

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2023

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HOUSE BILL 597

Short Title: 25-Year Retirement for First Responders. (Public)

Sponsors: Representatives Clampitt, Riddell, Saine, and Cotham (Primary Sponsors).
For a complete list of sponsors, refer to the North Carolina General Assembly web site.

Referred to: Pensions and Retirement, if favorable, Rules, Calendar, and Operations of the House

April 17, 2023

A BILL TO BE ENTITLED

AN ACT ALLOWING FIRST RESPONDERS (LAW ENFORCEMENT OFFICERS, FIREFIGHTERS, AND EMERGENCY MEDICAL SERVICES PERSONNEL) WHO ARE MEMBERS OF THE TEACHERS' AND STATE EMPLOYEES' RETIREMENT SYSTEM OR THE LOCAL GOVERNMENTAL EMPLOYEES' RETIREMENT SYSTEM TO RETIRE WITH UNREDUCED BENEFITS AFTER ACHIEVING TWENTY-FIVE YEARS OF CREDITABLE SERVICE AND MAKING CONFORMING CHANGES.

The General Assembly of North Carolina enacts:

SECTION 1.(a) G.S. 135-1 reads as rewritten:

"§ 135-1. Definitions.

The following words and phrases as used in this Chapter, unless a different meaning is plainly required by the context, shall have the following meanings:

...

(9a) "Emergency medical services personnel" or "EMS personnel" shall mean all full-time employees of any State department, agency, or institution who meet the definition of emergency services personnel under G.S. 131E-155. This includes emergency medical dispatchers and the Director of EMS.

...

(11b) "Firefighter" shall mean all full-time employees of any State department, agency, or institution who are actively serving in a position with assigned primary duties and responsibilities for the prevention, detection, and suppression of fire. This includes fire dispatchers, fire inspectors, and fire marshals.

~~(11b)~~(11c) "Fraud investigation" means an independent review or examination by Retirement Systems Division staff or authorized representatives who are assisting the Retirement Systems Division staff of records, activities, actions, or decisions by employers or other affiliated or associated entities having an impact on the Retirement System. The purpose of a fraud investigation is to help detect and prevent fraud and to ensure full accountability in the use of pension funds.

~~(11e)~~(11d) "Law Enforcement Officer" means a full-time paid employee of an employer who is actively serving in a position with assigned primary duties and responsibilities for prevention and detection of crime or the general enforcement of the criminal laws of the State of North Carolina or serving



1 civil processes, and who possesses the power of arrest by virtue of an oath
2 administered under the authority of the State. "Law Enforcement Officer" also
3 means a probation/parole officer as defined in this section with respect to any
4 service rendered on or after July 1, 2017. This includes police dispatchers,
5 police investigators, sheriff's deputies, bailiffs, corrections officers, detention
6 officers, and jailers.

7"

8 **SECTION 1.(b)** G.S. 135-5(a) is amended by adding a new subdivision to read:

9 "(4b) Any member who is a law enforcement officer, firefighter, or emergency
10 medical services personnel and has completed 25 years of creditable service
11 may retire upon electronic submission or written application to the Board of
12 Trustees setting forth at what time, as of the first day of a calendar month, not
13 less than one day nor more than 120 days subsequent to the execution and
14 filing thereof, the member desires to be retired; provided, however, that any
15 member who has met the 25 years of creditable service required by this
16 subsection but does not retire and later becomes employed other than as the
17 member was employed while completing 25 years of creditable service shall
18 continue to have the right to commence retirement."

19 **SECTION 1.(c)** G.S. 135-5(b21) reads as rewritten:

20 "(b21) Service Retirement Allowance of Non-First Responder Members Retiring on or After
21 July 1, 2019; and First Responder Members Retiring on or After July 1, 2019, but
22 Before January 1, 2024. – Upon retirement from service on or after July 1, 2019, in accordance
23 with subsection (a) or (a1) of this section, a member shall receive the following service retirement
24 allowance:

25"

26 **SECTION 1.(d)** G.S. 135-5 is amended by adding a new subsection to read:

27 "(b22) Service Retirement Allowance of First Responders Retiring on or After January 1,
28 2024. – Upon retirement from service on or after January 1, 2024, in accordance with subsection
29 (a) or (a1) of this section and notwithstanding any other provision of this section to the contrary,
30 a member who is a law enforcement officer, eligible former law enforcement officer, firefighter,
31 eligible former firefighter, emergency medical services personnel, or eligible former medical
32 service personnel shall receive a service retirement allowance computed as follows:

33 (1) If the member's service retirement date occurs on or after the member's
34 fifty-fifth birthday and completion of five years of creditable service as a law
35 enforcement officer, as a firefighter, or as EMS personnel, or after the
36 completion of 25 years of creditable service, the allowance shall be equal to
37 one and eighty-two hundredths percent (1.82%) of the member's average final
38 compensation multiplied by the number of years of the member's creditable
39 service.

