

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

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HOUSE BILL 1031

Short Title: Retirement Incentive.

(Public)

Sponsors: Representatives Grady; Nichols, Preston, and Watson.

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

April 21, 1997

A BILL TO BE ENTITLED

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

4 The General Assembly of North Carolina enacts:

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

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

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

10 "**§ 143-166.43. Special separation allowance.**

11 (a) Notwithstanding any other provision of law, any member of the Teachers' and
12 State Employees' Retirement System who is not eligible for a special separation
13 allowance under G.S. 143-166.41 and who qualifies under this section shall receive,
14 beginning on the last day of the month in which he retires on a service retirement under
15 the provisions of G.S. 135-5(a) an annual separation allowance equal to eighty-five
16 hundredths percent (0.85%) of the annual equivalent of the base rate of compensation
17 most recently applicable to him for each year of creditable service. The allowance shall
18 be paid in 12 equal installments on the last day of each month. To qualify for the
19 allowance the member shall:
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- 1 (1) Have (i) completed 30 or more years of creditable service or, (ii) have
2 attained 60 years of age and completed 25 or more years of creditable
3 service; and
4 (2) Not have attained 62 years of age.
- 5 (b) As used in this section, 'creditable service' means the service for which credit
6 is allowed under the Teachers' and State Employees' Retirement System.
- 7 (c) Payment to a retired member under the provisions of this section shall cease at
8 the death of the retired member or on the last day of the month in which the retired
9 member attains 62 years of age or upon the first day of reemployment, contractual or
10 otherwise, by any employer as defined in G.S. 135-1(11).
- 11 (d) This section does not affect the benefits to which a retired member may be
12 entitled from State, federal, or private retirement systems. The benefits payable under this
13 section shall not be subject to any increases in salary or retirement allowances that may
14 be authorized by the General Assembly.
- 15 (e) Each employer as defined in G.S. 135-1(11) shall determine the eligibility of
16 employees for the benefits provided herein.
- 17 (f) The Director of the Budget may authorize from time to time the transfer of
18 funds within the budgets of each employer necessary to carry out the purposes of this
19 section. These funds shall be taken from those appropriated to the employer for salaries
20 and related fringe benefits.
- 21 (g) The employer shall make the payments set forth in subsection (a) to those
22 persons certified under subsection (e) from funds available under subsection (f) of this
23 section."
- 24 Section 3. This act applies to persons whose effective date of retirement is not
25 earlier than July 1, 1997, and not later than January 1, 1998.