



HOUSE BILL 481: Pay Exceptions/Special Separation Allowance.

2025-2026 General Assembly

Analysis of: S.L. 2026-33

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S.L. 2026-33 (House Bill 481) allows State and local law enforcement officers (LEOs) to maintain eligibility for the special separation allowance after a break in continuous service due to any type of retirement. Previously, continued eligibility for the special separation allowance was only permitted due to a break in service for disability retirement.

The act also ends the payment of the special separation allowance when a retired State LEO is reemployed by a State department, agency, or institution that both:

- Requires participation in the Teachers' and State Employees' Retirement System.
- Is either (i) subject to the North Carolina Human Resources Act or (ii) located in the same agency from which the officer retired.

This act became effective July 2, 2026. The provisions that apply to ending payment of the special separation allowance for State LEOs apply to reemployment occurring on or after that date.

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