

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2021

H.B. 944
May 11, 2021
HOUSE PRINCIPAL CLERK

H

D

HOUSE BILL DRH40556-MGa-169

Short Title: Firefighter & RSW Sep. Allowance & Trust Fund. (Public)

Sponsors: Representative Saine.

Referred to:

1 A BILL TO BE ENTITLED
2 AN ACT CREATING A SPECIAL SEPARATION ALLOWANCE FOR STATE AND LOCAL
3 FIREFIGHTERS AND RESCUE SQUAD WORKERS AND ESTABLISHING A TRUST
4 FUND WITHIN THE DEPARTMENT OF STATE TREASURER TO COVER THE COST
5 OF THESE SEPARATION ALLOWANCES.

6 The General Assembly of North Carolina enacts:

7 **SECTION 1.(a)** Chapter 143 of the General Statutes is amended by adding a new
8 Article to read:

9 "Article 12L.

10 "Special Separation Allowances for State and Local Firefighters and Rescue Squad Workers.

11 "**§ 143-166.90. Special separation allowances for State firefighters and rescue squad**
12 **workers.**

13 (a) The following definitions apply in this section:

14 (1) "Creditable service" shall mean the service for which credit is allowed under
15 the retirement system of which the firefighter or rescue squad worker is a
16 member, provided that at least fifty percent (50%) of the service is as a
17 firefighter or rescue squad worker.

18 (2) "Firefighter" shall mean a full-time paid employee of any State department,
19 agency, or institution actively serving in a position with assigned primary
20 duties and responsibilities for the prevention, detection, and suppression of
21 fire.

22 (3) "Rescue squad worker" shall mean a full-time paid employee of any State
23 department, agency, or institution who meets the definition of "emergency
24 medical services personnel" under G.S. 131E-155.

25 (b) Every firefighter or rescue squad worker who qualifies under this section shall
26 receive, beginning in the month in which the firefighter or rescue squad worker retires on a basic
27 service retirement under the provisions of G.S. 135-5(a), an annual separation allowance equal
28 to eighty-five hundredths percent (0.85%) of the annual equivalent of the base rate of
29 compensation most recently applicable to the firefighter or rescue squad worker for each year of
30 creditable service. The allowance shall be paid in equal monthly installments. To qualify for the
31 allowance, the firefighter or rescue squad worker shall meet all of the following criteria:

32 (1) The firefighter or rescue squad worker has either (i) completed 30 or more
33 years of creditable service or (ii) attained 60 years of age and completed 25 or
34 more years of creditable service.

35 (2) The firefighter or rescue squad worker has not attained 62 years of age.



(3) The firefighter or rescue squad worker has completed at least five years of continuous service, rendered on or after July 1, 2021, as a firefighter or rescue squad worker immediately preceding a service retirement. Any break in the continuous service required by this subdivision because of disability retirement or disability salary continuation benefits shall not adversely affect a firefighter's or rescue squad worker's qualification to receive the allowance, provided the firefighter or rescue squad worker returns to service within 45 days after the disability benefits cease and is otherwise qualified to receive the allowance.

(c) Payment to a retired firefighter or rescue squad worker under the provisions of this section shall cease upon the earlier of the following:

- (1) The death of the firefighter or rescue squad worker.
- (2) The last day of the month in which the firefighter or rescue squad worker attains 62 years of age.
- (3) The first day of reemployment by any State department, agency, or institution, except that this subdivision does not apply to a firefighter or rescue squad worker returning to State employment in a position exempt from the North Carolina Human Resources Act in an agency other than the agency from which that firefighter or rescue squad worker retired.

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

(e) The Retirement System shall determine the eligibility of employees for the benefits provided under this section.

"§ 143-166.92. Special separation allowances for local firefighters and rescue squad workers.

