

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

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HOUSE BILL 1035

Short Title: Increase Law Enforce. Retire.

(Public)

Sponsors: Representatives Hardy; Buchanan, McComas, Morris, Mosley, Sexton, and Thompson.

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

April 21, 1997

A BILL TO BE ENTITLED

1 AN ACT TO PROVIDE FOR RETIREMENT BY LAW ENFORCEMENT OFFICERS
2 WITH UNREDUCED BENEFITS AFTER TWENTY YEARS OF SERVICE,
3 REGARDLESS OF AGE.
4

5 The General Assembly of North Carolina enacts:

6 Section 1. G.S. 128-27(b15) reads as rewritten:

7 "(b15) Service Retirement Allowance of Members Retiring on or after July 1,
8 ~~1995~~ 1995, but before July 1, 1997. – Upon retirement from service in accordance with
9 subsection (a) or (a1) above, on or after July 1, 1995, but before July 1, 1997, a member
10 shall receive the following service retirement allowance:

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

14 a. If the member's service retirement date occurs on or after his
15 55th birthday, and completion of five years of creditable service
16 as a law enforcement officer, or after the completion of 30 years
17 of creditable service, the allowance shall be equal to one and
18 seventy-two hundredths percent (1.72%) of his average final

- 1 compensation, multiplied by the number of years of his
2 creditable service.
- 3 b. If the member's service retirement date occurs on or after his
4 50th birthday and before his 55th birthday with 15 or more years
5 of creditable service as a law enforcement officer and prior to the
6 completion of 30 years of creditable service, his retirement
7 allowance shall be equal to the greater of:
- 8 1. The service retirement allowance payable under G.S. 128-
9 27(b15)(1)a. reduced by one-third of one percent ($\frac{1}{3}$ of
10 1%) thereof for each month by which his retirement date
11 precedes the first day of the month coincident with or next
12 following the month the member would have attained his
13 55th birthday; or
- 14 2. The service retirement allowance as computed under G.S.
15 128-27(b15)(1)a. reduced by five percent (5%) times the
16 difference between 30 years and his creditable service at
17 retirement.
- 18 (2) A member who is not a law enforcement officer or an eligible former
19 law enforcement officer shall receive a service retirement allowance
20 computed as follows:
- 21 a. If the member's service retirement date occurs on or after his
22 65th birthday upon the completion of five years of creditable
23 service or after the completion of 30 years of creditable service
24 or on or after his 60th birthday upon the completion of 25 years
25 of creditable service, the allowance shall be equal to one and
26 seventy-two hundredths percent (1.72%) of his average final
27 compensation, multiplied by the number of years of creditable
28 service.
- 29 b. If the member's service retirement date occurs after his 60th and
30 before his 65th birthday and prior to his completion of 25 years
31 or more of creditable service, his retirement allowance shall be
32 computed as in G.S. 128-27(b15)(2)a. but shall be reduced by
33 one-quarter of one percent ($\frac{1}{4}$ of 1%) thereof for each month by
34 which his retirement date precedes the first day of the month
35 coincident with or next following his 65th birthday.
- 36 c. If the member's early service retirement date occurs on or after
37 his 50th birthday and before his 60th birthday and after
38 completion of 20 years of creditable service but prior to the
39 completion of 30 years of creditable service, his early service
40 retirement allowance shall be equal to the greater of:
- 41 1. The service retirement allowance as computed under G.S.
42 128-27(b15)(2)a. but reduced by the sum of five-twelfths
43 of one percent ($\frac{5}{12}$ of 1%) thereof for each month by

1 which his retirement date precedes the first day of the
2 month coincident with or next following the month the
3 member would have attained his 60th birthday, plus one-
4 quarter of one percent (1/4 of 1%) thereof for each month
5 by which his 60th birthday precedes the first day of the
6 month coincident with or next following his 65th birthday;
7 or

8 2. The service retirement allowance as computed under G.S.
9 128-27(b15)(2)a. reduced by five percent (5%) times the
10 difference between 30 years and his creditable service at
11 retirement; or

12 3. If the member's creditable service commenced prior to
13 July 1, 1995, the service retirement allowance equal to the
14 actuarial equivalent of the allowance payable at the age of
15 60 years as computed in G.S. 128-27(b15)(2)b.

