

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2023

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HOUSE BILL 810

Short Title: Special Separation Allowance. (Public)

Sponsors: Representatives Pyrtle, Cotham, Miller, and Moss (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 19, 2023

A BILL TO BE ENTITLED

AN ACT PROVIDING LAW ENFORCEMENT OFFICERS WHO ARE MEMBERS OF THE TEACHERS' AND STATE EMPLOYEES' RETIREMENT SYSTEM OR THE LOCAL GOVERNMENTAL EMPLOYEES' RETIREMENT SYSTEM AN ALTERNATIVE SPECIAL SEPARATION ALLOWANCE.

The General Assembly of North Carolina enacts:

**SECTION 1.** Article 12D of Chapter 143 of the General Statutes is amended by adding a new section to read:

**"§ 143-166.44. Alternative special separation allowances for law enforcement officers.**

(a) Optional Special Separation Allowances for Law Enforcement Officers. – Notwithstanding any other provision of law, as an alternative to receiving the special separation allowance authorized by G.S. 143-166.41, 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 may elect to receive, beginning in the month in which the officer retires, either the special separation allowance under G.S. 143-166.41 or receive, beginning in the month in which the officer retires, an annual separation allowance equal to eighty-five hundredths percent (0.85%) of the annual equivalent of the base rate of compensation at 30 years 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:

(1) Have completed at least 30 years but no more than 35 years of creditable service.

(2) Have 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.

(b) Optional Special Separation Allowances for Local Officers. – Notwithstanding any other provision of law, as an alternative to receiving the special separation allowance authorized under G.S. 143-166.42, 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 may elect to receive, beginning in the month in which the officer retires, either the special separation allowance under G.S. 143-166.42 or receive, beginning in the month in which the



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1 officer retires, on a basic service retirement under the provisions of G.S. 128-27(a), an annual  
2 separation allowance equal to eighty-five hundredths percent (0.85%) of the annual equivalent  
3 of the base rate of compensation most recently applicable to the officer for each year of creditable  
4 service. The allowance shall be paid in equal installments on the payroll frequency used by the  
5 employer. To qualify for the allowance, the officer shall:

6 (1) Have completed at least 30 years but no more than 35 years of creditable  
7 service.

8 (2) Have completed at least five years of continuous service as a law enforcement  
9 officer as herein defined immediately preceding a service retirement. Any  
10 break in the continuous service required by this subsection because of  
11 disability retirement or disability salary continuation benefits shall not  
12 adversely affect an officer's qualification to receive the allowance, provided  
13 the officer returns to service within 45 days after the disability benefits cease  
14 and is otherwise qualified to receive the allowance.

15 (c) As used in this section, "creditable service" means the service for which credit is  
16 allowed under the retirement system of which the officer is a member, provided that at least fifty  
17 percent (50%) of the service is as a law enforcement officer as herein defined.

18 (d) Payment to a retired officer under the provisions of this section shall cease at the first  
19 of:

20 (1) The death of the officer.

21 (2) The last day of the month after a period equivalent to 62 minus the age at  
22 which the officer first completes 30 years of creditable service. For example,  
23 for an officer who first completes 30 years of creditable service at 52 years  
24 old and retires at 57 years old; 62 minus 52 equals 10 years.

25 (3) The first day of reemployment by a local government employer in any  
26 capacity.

27 (e) Notwithstanding the provisions of subdivision (3) of subsection (d) of this section,  
28 payments to a retired officer shall not cease when a local government employer employs a retired  
29 officer for any of the following:

30 (1) In a public safety position in a capacity not requiring participation in the Local  
31 Governmental Employees' Retirement System.

32 (2) In service to a county board of elections on an election day in a capacity that  
33 complies with G.S. 128-21(19) and does not result in cessation or suspension  
34 of the retiree's benefit from the Local Government Employees' Retirement  
35 System.

36 (f) This section does not affect the benefits to which an individual may be entitled from  
37 State, local, federal, or private retirement systems. The benefits payable under this section shall  
38 not be subject to any increases in salary or retirement allowances that may be authorized by local  
39 government employers or for retired employees of local governments.

40 (g) The governing body of each local employer shall determine the eligibility of  
41 employees for the benefits provided herein.

42 (h) The governing body of each local employer shall make the payments set forth in  
43 subsection (a) of this section to those persons certified under subsection (e) of this section from  
44 funds available."

45 **SECTION 2.** This act becomes effective July 1, 2023.