- (a) The following definitions apply in this section:
- (1) "Creditable service" means the service for which credit is allowed under the retirement system of which the firefighter or rescue squad worker is a member, provided that at least fifty percent (50%) of the service is as a firefighter or rescue squad worker.
 - (2) "Firefighter" means a person (i) who is a full-time paid employee of an employer that participates in the Local Governmental Employees' Retirement System, or an equivalent locally sponsored retirement plan, and maintains a fire department certified by the North Carolina Department of Insurance or a County Fire Marshal's Office and (ii) who is actively serving in a position with assigned primary duties and responsibilities for the prevention, detection, and suppression of fire.
 - (3) "Rescue squad worker" means a person (i) who is a full-time paid employee of an employer that participates in the Local Governmental Employees' Retirement System and maintains a rescue squad or emergency medical services team certified by the North Carolina Department of Insurance or the Department of Health and Human Services and (ii) who is actively serving in a position with assigned primary duties and responsibilities for the alleviation of human suffering and assistance to persons who are in difficulty, who are injured, or who become suddenly ill by providing proper and efficient care or emergency medical services.

(b) Every firefighter or rescue squad worker who qualifies under this section shall receive an annual separation allowance beginning in the month in which the firefighter or rescue squad worker retires on a basic service retirement under the provisions of G.S. 128-27(a) or a locally

sponsored retirement plan. The annual separation allowance shall be equal to eighty-five hundredths percent (0.85%) of the annual equivalent of the base rate of compensation most recently applicable to the firefighter or rescue squad worker for each year of creditable service. The allowance shall be paid in equal monthly installments. To qualify for the allowance, the firefighter or rescue squad worker shall meet all of the following criteria:

- (1) The firefighter or rescue squad worker has either (i) completed 30 or more years of creditable service or (ii) attained 60 years of age and completed 25 or more years of creditable service.
- (2) The firefighter or rescue squad worker has not attained 62 years of age.
- (3) The firefighter or rescue squad worker has completed at least five years of continuous service, rendered on or after July 1, 2021, as a firefighter or rescue squad worker immediately preceding a service retirement. Any break in the continuous service required by this subdivision because of disability retirement or disability salary continuation benefits shall not adversely affect a firefighter's or rescue squad worker's qualification to receive the allowance, provided the firefighter or rescue squad worker returns to service within 45 days after the disability benefits cease and is otherwise qualified to receive the allowance.

(c) Payment to a retired firefighter or rescue squad worker under the provisions of this section shall cease upon the earlier of the following:

- (1) The death of the firefighter or rescue squad worker.
- (2) The last day of the month in which the firefighter or rescue squad worker attains 62 years of age.
- (3) The first day of reemployment by a local government employer in any capacity.

Notwithstanding the provisions of subdivision (3) of this subsection, a local government employer may employ retired firefighters and rescue squad workers in a public safety position in a capacity not requiring participation in the Local Governmental Employees' Retirement System or an equivalent locally sponsored retirement plan, and doing so shall not cause payment to cease to those firefighters and rescue squad workers under the provisions of this section.

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

(e) The Retirement System shall determine the eligibility of employees for the benefits provided under this section."

SECTION 1.(b) This section is effective when it becomes law and applies to firefighters and rescue squad workers retiring on or after July 1, 2026, with at least five years of continuous service that was rendered on or after July 1, 2021.

SECTION 2.(a) Article 12I of Chapter 143 of the General Statutes, as enacted by Section 1 of this act, is amended by adding a new section to read:

"§ 143-166.94. Firefighters' and Rescue Squad Workers' Separation Allowance Trust Fund.

(a) There is established the Firefighters' and Rescue Squad Workers' Separation Allowance Trust Fund in the Department of State Treasurer, which shall consist of State funds appropriated by the General Assembly and interest and income earned by the Trust Fund. The Department of State Treasurer shall use the money in the Trust Fund only to pay for the separation allowances authorized by G.S. 143-166.90 and G.S. 143-166.92 and shall administer the Trust Fund in a manner that ensures sufficient funds are available to make these authorized payments as they become due.

1 (b) The Department of State Treasurer shall report annually on revenues and expenditures
2 of the Firefighters' and Rescue Squad Workers' Separation Allowance Trust Fund to the Joint
3 Legislative Commission on Governmental Operations."

4 **SECTION 2.(b)** There is appropriated from the General Fund to the Department of
5 State Treasurer the sum of one hundred forty-three million dollars (\$143,000,000) in
6 nonrecurring funds for the 2021-2022 fiscal year to be allocated to the Firefighters' and Rescue
7 Squad Workers' Separation Allowance Trust Fund established by G.S. 143-166.94, as enacted by
8 subsection (a) of this section.

9 **SECTION 3.** Except as otherwise provided, this act becomes effective July 1, 2021.