

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2009

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HOUSE DRH80366-LL-240 (04/22)

Short Title: Career Fire and Rescue 25-Year Retirement.

(Public)

Sponsors: Representative Mackey.

Referred to:

1 A BILL TO BE ENTITLED
2 AN ACT TO DEFINE CAREER FIREFIGHTERS' AND CAREER RESCUE SQUAD
3 WORKERS' ACCRUAL RATES FOR MEMBERS AND BENEFICIARIES OF THE
4 LOCAL GOVERNMENTAL EMPLOYEES' RETIREMENT SYSTEM AND TO ALLOW
5 CAREER FIREFIGHTERS AND CAREER RESCUE SQUAD WORKERS TO RETIRE
6 WITH UNREDUCED BENEFITS AFTER COMPLETING TWENTY-FIVE YEARS OF
7 SERVICE.

8 The General Assembly of North Carolina enacts:

9 **SECTION 1.** G.S. 128-21 is amended by adding new subdivisions to read:

10 "(7b) "Career firefighter" means a person (i) who is a full-time paid employee of
11 an employer that participates in the Local Governmental Employees'
12 Retirement System and maintains a fire department certified by the North
13 Carolina Department of Insurance and (ii) who is actively serving in a
14 position with assigned primary duties and responsibilities for the prevention,
15 detection, and suppression of fire.

16 (7c) "Career rescue squad worker" means a person (i) who is a full-time paid
17 employee of an employer that participates in the Local Governmental
18 Employees' Retirement System and maintains a rescue squad or emergency
19 medical services team certified by the North Carolina Department of
20 Insurance or the Department of Health and Human Services and (ii) who is
21 actively serving in a position with assigned primary duties and
22 responsibilities for the alleviation of human suffering and assistance to
23 persons who are in difficulty, who are injured, or who become suddenly ill,
24 by providing proper and efficient care or emergency medical services."

25 **SECTION 2.** G.S. 128-24(5) reads as rewritten:

26 "(5) The provisions of this subdivision (5) shall apply to any member whose
27 membership is terminated on or after July 1, 1965, and who becomes entitled
28 to benefits hereunder in accordance with the provisions hereof.

29 a. Notwithstanding any other provision of this Chapter, any member
30 who separates from service prior to the attainment of the age of 60
31 years for any reason other than death or retirement for disability as
32 provided in G.S. 128-27(c), after completing 15 or more years of
33 creditable service, and who leaves his total accumulated
34 contributions in said System shall have the right to retire on a
35 deferred retirement allowance upon attaining the age of 60 years;



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1 provided that such member may retire only upon written application
 2 to the Board of Trustees setting forth at what time, not less than one
 3 day nor more than 90 days subsequent to the execution and filing
 4 thereof, he desires to be retired; and further provided that in the case
 5 of a member who so separates from service on or after July 1, 1967,
 6 the aforesated requirement of 15 or more years of creditable service
 7 shall be reduced to 12 or more years of creditable service; and further
 8 provided that in the case of a member who so separates from service
 9 on or after July 1, 1971, or whose account is active on July 1, 1971,
 10 the aforesated requirement of 12 or more years of creditable service
 11 shall be reduced to five or more years of creditable service. Such
 12 deferred retirement allowance shall be computed in accordance with
 13 the service retirement provisions of this Article pertaining to a
 14 member who is not a law enforcement officer or eligible former law
 15 enforcement officer.

16 b. In lieu of the benefits provided in paragraph a of this subdivision,
 17 any member who separates from service prior to the attainment of the
 18 age of 60 years, for any reason other than death or retirement for
 19 disability as provided in G.S. 128-27(c), after completing 20 or more
 20 years of creditable service, and who leaves his total accumulated
 21 contributions in said System may elect to retire on an early
 22 retirement allowance upon attaining the age of 50 years or at any
 23 time thereafter; provided that such member may so retire only upon
 24 written application to the Board of Trustees setting forth at what
 25 time, not less than one day nor more than 90 days subsequent to the
 26 execution and filing thereof, he desires to be retired. Such early
 27 retirement allowance so elected shall be equal to the deferred
 28 retirement allowance otherwise payable at the attainment of the age
 29 of 60 years reduced by the percentage thereof indicated below.

