



# HOUSE BILL 406: Spec. Sep. Allowance/25-Yr Cleveland Cty LEOs.

2021-2022 General Assembly

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<b>Committee:</b>	House Local Government. If favorable, re- refer to Pensions and Retirement. If favorable, re-refer to Rules, Calendar, and Operations of the House	<b>Date:</b>	April 13, 2021
<b>Introduced by:</b>	Rep. Hastings	<b>Prepared by:</b>	Nicholas Giddings Staff Attorney
<b>Analysis of:</b>	First Edition		

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**OVERVIEW:** *House Bill 406 would allow certain Cleveland County law enforcement officers who attain at least 25 years of creditable service to receive a special separation allowance.*

**CURRENT LAW:** Local government law enforcement officers in North Carolina are eligible for a special separation allowance until the age of 62 if the officer retires with unreduced benefits, unless the person returns to any employment with a local government. A law enforcement officer may receive unreduced benefits if the officer has either (i) 30 years of creditable service at any age, or (ii) attained age 55 with at least 5 years of creditable service. Creditable service is defined as service for which credit is allowed under the retirement system of which the officer is a member, provided that at least fifty percent (50%) of the service is as a law enforcement officer.

**BILL ANALYSIS:** House Bill 406 would allow certain law enforcement officers employed by Cleveland County to receive a special separation allowance. In order to qualify for the allowance, the law enforcement officer must meet all of the following criteria:

- Complete 25 years or more of creditable service.
- Be less than 62 years of age.
- Complete at least 10 years of continuous service as a law enforcement officer for Cleveland County immediately preceding service retirement.
- Not receive a special separation allowance under G.S. 143-166.41 (State law enforcement officers) or G.S. 143-166.42 (local government law enforcement officers).

The special separation allowance would cease to be paid to a retiree if they die, reach the age of 62, or, except in limited circumstances, are reemployed by a local government employer. The governing body of Cleveland County would determine the eligibility of employees for special separation allowances.

**EFFECTIVE DATE:** This act would become effective January 1, 2022, and apply prospectively to eligibility determinations made by Cleveland County on or after that date.

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Legislative Analysis  
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