  
18 of creditable service, the allowance shall be equal to one and  
19 eighty-two hundredths percent (1.82%) of his average final  
20 compensation, multiplied by the number of years of creditable  
21 service.
  - 22 b. If the member's service retirement date occurs after his 60th  
23 birthday and before his 65th birthday and prior to his  
24 completion of 25 years or more of creditable service, his  
25 retirement allowance shall be computed as in G.S.  
26 135-5(b19)(2)a. but shall be reduced by one-quarter of one  
27 percent (1/4 of 1%) thereof for each month by which his  
28 retirement date precedes the first day of the month coincident  
29 with or next following his 65th birthday.
  - 30 c. If the member's early service retirement date occurs on or after  
31 his 50th birthday and before his 60th birthday and after  
32 completion of 20 years of creditable service but prior to the  
33 completion of 30 years of creditable service, his early service  
34 retirement allowance shall be equal to the greater of:
    - 35 1. The service retirement allowance as computed under  
36 G.S. 135-5(b19)(2)a. but reduced by the sum of  
37 five-twelfths of one percent (5/12 of 1%) thereof for  
38 each month by which his retirement date precedes the  
39 first day of the month coincident with or next following  
40 the month the member would have attained his 60th  
41 birthday, plus one-quarter of one percent (1/4 of 1%)  
42 thereof for each month by which his 60th birthday  
43 precedes the first day of the month coincident with or  
44 next following his 65th birthday; or

1                   2.     The service retirement allowance as computed under  
2                   G.S. 135-5(b19)(2)a. reduced by five percent (5%) times  
3                   the difference between 30 years and his creditable  
4                   service at retirement; or

5                   3.     If the member's creditable service commenced prior to  
6                   July 1, 1994, the service retirement allowance equal to  
7                   the actuarial equivalent of the allowance payable at the  
8                   age of 60 years as computed in G.S. 135-5(b19)b.

9                   d.     Notwithstanding the foregoing provisions, any member whose  
10                  creditable service commenced prior to July 1, 1963, shall not  
11                  receive less than the benefit provided by G.S. 135-5(b)."

12                  **SECTION 2.** G.S. 135-5 is amended by adding a new subsection to read:

13                  "(b20) Service Retirement Allowance of Members Retiring on or After July 1, 2003.  
14                  – Upon retirement from service in accordance with subsection (a) or (a1) above, on or  
15                  after July 1, 2003, a member shall receive the following service retirement allowance:

16                  (1)     A member who is a law enforcement officer or an eligible former law  
17                  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                  55th birthday, and completion of five years of creditable service  
21                  as a law enforcement officer, or after the completion of 25 years  
22                  of creditable service, the allowance shall be equal to one and  
23                  eighty-two hundredths percent (1.82%) of his average final  
24                  compensation, multiplied by the number of years of his  
25                  creditable service.

26                  b.     If the member's service retirement date occurs on or after his  
27                  50th birthday and before his 55th birthday with 15 or more  
28                  years of creditable service as a law enforcement officer and  
29                  prior to the completion of 25 years of creditable service, his  
30                  retirement allowance shall be equal to the greater of:

31                  1.     The service retirement allowance payable under G.S.  
32                  135-5(b20)(1)a. reduced by one-third of one percent (1/3  
33                  of 1%) thereof for each month by which his retirement  
34                  date precedes the first day of the month coincident with  
35                  or next following the month the member would have  
36                  attained his 55th birthday; or

37                  2.     The service retirement allowance as computed under  
38                  G.S. 135-5(b20)(1)a. reduced by five percent (5%) times  
39                  the difference between 25 years and his creditable  
40                  service at retirement.

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

- 1           a.     If the member's service retirement date occurs on or after his  
2                 65th birthday upon the completion of five years of membership  
3                 service or after the completion of 30 years of creditable service  
4                 or on or after his 60th birthday upon the completion of 25 years  
5                 of creditable service, the allowance shall be equal to one and  
6                 eighty-two hundredths percent (1.82%) of his average final  
7                 compensation, multiplied by the number of years of creditable  
8                 service.
- 9           b.     If the member's service retirement date occurs after his 60th  
10                birthday and before his 65th birthday and prior to his  
11                completion of 25 years or more of creditable service, his  
12                retirement allowance shall be computed as in G.S.  
13                135-5(b20)(2)a. but shall be reduced by one-quarter of one  
14                percent (1/4 of 1%) thereof for each month by which his  
15                retirement date precedes the first day of the month coincident  
16                with or next following his 65th birthday.
- 17           c.     If the member's early service retirement date occurs on or after  
18                his 50th birthday and before his 60th birthday and after  
19                completion of 20 years of creditable service but prior to the  
20                completion of 30 years of creditable service, his early service  
21                retirement allowance shall be equal to the greater of:
- 22                1.     The service retirement allowance as computed under  
23                G.S. 135-5(b20)(2)a. but reduced by the sum of  
24                five-twelfths of one percent (5/12 of 1%) thereof for  
25                each month by which his retirement date precedes the  
26                first day of the month coincident with or next following  
27                the month the member would have attained his 60th  
28                birthday, plus one-quarter of one percent (1/4 of 1%)  
29                thereof for each month by which his 60th birthday  
30                precedes the first day of the month coincident with or  
31                next following his 65th birthday; or
- 32                2.     The service retirement allowance as computed under  
33                G.S. 135-5(b20)(2)a. reduced by five percent (5%) times  
34                the difference between 30 years and his creditable  
35                service at retirement; or
- 36                3.     If the member's creditable service commenced prior to  
37                July 1, 1994, the service retirement allowance equal to  
38                the actuarial equivalent of the allowance payable at the  
39                age of 60 years as computed in G.S. 135-5(b20)b.
- 40           d.     Notwithstanding the foregoing provisions, any member whose  
41                creditable service commenced prior to July 1, 1963, shall not  
42                receive less than the benefit provided by G.S. 135-5(b)."