40 (2) If the member's service retirement date occurs on or after the member's fiftieth
41 birthday and before the member's fifty-fifth birthday with 15 or more years of
42 creditable service as a law enforcement officer, firefighter, or EMS personnel
43 and prior to the completion of 25 years of creditable service, the retirement
44 allowance shall be equal to the greater of the following amounts:

45 a. The service retirement allowance payable under subdivision (1) of this
46 subsection reduced by one-third of one percent (1/3 of 1%) thereof for
47 each month by which the retirement date precedes the first day of the
48 month coincident with or next following the month the member would
49 have attained age 55.

- b. The service retirement allowance as computed under subdivision (1) of this subsection reduced by five percent (5%) times the difference between 25 years and the amount of creditable service at retirement."

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

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

- (1)a. The member had attained such age and/or creditable service to be eligible to commence retirement with an early or service retirement allowance, or
- b. The member had obtained 20 years of creditable service in which case the retirement allowance shall be computed in accordance with G.S. 135-5(b19)(1)b. or G.S. 135-5(b19)(2)c., notwithstanding the requirement of obtaining age 50, or
- b1. The member was a law enforcement officer who had obtained 15 years of service as a law enforcement officer-officer, or the member was a firefighter who had obtained 15 years of service as a firefighter, or the member was EMS personnel who had obtained 15 years of service as EMS personnel, and was killed in the line of duty, in which case the retirement allowance shall be computed in accordance with G.S. 135-5(b19)(1)b.,—G.S. 135-5(b22)(1), notwithstanding the requirement of obtaining age 50.
- c. Repealed by Session Laws 2010-72, s. 2(a), effective July 1, 2010.

...."

SECTION 2.(a) G.S. 128-21 is amended by adding a new subdivision to read:

"(9a) "Emergency medical services personnel" or "EMS personnel" means all full-time rescue squad workers and all full-time employees of any employer that participates in the Local Governmental Employees' Retirement System who meet the definition of emergency services personnel under G.S. 131E-155."

SECTION 2.(b) G.S. 128-27(a) is amended by adding a new subdivision to read:

"(6) Any member who is a law enforcement, firefighter, or emergency medical services personnel who has completed 25 years of creditable service may retire upon electronic submission or written application to the Board of Trustees setting forth at what time, as of the first day of a calendar month, not less than one day nor more than 120 days subsequent to the execution and filing of the application, the member desires to be retired; provided, however, that any member who has met the conditions required by this subdivision but does not retire and later becomes employed other than as the member was employed while completing 25 years of creditable service shall continue to have the right to commence retirement."

SECTION 2.(c) G.S. 128-27(b22) reads as rewritten:

"(b22) Service Retirement Allowance of ~~Member-Non-First Responder Members Retiring on or After July 1, 2019.~~ July 1, 2019; and First-Responder Members Retiring on or After July 1, 2019, but Before January 1, 2024. – Upon retirement from service in accordance with subsection (a) or (a1) of this section, on or after July 1, 2019, ~~a member shall receive for members other than law enforcement officers, firefighters, and EMS personnel, and on or after July 1, 2019, but before January 1, 2024, for law enforcement officers, firefighters, and EMS personnel,~~ the following service retirement ~~allowance:~~ allowance shall apply:

...."

1 **SECTION 2.(d)** G.S. 128-27 is amended by adding a new subsection to read:

2 "(b23) Service Retirement Allowance of Law Enforcement Officers, Firefighters, and
3 Emergency Medical Services Personnel Retiring on or After January 1, 2024. – Upon retirement
4 from service in accordance with subsection (a) or (a1) of this section on or after January 1, 2024,
5 and notwithstanding any other provision of this section to the contrary, a member who is a law
6 enforcement officer, eligible former law enforcement officer, firefighter, eligible former
7 firefighter, EMS personnel, or eligible former EMS personnel shall receive a service retirement
8 allowance computed as follows:

9 (1) If the member's service retirement date occurs on or after the member's
10 fifty-fifth birthday and completion of five years of creditable service as a law
11 enforcement officer, as a firefighter, or as EMS personnel, or after the
12 completion of 25 years of creditable service, the allowance shall be equal to
13 one and eighty-five hundredths percent (1.85%) of the member's average final
14 compensation multiplied by the number of years of the member's creditable
15 service.

16 (2) If the member's service retirement date occurs on or after the member's fiftieth
17 birthday and before the member's fifty-fifth birthday with 15 or more years of
18 creditable service as a law enforcement officer, firefighter, or EMS personnel
19 and prior to the completion of 25 years of creditable service, the retirement
20 allowance shall be equal to the greater of the following amounts:

21 a. The service retirement allowance payable under subdivision (1) of this
22 subsection reduced by one-third of one percent (1/3 of 1%) thereof for
23 each month by which the retirement date precedes the first day of the
24 month coincident with or next following the month the member would
25 have attained age 55.