Age at Retirement	Percentage Reduction
59	7
58	14
57	20
56	25
55	30
54	35
53	39
52	43
51	46
50	50

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44 b1. In lieu of the benefits provided in paragraphs a and b of this
 45 subdivision, any member who is a law enforcement ~~officer~~ officer,
 46 career firefighter, or career rescue squad worker at the time of
 47 separation from service prior to the attainment of the age of 50 years,
 48 for any reason other than death or disability as provided in this
 49 Article, after completing 15 or more years of creditable service in
 50 this capacity immediately prior to separation from service, and who
 51 leaves his total accumulated contributions in this System, may elect

1 to retire on a deferred early retirement allowance upon attaining the
2 age of 50 years or at any time thereafter; provided, that the member
3 may commence retirement only upon written application to the
4 Board of Trustees setting forth at what time, as of the first day of a
5 calendar month, not less than one day nor more than 90 days
6 subsequent to the execution and filing thereof, he desires to
7 commence retirement. The deferred early retirement allowance shall
8 be computed in accordance with the service retirement provisions of
9 this Article pertaining to law enforcement ~~officers.~~ officers, career
10 firefighters, or career rescue squad workers.

11 b2. In lieu of the benefits provided in paragraphs a and b of this
12 subdivision, any member who is a law enforcement ~~officer.~~
13 career firefighter, or career rescue squad worker at the time of
14 separation from service prior to the attainment of the age of 55 years,
15 for any reason other than death or disability as provided in this
16 Article, after completing five or more years of creditable service in
17 this capacity immediately prior to separation from service, and who
18 leaves his total accumulated contributions in this System may elect to
19 retire on a deferred service retirement allowance upon attaining the
20 age of 55 years or at any time thereafter; provided, that the member
21 may commence retirement only upon written application to the
22 Board of Trustees setting forth at what time, as of the first day of a
23 calendar month not less than one day nor more than 90 days
24 subsequent to the execution and filing thereof, he desires to
25 commence retirement. The deferred service retirement allowance
26 shall be computed in accordance with the service retirement
27 provisions of this Article pertaining to law enforcement ~~officers.~~
28 officers, career firefighters, or career rescue squad workers.

29 b3. Deferred retirement allowance of members retiring on or after July 1,
30 1995. – In lieu of the benefits provided in paragraphs a. and b. of this
31 subdivision, any member who separates from service prior to
32 attainment of age 60 years, after completing 20 or more years of
33 creditable service, and who leaves his total accumulated
34 contributions in said System, may elect to retire on a deferred
35 retirement allowance upon attaining the age of 50 years or any time
36 thereafter; provided that such member may so retire only upon
37 written application to the Board of Trustees setting forth at what
38 time, not less than one day nor more than 90 days subsequent to the
39 execution and filing thereof, he desires to be retired. Such deferred
40 retirement allowance shall be computed in accordance with the
41 service retirement provisions of this Article pertaining to a member
42 who is not a law enforcement officer or an eligible former law
43 enforcement officer.

44 c. Should a beneficiary who retired on an early or service retirement
45 allowance be reemployed by, or otherwise engaged to perform
46 services for, an employer participating in the Retirement System on a
47 part-time, temporary, interim, or on fee-for-service basis, whether
48 contractual or otherwise, and if such beneficiary earns an amount
49 during the 12-month period immediately following the effective date
50 of retirement or in any calendar year which exceeds fifty percent
51 (50%) of the reported compensation, excluding terminal payments,

1 during the 12 months of service preceding the effective date of
2 retirement, or twenty thousand dollars (\$20,000), whichever is
3 greater, as hereinafter indexed, then the retirement allowance shall be
4 suspended as of the first day of the month following the month in
5 which the reemployment earnings exceed the amount above, for the
6 balance of the calendar year, except when the reemployment earnings
7 exceed the amount above in the month of December, in which case
8 the retirement allowance shall not be suspended. The retirement
9 allowance of the beneficiary shall be reinstated as of January 1 of
10 each year following suspension. The amount that may be earned
11 before suspension shall be increased on January 1 of each year by the
12 ratio of the Consumer Price Index to the Index one year earlier,
13 calculated to the nearest tenth of a percent (1/10 of 1%).

- 14 d. Should a beneficiary who retired on an early or service retirement
15 allowance be restored to service as an employee, then the retirement
16 allowance shall cease as of the first day of the month following the
17 month in which the beneficiary is restored to service and the
18 beneficiary shall become a member of the Retirement System and
19 shall contribute thereafter as allowed by law at the uniform
20 contribution payable by all members.

