



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

2021-2022 General Assembly

Committee:	House Pensions and Retirement. If favorable, re-refer to Rules, Calendar, and Operations of the House	Date:	April 23, 2021
Introduced by:	Rep. Hastings	Prepared by:	Jason Moran-Bates
Analysis of:	Second Edition		Committee Staff

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, 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 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.

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

Jeffrey Hudson
Director



Legislative Analysis
Division
919-733-2578