43     **SECTION 3.** G.S. 135-5(m) reads as rewritten:

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

- 7           (1)    a.     The member had attained such age and/or creditable service to  
8                    be eligible to commence retirement with an early or service  
9                    retirement allowance, or  
10                b.     The member had obtained 20 years of creditable service in  
11                    which case the retirement allowance shall be computed in  
12                    accordance with ~~G.S. 135-5(b19)(1)b.~~ G.S. 135-5(b20)(1)b. or  
13                    ~~G.S. 135-5(b19)(2)c.,~~ G.S. 135-5(b20)(2)c., notwithstanding the  
14                    requirement of obtaining age 50.  
15            (2)    The member had designated as the principal beneficiary to receive a  
16                    return of his accumulated contributions one and only one person who  
17                    was living at the time of his death.  
18            (3)    The member had not instructed the Board of Trustees in writing that he  
19                    did not wish the provisions of this subsection to apply.

20       For the purpose of this benefit, a member is considered to be in service at the date of  
21 his death if his death occurs within 180 days from the last day of his actual service. The  
22 last day of actual service shall be determined as provided in subsection (l) of this  
23 section. Upon the death of a member in service, the surviving spouse may make all  
24 purchases for creditable service as provided for under this Chapter for which the  
25 member had made application in writing prior to the date of death, provided that the  
26 date of death occurred prior to or within 60 days after notification of the cost to make  
27 the purchase. The term "in service" as used in this subsection includes a member in  
28 receipt of a benefit under the Disability Income Plan as provided in Article 6 of this  
29 Chapter."

30       **SECTION 4.** G.S. 128-27(b20) reads as rewritten:

31       "~~(b20) Service Retirement Allowance of Member Retiring on or After July 1, 2002,~~  
32 ~~2002, but Before July 1, 2003.~~ – Upon retirement from service in accordance with  
33 subsection (a) or (a1) above, on or after July 1, 2002, but before July 1, 2003, a member  
34 shall receive the following service retirement allowance:

- 35           (1)    A member who is a law enforcement officer or an eligible former law  
36                    enforcement officer shall receive a service retirement allowance  
37                    computed as follows:  
38                a.     If the member's service retirement date occurs on or after his  
39                    55th birthday and completion of five years of creditable service  
40                    as a law enforcement officer, or after the completion of 30 years  
41                    of creditable service, the allowance shall be equal to one and  
42                    eighty-two hundredths percent (1.82%) of his average final  
43                    compensation, multiplied by the number of years of his  
44                    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(b20)(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(b20)(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           eighty-two hundredths percent (1.82%) 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(b20)(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(b20)(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(b20)(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(b20)(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 5.** G.S. 128-27 is amended by adding a new subsection to read:

18 "(b21) Service Retirement Allowance of Member Retiring on or After July 1, 2003.  
19 – Upon retirement from service in accordance with subsection (a) or (a1) above, on or  
20 after July 1, 2003, a member shall receive the following service retirement allowance:

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

24 a. If the member's service retirement date occurs on or after his  
25 55th birthday and completion of five years of creditable service  
26 as a law enforcement officer, or after the completion of 25 years  
27 of creditable service, the allowance shall be equal to one and  
28 eighty-two hundredths percent (1.82%) of his average final  
29 compensation, multiplied by the number of years of his  
30 creditable service.

