

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2007

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HOUSE BILL 1939*

Short Title: Separation Allowance/Firefighters & EMS. (Public)

Sponsors: Representatives J. Harrell; and Faison.

Referred to: Pensions and Retirement, if favorable, Appropriations.

May 7, 2007

1 A BILL TO BE ENTITLED
2 AN ACT TO ESTABLISH A SPECIAL SEPARATION ALLOWANCE FOR
3 CAREER FIREFIGHTERS AND CAREER RESCUE SQUAD WORKERS.

4 The General Assembly of North Carolina enacts:

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

"Article 12G.

"Separation Allowances for Career Firefighters and Career Rescue Squad Workers.

9 **§ 143-166.90. Definitions.**

10 As used in this Article:

- 11 (1) "Beneficiary" means any person in receipt of a retirement allowance or
12 other benefit from the Local Governmental Employees' Retirement
13 System.
- 14 (2) "Career firefighter" means a person (i) who is a full-time paid
15 employee of an employer that participates in the Local Governmental
16 Employees' Retirement System and maintains a fire department
17 certified by the North Carolina Department of Insurance, and (ii) who
18 is actively serving in a position with assigned primary duties and
19 responsibilities for the prevention, detection, and suppression of fire.
- 20 (3) "Career rescue squad worker" means a person (i) who is a full-time
21 paid employee of an employer that participates in the Local
22 Governmental Employees' Retirement System and maintains a rescue
23 squad or emergency medical services team certified by the North
24 Carolina Department of Insurance or the Department of Health and
25 Human Services, and (ii) who is actively serving in a position with
26 assigned primary duties and responsibilities for the alleviation of
27 human suffering and assistance to persons who are in difficulty, who
28 are injured, or who become suddenly ill, by providing proper and
29 efficient care or emergency medical services.

1 (4) "Employer" means a county, city, town, or other political subdivision
2 of this State that participates in the Local Governmental Employees'
3 Retirement System.

4 **"§ 143-166.91. Special separation allowances for career firefighter and career**
5 **rescue squad workers.**

6 (a) Notwithstanding any other provision of law, every career firefighter and
7 career rescue squad worker who is employed by local government employers who
8 qualify under this section shall receive, beginning in the month in which the firefighter
9 or rescue squad worker retires on a basic service retirement under the provisions of
10 G.S. 128-27(a), (a1), or (a2), an annual separation allowance equal to five hundred
11 seventy-five thousandths percent (0.575%) of the annual equivalent of the base rate of
12 compensation most recently applicable to him for each year of creditable service. The
13 allowance shall be paid in equal installments on the payroll frequency used by the
14 employer. To qualify for the allowance the officer shall:

15 (1) Have (i) completed 30 or more years of creditable service or, (ii) have
16 attained 55 years of age and completed five or more years of creditable
17 service; and

18 (2) Not have become eligible for unreduced Social Security benefits; and

19 (3) Have completed at least five years of continuous service as a career
20 firefighter or career rescue squad worker as herein defined
21 immediately preceding a service retirement. Any break in the
22 continuous service required by this subsection because of disability
23 retirement benefits shall not adversely affect the qualification of a
24 firefighter or rescue squad worker to receive the allowance, provided
25 the firefighter or rescue squad worker returns to service within 45 days
26 after the disability benefits cease and is otherwise qualified to receive
27 the allowance. However, a firefighter or rescue squad worker who is
28 permanently disabled in the line of duty shall be eligible to receive the
29 allowance beginning in the month after the firefighter or rescue squad
30 worker would have completed 30 years of service but for the
31 disability.

32 (b) As used in this section, "creditable service" means the service for which
33 credit is allowed under the retirement system of which the firefighter or rescue squad
34 worker is a member, provided that at least fifty percent (50%) of the service is as a
35 career firefighter or rescue squad worker as herein defined.

36 (c) Payment to a retired firefighter or rescue squad worker under the provisions
37 of this section shall cease at:

38 (1) The last day of the month following the death of the firefighter or
39 rescue squad worker;

40 (2) The last day of the month in which the firefighter or rescue squad
41 worker becomes eligible for unreduced Social Security benefits; or

42 (3) The first day of reemployment by any local employer.

43 (d) This section does not affect the benefits to which an individual may be
44 entitled from State, federal, or private retirement systems. The benefits payable under

1 this section shall not be subject to any increases in salary or retirement allowances that
2 may be granted to local employees by any local employer.

3 (e) The head of each local employer shall determine the eligibility of employees
4 for the benefits provided herein.

5 (f) The Board of Trustees of the Local Governmental Employees' Retirement
6 System shall create a special trust fund to become effective October 1, 2007. The
7 purpose of this trust fund is to collect and accumulate funds paid by employers of
8 firefighters and rescue squad workers who are participating in the Local Governmental
9 Employees' Retirement System. These funds are to be used to pay for the special
10 separation benefit for those firefighters and rescue squad workers who retire on or after
11 July 1, 2008. The Board shall have their consulting actuary calculate a percentage of
12 payroll cost based on the firefighters and rescue squad workers participating in the
13 System as of December 31 of each year."

14 **SECTION 2.** This act becomes effective July 1, 2008, except that
15 G.S. 143-166.91(f) becomes effective October 1, 2007.