21 Upon his subsequent retirement, he shall be paid a retirement
22 allowance determined as follows:

- 23 1. For a member who earns at least three years' membership
24 service after restoration to service, the retirement allowance
25 shall be computed on the basis of his compensation and
26 service before and after the period of prior retirement without
27 restriction; provided, that if the prior allowance was based on
28 a social security leveling payment option, the allowance shall
29 be adjusted actuarially for the difference between the amount
30 received under the optional payment and what would have
31 been paid if the retirement allowance had been paid without
32 optional modification.
- 33 2. For a member who does not earn three years' membership
34 service after restoration to service, the retirement allowance
35 shall be equal to the sum of the retirement allowance to which
36 he would have been entitled had he not been restored to
37 service, without modification of the election of an optional
38 allowance previously made, and the retirement allowance that
39 results from service earned since being restored to service;
40 provided, that if the prior retirement allowance was based on
41 a social security leveling payment option, the prior allowance
42 shall be adjusted actuarially for the difference between the
43 amount that would have been paid for each month had the
44 payment not been suspended and what would have been paid
45 if the retirement allowance had been paid without optional
46 modification."

47 **SECTION 3.** G.S. 128-27(a) reads as rewritten:

48 "(a) Service Retirement Benefits.

- 49 (1) Any member may retire upon written application to the Board of Trustees
50 setting forth at what time, as of the first day of a calendar month, not less
51 than one day nor more than 120 days subsequent to the execution and filing

1 thereof, he desires to be retired: Provided, that the said member at the time
2 so specified for his retirement shall have attained the age of 60 years and
3 have at least five years of creditable service or shall have completed 30 years
4 of creditable service, or if a ~~fireman, he~~ career firefighter or career rescue
5 squad worker, the member shall have attained the age of 55 years and have
6 at least five years of creditable service completed at least 25 years of
7 creditable service provided that the last five years of creditable service is as
8 a career firefighter or career rescue squad worker.

9 (2) Repealed by Session Laws 1983 (Regular Session, 1984), c. 1019, s. 1.

10 (3) Repealed by Session Laws 1971, c. 325, s. 12.

11 (4) Any member who was in service October 8, 1981, who had attained 60 years
12 of age, may retire upon written application to the Board of Trustees setting
13 forth at what time, as of the first day of a calendar month, not less than one
14 day nor more than 90 days subsequent to the execution and filing thereof, he
15 desires to be retired.

16 (5) Any member who is a law enforcement officer, career firefighter, or career
17 rescue squad worker and who attains age 50 and completes 15 or more years
18 of creditable service in this capacity or who attains age 55 and completes
19 five or more years of creditable service in this capacity, may retire upon
20 written application to the Board of Trustees setting forth at what time, as of
21 the first day of a calendar month, not less than one day nor more than 90
22 days subsequent to the execution and filing thereof, ~~he~~ the member desires to
23 be retired; provided, also, any member who has met the conditions required
24 by this ~~subdivision~~ section but does not retire, and later becomes an
25 employee other than as a law enforcement officer, career firefighter, or
26 career rescue squad worker, continues to have the right to commence
27 retirement."

28 **SECTION 4.** G.S. 128-27(b21) reads as rewritten:

29 "(b21) Service Retirement Allowance of Member Retiring on or After July 1, ~~2003-2003,~~
30 but Before July 1, 2009. – Upon retirement from service in accordance with subsection (a) or
31 (a1) above, on or after July 1, 2003, but before July 1, 2009, a member shall receive the
32 following service retirement allowance:

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

36 a. If the member's service retirement date occurs on or after his 55th
37 birthday and completion of five years of creditable service as a law
38 enforcement officer, or after the completion of 30 years of creditable
39 service, the allowance shall be equal to one and eighty-five
40 hundredths percent (1.85%) of his average final compensation,
41 multiplied by the number of years of his creditable service.

