

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1999

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HOUSE BILL 1677

Short Title: Professional Firefighters' Retirement.

(Public)

Sponsors: Representatives Arnold; McComas, Warner, Berry, Brown, Cansler, Capps, Cox, Davis, Eddins, Gardner, Grady, Gulley, Hill, Hunter, Morris, Preston, Rayfield, Russell, Sexton, Sherrill, Thompson, Tolson, Wainwright, and Yongue.

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

May 24, 2000

A BILL TO BE ENTITLED
AN ACT TO PROVIDE FOR PROFESSIONAL FIREFIGHTERS' BENEFITS IN THE
LOCAL GOVERNMENTAL EMPLOYEES' RETIREMENT SYSTEM.

The General Assembly of North Carolina enacts:

Section 1. Article 12E of Chapter 143 of the General Statutes reads as
rewritten:

**"ARTICLE 12E.
"RETIREMENT BENEFITS FOR LOCAL GOVERNMENTAL LAW-
ENFORCEMENT
~~OFFICERS.~~ OFFICERS AND PROFESSIONAL FIREFIGHTERS.**

**"§ 143-166.50. Retirement benefits for local governmental law-enforcement ~~officers.~~
officers and professional firefighters.**

(a) Definitions. – The following words and phrases as used in this Article, unless a
different meaning is plainly required by the context, have the following meaning:

(1) "Beneficiary" means any person in receipt of a retirement allowance or
other benefit from a Retirement System.

(2) "Employer" means a county, city, town or other political subdivision of
the State.

- 1 (3) "Law-enforcement officer" means a full-time paid employee of an
2 employer, who possesses the power of arrest, who has taken the law
3 enforcement oath administered under the authority of the State as
4 prescribed by G.S. 11-11, and who is certified as a law enforcement
5 officer under the provisions of Chapter 17C of the General Statutes or
6 certified as a deputy sheriff under the provisions of Chapter 17E of the
7 General Statutes. "Law enforcement officer" also means the sheriff of
8 the county. The number of paid personnel employed as law enforcement
9 officers by a law enforcement agency may not exceed the number of
10 law enforcement positions approved by the applicable local governing
11 board.
- 12 (4) "Law-Enforcement Officers' Retirement System" means the system
13 provided for under Article 12 of Chapter 143 of the General Statutes, as
14 it existed prior to January 1, 1986.
- 15 (5) "Local Governmental Employees' Retirement System" means the Local
16 Governmental Employees' Retirement System of North Carolina
17 provided for under Article 3 of Chapter 128 of the General Statutes.
- 18 (6) "Member" means an officer or firefighter included in the membership of
19 a retirement system, including former officers or firefighters no longer
20 employed who also elected to leave their accumulated contributions on
21 deposit with a Retirement System.
- 22 (7) "Officer" means a "law-enforcement officer."
- 23 (7a) "Professional firefighter" means a person (i) who is a full-time paid
24 employee of an employer maintaining a fire department certified by the
25 North Carolina Department of Insurance, and (ii) who is actively
26 serving in a position with assigned primary duties and responsibilities
27 for the prevention, detection, and suppression of fire.
- 28 (8) "State" means the State of North Carolina.
- 29 (b) Basic Retirement System. – On and after January 1, 1986, law-enforcement
30 officers employed by an employer shall be members of the Local Government
31 Employees' Retirement System, and beneficiaries who were last employed as officers by
32 an employer, or who are surviving beneficiaries of officers last employed by an
33 employer, are beneficiaries of the Local Governmental Employees' Retirement System
34 and paid in benefit amounts then in effect. All members of the Law-Enforcement
35 Officers' Retirement System last employed and paid by an employer are members of the
36 Local Retirement System.
- 37 (c) Rights. – Notwithstanding any other provisions of law, any accrued or inchoate
38 rights of a member of the Law-Enforcement Officers' Retirement System as of his
39 transfer to the Local Governmental Employees' Retirement System on January 1, 1986,
40 including the rights to a vested deferred retirement allowance and to commence
41 retirement at certain ages with required years of service as a law-enforcement officer,
42 may in no way be diminished; provided, however, in no event may a member commence

1 retirement and continue membership service with the same Retirement System after
2 January 1, 1986.

3 (d) Court Cost Receipts. – Of the sum derived from the cost of court provided for
4 in G.S. 7A-304(a)(3), the amount designated for this Article, except for the amount
5 designated for the provisions of G.S. 143-166.50(e), shall be paid over to the pension
6 accumulation fund of the Local Governmental Employees' Retirement System and shall
7 offset, to the extent of these receipts, the employers' normal contribution rate required in
8 G.S. 128-30(d)(2) as it pertains to law enforcement officers.

