



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

2021-2022 General Assembly

<b>Committee:</b> Senate Rules and Operations of the Senate	<b>Date:</b> November 29, 2021
<b>Introduced by:</b> Rep. Hastings	<b>Prepared by:</b> Jason Moran-Bates
<b>Analysis of:</b> Fourth Edition	Staff Attorney

**OVERVIEW:** House Bill 406 would allow certain Cleveland, Rutherford, and Moore 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, Rutherford, and Moore counties 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, Rutherford, or Moore counties 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, and the amount paid would be determined on a sliding scale from .725% to .85% of the officer's base rate of compensation, based on years of creditable service. The governing body of Cleveland, Rutherford, or Moore counties 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.

\*\*\*Nick Giddings of the Legislative Analysis Division substantially contributed to this summary.

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