

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

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HOUSE BILL 1031
Committee Substitute Favorable 4/30/97

Short Title: Retirement Incentive.

(Public)

Sponsors:

Referred to:

April 21, 1997

A BILL TO BE ENTITLED

AN ACT TO PROVIDE A RETIREMENT INCENTIVE BY GRANTING A SEPARATION ALLOWANCE FOR ALL ELIGIBLE MEMBERS OF THE TEACHERS' AND STATE EMPLOYEES' RETIREMENT SYSTEM.

The General Assembly of North Carolina enacts:

Section 1. The catch line of Article 12D of Chapter 143 of the General Statutes reads as rewritten:

"~~Separation Allowances for Law Enforcement Officers.~~ Allowances."

Section 2. Article 12D of Chapter 143 of the General Statutes is amended by adding a new section to read:

"§ 143-166.43. Special separation allowance.

(a) Notwithstanding any other provision of law, any member of the Teachers' and State Employees' Retirement System who is not eligible for a special separation allowance under G.S. 143-166.41 and who qualifies under this section shall receive, beginning on the last day of the month in which the member retires on a 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 the member for each year of creditable service.

1 The allowance shall be paid in 12 equal installments on the last day of each month. To
2 qualify for the allowance the member shall:

3 (1) Have (i) completed 30 or more years of creditable service, or (ii) have
4 attained 60 years of age and completed 25 or more years of creditable
5 service; and

6 (2) Not have attained 62 years of age.

7 (b) As used in this section, 'creditable service' means the service for which credit
8 is allowed under the Teachers' and State Employees' Retirement System.

9 (c) Payment to a retired member under the provisions of this section shall cease at
10 the death of the retired member or on the last day of the month in which the retired
11 member attains 62 years of age or upon the first day of reemployment, contractual or
12 otherwise, by any employer as defined in G.S. 135-1(11).

13 (d) This section does not affect the benefits to which a retired member may be
14 entitled from State, federal, or private retirement systems. The benefits payable under this
15 section shall not be subject to any increases in salary or retirement allowances that may
16 be authorized by the General Assembly.

17 (e) Each employer as defined in G.S. 135-1(11) shall determine the eligibility of
18 employees for the benefits provided herein.

19 (f) The Director of the Budget may authorize from time to time the transfer of
20 funds within the budgets of each employer necessary to carry out the purposes of this
21 section. These funds shall be taken from those appropriated to the employer for salaries
22 and related fringe benefits.

23 (g) The employer shall make the payments set forth in subsection (a) to those
24 persons certified under subsection (e) from funds available under subsection (f) of this
25 section."

26 Section 3. This act is effective when it becomes law and applies to persons
27 whose effective date of retirement is not earlier than July 1, 1997, and not later than
28 January 1, 1998.