



HOUSE BILL 50: LEO Special Separation Allowance Options.

2025-2026 General Assembly

Committee: House Judiciary 1. If favorable, re-refer to State and Local Government. If favorable, re-refer to Pensions and Retirement. If favorable, re-refer to Rules, Calendar, and Operations of the House **Date:** March 4, 2025

Introduced by: Reps. Pyrtle, Miller, Chesser, Cotham **Prepared by:** Ike McRee

Analysis of: First Edition **Committee Co-Counsel**

OVERVIEW: *House Bill 50 establishes an alternative special separation allowance for State and local law enforcement officers who complete at least 30 years of creditable service.*

CURRENT LAW: Special separation allowances are provided for a law enforcement officer (LEO) employed by a State department, agency, or institution under G.S. 143-166.41, and for those employed by a local government employer under G.S. 143-166.42.

BILL ANALYSIS: House Bill 50 establishes an alternative special separation allowance for a State and local LEO and would do the following:

Section 1 establishes an alternative separation allowance for every sworn LEO employed by a State department, agency, or institution. A LEO may choose to receive the special separation allowance already provided in Article 12D of Chapter 143, or the alternative separation allowance beginning in the month the LEO retires. The alternative separation allowance would provide an annual separation allowance equal to 0.85% of the annual equivalent of the base rate of compensation at the time the LEO attained 30 years of service times 30. The allowance would be paid in equal installments on the payroll frequency used by the employer from which the LEO retired.

To qualify for the alternative special allowance the LEO must:

- Have completed at least 30 or more years of creditable service prior to attaining 62 years of age.
- Have completed at least 5 years of continuous service as a LEO immediately preceding a service retirement.

Payment of the alternative special separation allowance to a retired LEO will cease at the first of:

- The death of the LEO.
- The last day of the month after a period equivalent to 62 years minus the age at which the LEO first completes 30 years of creditable service. (Example: LEO first completes 30 years of creditable service at 52 years old, retires at 57 years old: 62-52=10 years.)
- The first day of reemployment by any State department, agency, or institution, except it does not apply to a LEO returning to State employment in a position exempt from the North Carolina Human Resources Act in any agency other than the agency from which the officer retired.

Section 2 establishes the same alternative special separation allowance outlined above for a LEO employed by a local government employer.

EFFECTIVE DATE: The act becomes effective July 1, 2025, and applies to an LEO retiring on or after that date.

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