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

47 1. The service retirement allowance payable under
48 G.S. 128-27(b21)(1)a. reduced by one-third of one percent
49 (1/3 of 1%) thereof for each month by which his retirement
50 date precedes the first day of the month coincident with or

- 1 next following the month the member would have attained his
2 55th birthday;
- 3 2. The service retirement allowance as computed under
4 G.S. 128-27(b21)(1)a. reduced by five percent (5%) times the
5 difference between 30 years and his creditable service at
6 retirement.
- 7 (2) A member who is not a law enforcement officer or an eligible former law
8 enforcement officer shall receive a service retirement allowance computed
9 as follows:
- 10 a. If the member's service retirement date occurs on or after his 65th
11 birthday upon the completion of five years of creditable service or
12 after the completion of 30 years of creditable service or on or after
13 his 60th birthday upon the completion of 25 years of creditable
14 service, the allowance shall be equal to one and eighty-five
15 hundredths percent (1.85%) of average final compensation,
16 multiplied by the number of years of creditable service.
- 17 b. If the member's service retirement date occurs after his 60th birthday
18 and before his 65th birthday and prior to his completion of 25 years
19 or more of creditable service, his retirement allowance shall be
20 computed as in G.S. 128-27(b21)(2)a. but shall be reduced by
21 one-quarter of one percent ($\frac{1}{4}$ of 1%) thereof for each month by
22 which his retirement date precedes the first day of the month
23 coincident with or next following his 65th birthday.
- 24 c. If the member's early service retirement date occurs on or after his
25 50th birthday and before his 60th birthday and after completion of 20
26 years of creditable service but prior to the completion of 30 years of
27 creditable service, his early service retirement allowance shall be
28 equal to the greater of:
- 29 1. The service retirement allowance as computed under
30 G.S. 128-27(b21)(2)a. but reduced by the sum of
31 five-twelfths of one percent ($\frac{5}{12}$ of 1%) thereof for each
32 month by which his retirement date precedes the first day of
33 the month coincident with or next following the month the
34 member would have attained his 60th birthday, plus
35 one-quarter of one percent ($\frac{1}{4}$ of 1%) thereof for each month
36 by which his 60th birthday precedes the first day of the month
37 coincident with or next following his 65th birthday; or
- 38 2. The service retirement allowance as computed under
39 G.S. 128-27(b21)(2)a. reduced by five percent (5%) times the
40 difference between 30 years and his creditable service at
41 retirement; or
- 42 3. If the member's creditable service commenced prior to July 1,
43 1995, the service retirement allowance equal to the actuarial
44 equivalent of the allowance payable at the age of 60 years as
45 computed in G.S. 128-27(b21)(2)b.
- 46 d. Notwithstanding the foregoing provisions, any member whose
47 creditable service commenced prior to July 1, 1965, shall not receive
48 less than the benefit provided by G.S. 128-27(b)."

49 **SECTION 5.** G.S. 128-27 is amended by adding a new subsection to read:

1 "(b22) Service Retirement Allowance of Member Retiring on or After July 1, 2009. – Upon
2 retirement from service in accordance with subsection (a) or (a1) of this section, on or after
3 July 1, 2009, a member shall receive the following service retirement allowance:

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

7 a. If the member's service retirement date occurs on or after his 55th
8 birthday and completion of five years of creditable service as a law
9 enforcement officer or after the completion of 30 years of creditable
10 service, the allowance shall be equal to one and eighty-five
11 hundredths percent (1.85%) of his average final compensation,
12 multiplied by the number of years of his creditable service.

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

18 1. The service retirement allowance payable under
19 G.S. 128-27(b22)(1)a. reduced by one-third of one percent
20 (1/3 of 1%) thereof for each month by which his retirement
21 date precedes the first day of the month coincident with or
22 next following the month the member would have attained his
23 55th birthday;

24 2. The service retirement allowance as computed under
25 G.S. 128-27(b22)(1)a. reduced by five percent (5%) times the
26 difference between 30 years and his creditable service at
27 retirement.

28 (2) A member who is a career firefighter, an eligible former career firefighter, a
29 career rescue squad worker, or an eligible former career rescue squad worker
30 shall receive a service retirement allowance computed as follows:

31 a. If the member's service retirement date occurs on or after his 55th
32 birthday and completion of five years of creditable service as a career
33 firefighter or a career rescue squad worker, or after the completion of
34 25 years of creditable service, provided that the last five years of
35 creditable service are as a career firefighter or career rescue squad
36 worker, the allowance shall be equal to the sum of:

37 1. One and eighty-five hundredths percent (1.85%) of the
38 member's average final compensation, multiplied by the
39 number of years of creditable service earned by the member
40 in service other than as a career firefighter or career rescue
41 squad worker;

42 2. Two and twenty hundredths percent (2.20%) of the member's
43 average final compensation, multiplied by the number of
44 years of creditable service earned as a professional firefighter
45 or rescue squad worker.