9 (e) Supplemental Retirement Income Plan for Local Governmental Law-
10 Enforcement Officers and Professional Firefighters. – As of January 1, 1986, all
11 law-enforcement officers employed by a local government employer, are participating
12 members of the Supplemental Retirement Income Plan as provided by Article 5 of
13 Chapter 135 of the General Statutes. In addition to the contributions transferred from the
14 Law-Enforcement Officers' Retirement System, participants may make voluntary
15 contributions to the Supplemental Retirement Income Plan to be credited to the
16 designated individual accounts of participants; provided, in no instance shall the total
17 contributions by a participant exceed ten percent (10%) of a participant's compensation
18 within any calendar year. From July 1, 1987, until July 1, 1988, local government
19 employers of law enforcement officers shall contribute an amount equal to at least two
20 percent (2%) of participating local officers' monthly compensation to the Supplemental
21 Retirement Income Plan to be credited to the designated individual accounts of
22 participating local officers; and on and after July 1, 1988, local government employers of
23 law enforcement officers shall contribute an amount equal to five percent (5%) of
24 participating local officers' monthly compensation to the Supplemental Retirement
25 Income Plan to be credited to the designated individual accounts of participating local
26 officers.

27 As of July 1, 2000, all professional firefighters employed by a local government
28 employer are participating members of the Supplemental Retirement Income Plan as
29 provided by Article 5 of Chapter 135 of the General Statutes. Participating firefighters
30 may make voluntary contributions to the Supplemental Retirement Income Plan to be
31 credited to the designated individual accounts of participants; however, in no instance
32 shall the total contributions by a participant exceed ten percent (10%) of a participant's
33 compensation within any calendar year. Local government employers of professional
34 firefighters shall contribute an amount equal to five percent (5%) of participating
35 firefighters' monthly compensation to the Supplemental Retirement Income Plan to be
36 credited to the designated individual accounts of participating firefighters.

37 Additional contributions shall also be made to the individual accounts of all
38 ~~participants~~ law enforcement officers in the Plan, except for Sheriffs, on a per capita
39 equal-share basis from the sum of one dollar and twenty-five cents (\$1.25) for each cost
40 of court collected under G.S. 7A-304.

41 (e1) Rights of Participants under the Uniformed Services Employment and
42 Reemployment Rights Act. – A participant whose employment is interrupted by reason of
43 service in the Uniformed Services, as that term is defined in section 4303(16) of the

1 Uniformed Services Employment and Reemployment Rights Act, Public Law 103-353,
2 hereafter referred to as "USERRA", shall be entitled to all rights and benefits that the
3 participant would have been entitled to under this section had the participant's
4 employment not been interrupted, provided that the participant returns to service as a law
5 enforcement officer while the participant's reemployment rights are protected under the
6 provisions of USERRA."

7 Section 2. G.S. 128-21 is amended by adding a new subdivision to read:

8 "(17a) "Professional firefighter" means a person (i) who is a full-time paid
9 employee of an employer maintaining a fire department certified by the
10 North Carolina Department of Insurance, and (ii) who is actively
11 serving in a position with assigned primary duties and responsibilities
12 for the prevention, detection, and suppression of fire."

13 Section 3. G.S. 128-24(5) reads as rewritten:

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

17 a. Notwithstanding any other provision of this Chapter, any
18 member who separates from service prior to the attainment of the
19 age of 60 years for any reason other than death or retirement for
20 disability as provided in G.S. 128-27(c), after completing 15 or
21 more years of creditable service, and who leaves his total
22 accumulated contributions in said System shall have the right to
23 retire on a deferred retirement allowance upon attaining the age
24 of 60 years; provided that such member may retire only upon
25 written application to the Board of Trustees setting forth at what
26 time, not less than one day nor more than 90 days subsequent to
27 the execution and filing thereof, he desires to be retired; and
28 further provided that in the case of a member who so separates
29 from service on or after July 1, 1967, the aforestated requirement
30 of 15 or more years of creditable service shall be reduced to 12 or
31 more years of creditable service; and further provided that in the
32 case of a member who so separates from service on or after July
33 1, 1971, or whose account is active on July 1, 1971, the
34 aforestated requirement of 12 or more years of creditable service
35 shall be reduced to five or more years of creditable service. Such
36 deferred retirement allowance shall be computed in accordance
37 with the service retirement provisions of this Article pertaining to
38 a member who is not a law enforcement officer or eligible former
39 law enforcement officer.