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

19 Section 2. G.S. 128-27 is amended by adding a new subsection to read:

20 "(b16) Service Retirement Allowance of Members Retiring on or after July 1,
21 1997. – Upon retirement from service in accordance with subsection (a) or (a1) above, on
22 or after July 1, 1997, a member shall receive the following service retirement allowance:

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

26 a. If the member's service retirement date occurs on or after his
27 55th birthday, and completion of five years of creditable service
28 as a law enforcement officer, or after the completion of 20 years
29 of creditable service, regardless of age, the allowance shall be
30 equal to two and fifty hundredths percent (2.50%) of his average
31 final compensation, multiplied by the number of years of
32 creditable service up to and including 20 years, plus one and
33 seventy-two hundredths percent (1.72%) of his average final
34 compensation, multiplied by the number of years of his
35 creditable service above 20 years.

36 b. If the member's service retirement date occurs on or after his
37 50th birthday and before his 55th birthday with 15 or more years
38 of creditable service as a law enforcement officer and prior to the
39 completion of 20 years of creditable service, his retirement
40 allowance shall be equal to the service retirement allowance
41 payable under G.S. 128-27(b15)(1)a. reduced by one-third of one
42 percent (1/3 of 1%) thereof for each month by which his
43 retirement date precedes the first day of the month coincident

1 with or next following the month the member would have
2 attained his 55th birthday.

3 (2) A member who is not a law enforcement officer or an eligible former
4 law enforcement officer shall receive a service retirement allowance
5 computed as follows:

6 a. If the member's service retirement date occurs on or after his
7 65th birthday upon the completion of five years of creditable
8 service or after the completion of 30 years of creditable service
9 or on or after his 60th birthday upon the completion of 25 years
10 of creditable service, the allowance shall be equal to one and
11 seventy-two hundredths percent (1.72%) of his average final
12 compensation, multiplied by the number of years of creditable
13 service.

14 b. If the member's service retirement date occurs after his 60th
15 birthday and before his 65th birthday and prior to his completion
16 of 25 years or more of creditable service, his retirement
17 allowance shall be computed as in G.S. 128-27(b15)(2)a. but
18 shall be reduced by one-quarter of one percent (1/4 of 1%)
19 thereof for each month by which his retirement date precedes the
20 first day of the month coincident with or next following his 65th
21 birthday.

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

27 1. The service retirement allowance as computed under G.S.
28 128-27(b15)(2)a. but reduced by the sum of five-twelfths
29 of one percent (5/12 of 1%) thereof for each month by
30 which his retirement date precedes the first day of the
31 month coincident with or next following the month the
32 member would have attained his 60th birthday, plus one-
33 quarter of one percent (1/4 of 1%) thereof for each month
34 by which his 60th birthday precedes the first day of the
35 month coincident with or next following his 65th birthday;

36 or

37 2. The service retirement allowance as computed under G.S.
38 128-27(b15)(2)a. reduced by five percent (5%) times the
39 difference between 30 years and his creditable service at
40 retirement; or

41 3. If the member's creditable service commenced prior to
42 July 1, 1995, the service retirement allowance equal to the

1 actuarial equivalent of the allowance payable at the age of
2 60 years as computed in G.S. 128-27(b15)(2)b.

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

6 Section 3. G.S. 128-27(m) reads as rewritten:

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

- 13 (1) a. The member had attained such age and/or creditable service to be
14 eligible to commence retirement with an early or service retirement
15 allowance, or
16 b. The member had obtained 20 years of creditable service in which
17 case the retirement allowance shall be computed in accordance
18 with ~~G.S. 128-27(b15)(1)b.~~ G.S. 128-(b16)(1)b. or ~~G.S. 128-~~
19 ~~27(b15)(2)e.,~~ G.S. 128-27(b15)(92)c., notwithstanding the
20 requirement of obtaining age 50.
21 (2) The member had designated as the principal beneficiary to receive a
22 return of his accumulated contributions one and only one person who is
23 living at the time of his death.
24 (3) The member had not instructed the Board of Trustees in writing that he
25 did not wish the provisions of this subsection apply.

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

33 Section 4. This act becomes effective July 1, 1997.