31 b. If the member's service retirement date occurs on or after his  
32 50th birthday and before his 55th birthday with 15 or more  
33 years of creditable service as a law enforcement officer and  
34 prior to the completion of 25 years of creditable service, his  
35 retirement allowance shall be equal to the greater of:

36 1. The service retirement allowance payable under G.S.  
37 128-27(b21)(1)a. reduced by one-third of one percent  
38 (1/3 of 1%) thereof for each month by which his  
39 retirement date precedes the first day of the month  
40 coincident with or next following the month the member  
41 would have attained his 55th birthday;

42 2. The service retirement allowance as computed under  
43 G.S. 128-27(b21)(1)a. reduced by five percent (5%)

- 1 times the difference between 25 years and his creditable  
2 service at retirement.
- 3 (2) A member who is not a law enforcement officer or an eligible former  
4 law enforcement officer shall receive a service retirement allowance  
5 computed as 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 30 years of creditable service  
9 or on or after his 60th birthday upon the completion of 25 years  
10 of creditable service, the allowance shall be equal to one and  
11 eighty-two hundredths percent (1.82%) of average final  
12 compensation, multiplied by the number of years of creditable  
13 service.
- 14 b. If the member's service retirement date occurs after his 60th  
15 birthday and before his 65th birthday and prior to his  
16 completion of 25 years or more of creditable service, his  
17 retirement allowance shall be computed as in G.S.  
18 128-27(b21)(2)a. but shall be reduced by one-quarter of one  
19 percent (1/4 of 1%) thereof for each month by which his  
20 retirement date precedes the first day of the month coincident  
21 with or next following his 65th birthday.
- 22 c. If the member's early service retirement date occurs on or after  
23 his 50th birthday and before his 60th birthday and after  
24 completion of 20 years of creditable service but prior to the  
25 completion of 30 years of creditable service, his early service  
26 retirement allowance shall be equal to the greater of:
- 27 1. The service retirement allowance as computed under  
28 G.S. 128-27(b21)(2)a. but reduced by the sum of  
29 five-twelfths of one percent (5/12 of 1%) thereof for  
30 each month by which his retirement date precedes the  
31 first day of the month coincident with or next following  
32 the month the member would have attained his 60th  
33 birthday, plus one-quarter of one percent (1/4 of 1%)  
34 thereof for each month by which his 60th birthday  
35 precedes the first day of the month coincident with or  
36 next following his 65th birthday; or
- 37 2. The service retirement allowance as computed under  
38 G.S. 128-27(b21)(2)a. reduced by five percent (5%)  
39 times the difference between 30 years and his creditable  
40 service at retirement; or
- 41 3. If the member's creditable service commenced prior to  
42 July 1, 1995, the service retirement allowance equal to  
43 the actuarial equivalent of the allowance payable at the  
44 age of 60 years as computed in G.S. 128-27(b21)(2)b.

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

4           **SECTION 6.** G.S. 128-27(m) reads as rewritten:

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

- 11           (1)    a.     The member had attained such age and/or creditable service to  
12                 be eligible to commence retirement with an early or service  
13                 retirement allowance, or  
14                 b.     The member had obtained 20 years of creditable service in  
15                 which case the retirement allowance shall be computed in  
16                 accordance with ~~G.S. 128-27(b20)(1)b.~~ G.S. 128-27(b21)(1)b.  
17                 or     ~~G.S. 128-27(b20)(2)c.,~~ G.S. 128-27(b21)(2)c.,  
18                 notwithstanding the requirement of obtaining age 50.  
19           (2)    The member had designated as the principal beneficiary to receive a  
20                 return of his accumulated contributions one and only one person who  
21                 is living at the time of his death.  
22           (3)    The member had not instructed the Board of Trustees in writing that he  
23                 did not wish the provisions of this subsection apply.

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

32          **SECTION 7.** G.S. 143-166.41(a) reads as rewritten:

33          "(a) Notwithstanding any other provision of law, every sworn law-enforcement  
34          officer as defined by G.S. 135-1(11b) or G.S. 143-166.30(a)(4) employed by a State  
35          department, agency, or institution who qualifies under this section shall receive,  
36          beginning on the last day of the month in which he retires on a basic service retirement  
37          under the provisions of G.S. 135-5(a) or G.S. 143-166(y), an annual separation  
38          allowance equal to eighty-five hundredths percent (0.85%) of the annual equivalent of  
39          the base rate of compensation most recently applicable to him for each year of  
40          creditable service. The allowance shall be paid in 12 equal installments on the last day  
41          of each month. To qualify for the allowance the officer shall:

- 42           (1)    Have (i) completed ~~30-25~~ or more years of creditable service or, (ii)  
43                 have attained 55 years of age and completed five or more years of  
44                 creditable service; and

- 1           (2)    Not have attained 62 years of age; and  
2           (3)    Have completed at least five years of continuous service as a law  
3               enforcement officer as herein defined immediately preceding a service  
4               retirement. Any break in the continuous service required by this  
5               subsection because of disability retirement or disability salary  
6               continuation benefits shall not adversely affect an officer's  
7               qualification to receive the allowance, provided the officer returns to  
8               service within 45 days after the disability benefits cease and is  
9               otherwise qualified to receive the allowance."

10           **SECTION 8.** This act becomes effective July 1, 2003.