46 b. If the member's service retirement date occurs on or after his 50th
47 birthday and before his 55th birthday with 15 or more years of
48 creditable service as a career firefighter or career rescue squad
49 worker and prior to the completion of 25 years of creditable service,
50 his retirement allowance shall be equal to the greater of:

- 1 1. The service retirement allowance payable under
2 G.S. 128-27(b22)(1)a. reduced by one-third of one percent
3 (1/3 of 1%) thereof for each month by which his retirement
4 date precedes the first day of the month coincident with or
5 next following the month the member would have attained his
6 55th birthday;
- 7 2. The service retirement allowance as computed under
8 G.S. 128-27(b22)(1)a. reduced by five percent (5%) times the
9 difference between 25 years and his creditable service at
10 retirement.
- 11 (3) A member who is not a law enforcement officer, an eligible former law
12 enforcement officer, a career firefighter, an eligible former career firefighter,
13 a career rescue squad worker, or an eligible former career rescue squad
14 worker shall receive a service retirement allowance computed as follows:
 - 15 a. If the member's service retirement date occurs on or after his 65th
16 birthday upon the completion of five years of creditable service or
17 after the completion of 30 years of creditable service or on or after
18 his 60th birthday upon the completion of 25 years of creditable
19 service, the allowance shall be equal to one and eighty-five
20 hundredths percent (1.85%) of average final compensation,
21 multiplied by the number of years of creditable service.
 - 22 b. If the member's service retirement date occurs after his 60th birthday
23 and before his 65th birthday and prior to his completion of 25 years
24 or more of creditable service, his retirement allowance shall be
25 computed as in G.S. 128-27(b22)(2)a. but shall be reduced by
26 one-quarter of one percent (1/4 of 1%) thereof for each month by
27 which his retirement date precedes the first day of the month
28 coincident with or next following his 65th birthday.
 - 29 c. If the member's early service retirement date occurs on or after his
30 50th birthday and before his 60th birthday and after completion of 20
31 years of creditable service but prior to the completion of 30 years of
32 creditable service, his early service retirement allowance shall be
33 equal to the greater of:
 - 34 1. The service retirement allowance as computed under
35 G.S. 128-27(b22)(2)a. but reduced by the sum of
36 five-twelfths of one percent (5/12 of 1%) thereof for each
37 month by which his retirement date precedes the first day of
38 the month coincident with or next following the month the
39 member would have attained his 60th birthday, plus
40 one-quarter of one percent (1/4 of 1%) thereof for each month
41 by which his 60th birthday precedes the first day of the month
42 coincident with or next following his 65th birthday; or
 - 43 2. The service retirement allowance as computed under
44 G.S. 128-27(b22)(2)a. reduced by five percent (5%) times the
45 difference between 30 years and his creditable service at
46 retirement; or
 - 47 3. If the member's creditable service commenced prior to July 1,
48 1995, the service retirement allowance equal to the actuarial
49 equivalent of the allowance payable at the age of 60 years as
50 computed in G.S. 128-27(b22)(2)b.

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

4 **SECTION 6.** G.S. 128-30(d) is amended by adding a new subdivision to read:

5 "(10) Notwithstanding the foregoing provisions of this subsection, beginning with
6 the December 31, 2006, valuation, the actuary shall determine an additional
7 "accrued liability contribution" on account of each employer's career
8 firefighters and career rescue squad workers. This contribution shall be that
9 percentage of the career firefighters' and career rescue squad workers'
10 compensation necessary to liquidate the "existing unfunded accrued
11 liability" over a period of years to be determined by the Board of Trustees.
12 The "existing unfunded accrued liability" for each employer shall be equal to
13 the sum of two liabilities. The first is that portion of the unfunded accrued
14 liability for additional benefits payable to each employer's career firefighters
15 and career rescue squad workers who are members of the Retirement System
16 on June 30, 2009. The "accrued liability contribution" determined on the
17 basis of this subdivision shall be added to that determined under
18 subdivisions (3) and (9) of this subsection and shall be included in the total
19 amount payable under subdivision (5) of this subsection."

20 **SECTION 7.** This act becomes effective July 1, 2009, and applies to persons
21 retiring on or after that date.