40 b. In lieu of the benefits provided in paragraph a of this subdivision,
41 any member who separates from service prior to the attainment
42 of the age of 60 years, for any reason other than death or
43 retirement for disability as provided in G.S. 128-27(c), after

1 completing 20 or more years of creditable service, and who
 2 leaves his total accumulated contributions in said System may
 3 elect to retire on an early retirement allowance upon attaining the
 4 age of 50 years or at any time thereafter; provided that such
 5 member may so retire only upon written application to the Board
 6 of Trustees setting forth at what time, not less than one day nor
 7 more than 90 days subsequent to the execution and filing thereof,
 8 he desires to be retired. Such early retirement allowance so
 9 elected shall be equal to the deferred retirement allowance
 10 otherwise payable at the attainment of the age of 60 years
 11 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

12
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24 b1. In lieu of the benefits provided in paragraphs a and b of this
 25 subdivision, any member who is a law enforcement officer or a
 26 professional firefighter at the time of separation from service
 27 prior to the attainment of the age of 50 years, for any reason
 28 other than death or disability as provided in this Article, after
 29 completing 15 or more years of creditable service in this capacity
 30 immediately prior to separation from service, and who leaves his
 31 total accumulated contributions in this System, may elect to retire
 32 on a deferred early retirement allowance upon attaining the age
 33 of 50 years or at any time thereafter; provided, that the member
 34 may commence retirement only upon written application to the
 35 Board of Trustees setting forth at what time, as of the first day of
 36 a calendar month, not less than one day nor more than 90 days
 37 subsequent to the execution and filing thereof, he desires to
 38 commence retirement. The deferred early retirement allowance
 39 shall be computed in accordance with the service retirement
 40 provisions of this Article pertaining to law enforcement ~~officers.~~
 41 officers or professional firefighters.

42 b2. In lieu of the benefits provided in paragraphs a and b of this
 43 subdivision, any member who is a law enforcement officer or

1 professional firefighter at the time of separation from service
2 prior to the attainment of the age of 55 years, for any reason
3 other than death or disability as provided in this Article, after
4 completing five or more years of creditable service in this
5 capacity immediately prior to separation from service, and who
6 leaves his total accumulated contributions in this System may
7 elect to retire on a deferred service retirement allowance upon
8 attaining the age of 55 years or at any time thereafter; provided,
9 that the member may commence retirement only upon written
10 application to the Board of Trustees setting forth at what time, as
11 of the first day of a calendar month not less than one day nor
12 more than 90 days subsequent to the execution and filing thereof,
13 he desires to commence retirement. The deferred service
14 retirement allowance shall be computed in accordance with the
15 service retirement provisions of this Article pertaining to law
16 enforcement ~~officers~~ officers or professional firefighters.

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

34 c. Should a beneficiary who retired on an early or service
35 retirement allowance be reemployed, or otherwise engaged to
36 perform services, by an employer participating in the Retirement
37 System on a part-time, temporary, interim, or on fee-for-service
38 basis, whether contractual or otherwise, and if such beneficiary
39 earns an amount in any calendar year which exceeds fifty percent
40 (50%) of the reported compensation, excluding terminal
41 payments, during the 12 months of service preceding the
42 effective date of retirement, or twenty thousand dollars
43 (\$20,000), whichever is greater, as hereinafter indexed, then the

1 retirement allowance shall be suspended as of the first day of the
2 month following the month in which the reemployment earnings
3 exceed the amount above, for the balance of the calendar year.
4 The retirement allowance of the beneficiary shall be reinstated as
5 of January 1 of each year following suspension. The amount that
6 may be earned before suspension shall be increased on January 1
7 of each year by the ratio of the Consumer Price Index to the
8 Index one year earlier, calculated to the nearest tenth of a percent
9 (1/10 of 1%).

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

17 Upon his subsequent retirement, he shall be paid a retirement
18 allowance determined as follows:

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

1 paid if the retirement allowance had been paid without
2 optional modification."

3 Section 4. G.S. 128-27(a) reads as rewritten:

4 "(a) Service Retirement Benefits. –

5 (1) Any member may retire upon written application to the Board of
6 Trustees setting forth at what time, as of the first day of a calendar
7 month, not less than one day nor more than 90 days subsequent to the
8 execution and filing thereof, he desires to be retired: Provided, that the
9 said member at the time so specified for his retirement shall have
10 attained the age of 60 years and have at least five years of creditable
11 service or shall have completed 30 years of creditable service, or if a
12 ~~fireman, he~~ professional firefighter, the member shall have attained the
13 age of 55 years and have at least five years of creditable service.