26 b. The service retirement allowance as computed under subdivision (1)
27 of this subsection reduced by five percent (5%) times the difference
28 between 25 years and the amount of creditable service at retirement."

29 **SECTION 2.(e)** G.S. 128-27(m) reads as rewritten:

30 "(m) Survivor's Alternate Benefit. – Upon the death of a member in service, the beneficiary
31 designated to receive a return of accumulated contributions shall have the right to elect to receive
32 in lieu thereof the reduced retirement allowance provided by Option two of subsection (g) above
33 computed by assuming that the member had retired on the first day of the month following the
34 date of the member's death, provided that all four of the following conditions apply:

35 (1)a. The member had attained such age and/or creditable service to be eligible to
36 commence retirement with an early or service retirement allowance, or

37 b. The member had obtained 20 years of creditable service in which case
38 the retirement allowance shall be computed in accordance with
39 G.S. 128-27(b22)(1)c. or G.S. 128-27(b22)(2)c., notwithstanding the
40 requirement of obtaining age 50, or

41 b1. The member was a law enforcement officer who had obtained 15 years
42 of service as a law enforcement officer and was killed in the line of
43 duty, or the member was a firefighter or a rescue squad worker who
44 had obtained 15 years of service as a firefighter or a rescue squad
45 worker and was killed in the line of duty, or the member was EMS
46 personnel who had obtained 15 years of service as EMS personnel and
47 was killed in the line of duty, in which cases the retirement allowance
48 shall be computed in accordance with ~~G.S. 128-27(b22)(1)e.,~~
49 G.S. 127-27(b23)(1), notwithstanding the requirement of obtaining
50 age 50.

51 c. Repealed by Session Laws 2010-72, s. 2(b), effective July 1, 2010.

...."

SECTION 3.(a) G.S. 143-166.41(a) reads as rewritten:

"§ 143-166.41. Special separation allowance.

(a) Notwithstanding any other provision of law, every sworn law-enforcement officer as defined by G.S. 135-1(11c) or G.S. 143-166.30(a)(4) employed by a State department, agency, or institution who qualifies under this section shall receive, beginning in the month in which he retires on a basic service retirement under the provisions of G.S. 135-5(a), an annual separation allowance equal to eighty-five hundredths percent (0.85%) of the annual equivalent of the base rate of compensation most recently applicable to him for each year of creditable service. The allowance shall be paid in equal installments on the payroll frequency used by the employer. To qualify for the allowance the ~~officer shall~~ following requirements apply:

- (1) ~~Have~~ For officers retiring before January 1, 2024, the officer has either (i) completed 30 or more years of creditable service or, (ii) ~~have~~ attained 55 years of age and completed five or more years of creditable ~~service; and~~ service.
- (2) ~~Not have~~ For officers retiring on or after January 1, 2024, the officer has either (i) completed 25 or more years of creditable service or (ii) attained 55 years of age and completed five or more years of creditable service.
- (3) The officer has not attained 62 years of ~~age; and~~ age.
- ~~(3)~~(4) Have The officer has completed at least five years of continuous service as a law enforcement officer as herein defined immediately preceding a service retirement. Any break in the continuous service required by this subsection because of disability retirement or disability salary continuation benefits shall not adversely affect an officer's qualification to receive the allowance, provided the officer returns to service within 45 days after the disability benefits cease and is otherwise qualified to receive the allowance."

SECTION 3.(b) G.S. 143-166.42(a) reads as rewritten:

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

(a) On and after January 1, 1987, every sworn law enforcement officer as defined by G.S. 128-21(11d) or G.S. 143-166.50(a)(3) employed by a local government employer who qualifies under this section shall receive, beginning in the month in which the officer retires on a basic service retirement under the provisions of G.S. 128-27(a), an annual separation allowance equal to eighty-five hundredths percent (0.85%) of the annual equivalent of the base rate of compensation most recently applicable to the officer for each year of creditable service. The allowance shall be paid in equal installments on the payroll frequency used by the employer. To qualify for the allowance, the ~~officer shall~~ following requirements apply:

- (1) ~~Have~~ For officers retiring before January 1, 2024, the officer has either (i) completed 30 or more years of creditable service or (ii) ~~have~~ attained 55 years of age and completed five or more years of creditable ~~service; and~~ service.
- (2) ~~Not have~~ For officers retiring on or after January 1, 2024, the officer has either (i) completed 25 or more years of creditable service or (ii) attained 55 years of age and completed five or more years of creditable service.
- (3) The officer has not attained 62 years of ~~age; and~~ age.
- ~~(3)~~(4) Have The officer has completed at least five years of continuous service as a law enforcement officer as herein defined immediately preceding a service retirement. Any break in the continuous service required by this subsection because of disability retirement or disability salary continuation benefits shall not adversely affect an officer's qualification to receive the allowance, provided the officer returns to service within 45 days after the disability benefits cease and is otherwise qualified to receive the allowance."

SECTION 4. This act becomes effective January 1, 2024, and applies to eligible retirements occurring on or after that date.