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

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

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

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

33 Section 5. G.S. 128-27(b17) reads as rewritten:

34 "(b17) Service Retirement Allowance of Member Retiring on or After July 1,
35 ~~1998-1998, but before July 1, 2000.~~ – Upon retirement from service in accordance with
36 subsection (a) or (a1) above, on or after July 1, 1998, but before July 1, 2000, a member
37 shall receive the following service retirement allowance:

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

41 a. If the member's service retirement date occurs on or after his
42 55th birthday and completion of five years of creditable service
43 as a law enforcement officer, or after the completion of 30 years

- 1 of creditable service, the allowance shall be equal to one and
2 seventy-seven hundredths percent (1.77%) of his average final
3 compensation, multiplied by the number of years of his
4 creditable service.
- 5 b. If the member's service retirement date occurs on or after his
6 50th birthday and before his 55th birthday with 15 or more years
7 of creditable service as a law enforcement officer and prior to the
8 completion of 30 years of creditable service, his retirement
9 allowance shall be equal to the greater of:
- 10 1. The service retirement allowance payable under G.S. 128-
11 27(b17)(1)a. reduced by one-third of one percent (1/3 of
12 1%) thereof for each month by which his retirement date
13 precedes the first day of the month coincident with or next
14 following the month the member would have attained his
15 55th birthday; or
- 16 2. The service retirement allowance as computed under G.S.
17 128-27(b17)(1)a. reduced by five percent (5%) times the
18 difference between 30 years and his creditable service at
19 retirement.
- 20 (2) A member who is not a law enforcement officer or an eligible former
21 law enforcement officer shall receive a service retirement allowance
22 computed as follows:
- 23 a. If the member's service retirement date occurs on or after his
24 65th birthday upon the completion of five years of creditable
25 service or after the completion of 30 years of creditable service
26 or on or after his 60th birthday upon the completion of 25 years
27 of creditable service, the allowance shall be equal to one and
28 seventy-seven hundredths percent (1.77%) of average final
29 compensation, multiplied by the number of years of creditable
30 service.
- 31 b. If the member's service retirement date occurs after his 60th
32 birthday and before his 65th birthday and prior to his completion
33 of 25 years or more of creditable service, his retirement
34 allowance shall be computed as in G.S. 128-27(b17)(2)a. but
35 shall be reduced by one-quarter of one percent (1/4 of 1%)
36 thereof for each month by which his retirement date precedes the
37 first day of the month coincident with or next following his 65th
38 birthday.
- 39 c. If the member's early service retirement date occurs on or after
40 his 50th birthday and before his 60th birthday and after
41 completion of 20 years of creditable service but prior to the
42 completion of 30 years of creditable service, his early service
43 retirement allowance shall be equal to the greater of:

- 1 1. The service retirement allowance as computed under G.S.
2 128-27(b17)(2)a. but reduced by the sum of five-twelfths
3 of one percent (5/12 of 1%) thereof for each month by
4 which his retirement date precedes the first day of the
5 month coincident with or next following the month the
6 member would have attained his 60th birthday, plus one-
7 quarter of one percent (1/4 of 1%) thereof for each month
8 by which his 60th birthday precedes the first day of the
9 month coincident with or next following his 65th birthday;
10 or
- 11 2. The service retirement allowance as computed under G.S.
12 128-27(b17)(2)a. reduced by five percent (5%) times the
13 difference between 30 years and his creditable service at
14 retirement; or
- 15 3. If the member's creditable service commenced prior to
16 July 1, 1995, the service retirement allowance equal to the
17 actuarial equivalent of the allowance payable at the age of
18 60 years as computed in G.S. 128-27(b17)(2)b.
- 19 d. Notwithstanding the foregoing provisions, any member whose
20 creditable service commenced prior to July 1, 1965, shall not
21 receive less than the benefit provided by G.S. 128-27(b)."

22 Section 6. G.S. 128-27 is amended by adding a new subsection to read:

23 "(b18) Service Retirement Allowance of Member Retiring on or After July 1,
24 2000. – Upon retirement from service in accordance with subsection (a) or (a1) above, on
25 or after July 1, 2000, a member shall receive the following service retirement allowance:

26 (1) A member who is a law enforcement officer, an eligible former law
27 enforcement officer, a professional firefighter, or an eligible former
28 professional firefighter shall receive a service retirement allowance
29 computed as follows:

30 a. If the member's service retirement date occurs on or after his
31 55th birthday and completion of five years of creditable service
32 as a law enforcement officer or professional firefighter, or after
33 the completion of 30 years of creditable service, the allowance
34 shall be equal to one and seventy-seven hundredths percent
35 (1.77%) of his average final compensation, multiplied by the
36 number of years of his creditable service.

37 b. If the member's service retirement date occurs on or after his
38 50th birthday and before his 55th birthday with 15 or more years
39 of creditable service as a law enforcement officer or professional
40 firefighter and prior to the completion of 30 years of creditable
41 service, his retirement allowance shall be equal to the greater of:

42 1. The service retirement allowance payable under G.S. 128-
43 27(b18)(1)a. reduced by one-third of one percent (1/3 of

1 1%) thereof for each month by which his retirement date
2 precedes the first day of the month coincident with or next
3 following the month the member would have attained his
4 55th birthday; or

5 2. The service retirement allowance as computed under G.S.
6 128-27(b18)(1)a. reduced by five percent (5%) times the
7 difference between 30 years and his creditable service at
8 retirement.

9 (2) A member who is not a law enforcement officer, an eligible former law
10 enforcement officer, a professional firefighter, or an eligible former
11 professional firefighter shall receive a service retirement allowance
12 computed as follows:

13 a. If the member's service retirement date occurs on or after his
14 65th birthday upon the completion of five years of creditable
15 service or after the completion of 30 years of creditable service
16 or on or after his 60th birthday upon the completion of 25 years
17 of creditable service, the allowance shall be equal to one and
18 seventy-seven hundredths percent (1.77%) of average final
19 compensation, multiplied by the number of years of creditable
20 service.

21 b. If the member's service retirement date occurs after his 60th
22 birthday and before his 65th birthday and prior to his completion
23 of 25 years or more of creditable service, his retirement
24 allowance shall be computed as in G.S. 128-27(b18)(2)a. but
25 shall be reduced by one-quarter of one percent (1/4 of 1%)
26 thereof for each month by which his retirement date precedes the
27 first day of the month coincident with or next following his 65th
28 birthday.

29 c. If the member's early service retirement date occurs on or after
30 his 50th birthday and before his 60th birthday and after
31 completion of 20 years of creditable service but prior to the
32 completion of 30 years of creditable service, his early service
33 retirement allowance shall be equal to the greater of:

34 1. The service retirement allowance as computed under G.S.
35 128-27(b18)(2)a. but reduced by the sum of five-twelfths
36 of one percent (5/12 of 1%) thereof for each month by
37 which his retirement date precedes the first day of the
38 month coincident with or next following the month the
39 member would have attained his 60th birthday, plus one-
40 quarter of one percent (1/4 of 1%) thereof for each month
41 by which his 60th birthday precedes the first day of the
42 month coincident with or next following his 65th birthday;
43 or

- 1 2. The service retirement allowance as computed under G.S.
2 128-27(b18)(2)a. reduced by five percent (5%) times the
3 difference between 30 years and his creditable service at
4 retirement; or
5 3. If the member's creditable service commenced prior to
6 July 1, 1995, the service retirement allowance equal to the
7 actuarial equivalent of the allowance payable at the age of
8 60 years as computed in G.S. 128-27(b18)(2)b.
9 d. Notwithstanding the foregoing provisions, any member whose
10 creditable service commenced prior to July 1, 1965, shall not
11 receive less than the benefit provided by G.S. 128-27(b)."

12 Section 7. G.S. 128-27(m) reads as rewritten:

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

- 19 (1) a. The member had attained such age and/or creditable service to be
20 eligible to commence retirement with an early or service retirement
21 allowance, or
22 b. The member had obtained 20 years of creditable service in which
23 case the retirement allowance shall be computed in accordance
24 with ~~G.S. 128-27(b17)(1)b. or G.S. 128-27(b17)(2)e.,~~ G.S. 128-
25 27(b18)(1)b. or G.S. 128-27(b17)(2)c., notwithstanding the
26 requirement of obtaining age 50.
27 (2) The member had designated as the principal beneficiary to receive a
28 return of his accumulated contributions one and only one person who is
29 living at the time of his death.
30 (3) The member had not instructed the Board of Trustees in writing that he
31 did not wish the provisions of this subsection apply.

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

39 Section 8. This act becomes effective July 1, 2000.