

- 1 a. Notwithstanding any other provision of this Chapter, any
 2 member who separates from service prior to the attainment of
 3 the age of 60 years for any reason other than death or retirement
 4 for disability as provided in G.S. 128-27(c), after completing 15
 5 or more years of creditable service, and who leaves his total
 6 accumulated contributions in said System shall have the right to
 7 retire on a deferred retirement allowance upon attaining the age
 8 of 60 years; provided that such member may retire only upon
 9 written application to the Board of Trustees setting forth at what
 10 time, not less than one day nor more than 90 days subsequent to
 11 the execution and filing thereof, he desires to be retired; and
 12 further provided that in the case of a member who so separates
 13 from service on or after July 1, 1967, the aforestated
 14 requirement of 15 or more years of creditable service shall be
 15 reduced to 12 or more years of creditable service; and further
 16 provided that in the case of a member who so separates from
 17 service on or after July 1, 1971, or whose account is active on
 18 July 1, 1971, the aforestated requirement of 12 or more years of
 19 creditable service shall be reduced to five or more years of
 20 creditable service. Such deferred retirement allowance shall be
 21 computed in accordance with the service retirement provisions
 22 of this Article pertaining to a member who is not a law
 23 enforcement officer or eligible former law enforcement officer.
- 24 b. In lieu of the benefits provided in paragraph a of this
 25 subdivision, any member who separates from service prior to
 26 the attainment of the age of 60 years, for any reason other than
 27 death or retirement for disability as provided in G.S. 128-27(c),
 28 after completing 20 or more years of creditable service, and
 29 who leaves his total accumulated contributions in said System
 30 may elect to retire on an early retirement allowance upon
 31 attaining the age of 50 years or at any time thereafter; provided
 32 that such member may so retire only upon written application to
 33 the Board of Trustees setting forth at what time, not less than
 34 one day nor more than 90 days subsequent to the execution and
 35 filing thereof, he desires to be retired. Such early retirement
 36 allowance so elected shall be equal to the deferred retirement
 37 allowance otherwise payable at the attainment of the age of 60
 38 years reduced by the percentage thereof indicated below.

Age at Retirement	Percentage Reduction
59	7
58	14
57	20

1	56	25
2	55	30
3	54	35
4	53	39
5	52	43
6	51	46
7	50	50

8

9 b1. In lieu of the benefits provided in paragraphs a and b of this

10 subdivision, any member who is a law enforcement ~~officer~~

11 officer, career firefighter, or career rescue squad worker at the

12 time of separation from service prior to the attainment of the

13 age of 50 years, for any reason other than death or disability as

14 provided in this Article, after completing 15 or more years of

15 creditable service in this capacity immediately prior to

16 separation from service, and who leaves his total accumulated

17 contributions in this System, may elect to retire on a deferred

18 early retirement allowance upon attaining the age of 50 years or

19 at any time thereafter; provided, that the member may

20 commence retirement only upon written application to the

21 Board of Trustees setting forth at what time, as of the first day

22 of a calendar month, not less than one day nor more than 90

23 days subsequent to the execution and filing thereof, he desires

24 to commence retirement. The deferred early retirement

25 allowance shall be computed in accordance with the service

26 retirement provisions of this Article pertaining to law

27 enforcement ~~officers~~. officers, career firefighters, or career

28 rescue squad workers.

29 b2. In lieu of the benefits provided in paragraphs a and b of this

30 subdivision, any member who is a law enforcement ~~officer~~

31 officer, career firefighter, or career rescue squad worker at the

32 time of separation from service prior to the attainment of the

33 age of 55 years, for any reason other than death or disability as

34 provided in this Article, after completing five or more years of

35 creditable service in this capacity immediately prior to

36 separation from service, and who leaves his total accumulated

37 contributions in this System may elect to retire on a deferred

38 service retirement allowance upon attaining the age of 55 years

39 or at any time thereafter; provided, that the member may

40 commence retirement only upon written application to the

41 Board of Trustees setting forth at what time, as of the first day

42 of a calendar month not less than one day nor more than 90

43 days subsequent to the execution and filing thereof, he desires

44 to commence retirement. The deferred service retirement

- 1 allowance shall be computed in accordance with the service
2 retirement provisions of this Article pertaining to law
3 enforcement ~~officers~~ officers, career firefighters, or career
4 rescue squad workers.
- 5 b3. Deferred retirement allowance of members retiring on or after
6 July 1, 1995. – In lieu of the benefits provided in paragraphs a.
7 and b. of this subdivision, any member who separates from
8 service prior to attainment of age 60 years, after completing 20
9 or more years of creditable service, and who leaves his total
10 accumulated contributions in said System, may elect to retire on
11 a deferred retirement allowance upon attaining the age of 50
12 years or any time thereafter; provided that such member may so
13 retire only upon written application to the Board of Trustees
14 setting forth at what time, not less than one day nor more than
15 90 days subsequent to the execution and filing thereof, he
16 desires to be retired. Such deferred retirement allowance shall
17 be computed in accordance with the service retirement
18 provisions of this Article pertaining to a member who is not a
19 law enforcement ~~officer~~ or officer, an eligible former law
20 enforcement ~~officer~~ officer, a career firefighter, an eligible
21 former career firefighter, a career rescue squad worker, or an
22 eligible former career rescue squad worker.
- 23 c. Should a beneficiary who retired on an early or service
24 retirement allowance be reemployed, or otherwise engaged to
25 perform services, by an employer participating in the
26 Retirement System on a part-time, temporary, interim, or on
27 fee-for-service basis, whether contractual or otherwise, and if
28 such beneficiary earns an amount during the 12-month period
29 immediately following the effective date of retirement or in any
30 calendar year which exceeds fifty percent (50%) of the reported
31 compensation, excluding terminal payments, during the 12
32 months of service preceding the effective date of retirement, or
33 twenty thousand dollars (\$20,000), whichever is greater, as
34 hereinafter indexed, then the retirement allowance shall be
35 suspended as of the first day of the month following the month
36 in which the reemployment earnings exceed the amount above,
37 for the balance of the calendar year. The retirement allowance
38 of the beneficiary shall be reinstated as of January 1 of each
39 year following suspension. The amount that may be earned
40 before suspension shall be increased on January 1 of each year
41 by the ratio of the Consumer Price Index to the Index one year
42 earlier, calculated to the nearest tenth of a percent (1/10 of 1%).
- 43 d. Should a beneficiary who retired on an early or service
44 retirement allowance be restored to service as an employee,

1 then the retirement allowance shall cease as of the first day of
 2 the month following the month in which the beneficiary is
 3 restored to service and the beneficiary shall become a member
 4 of the Retirement System and shall contribute thereafter as
 5 allowed by law at the uniform contribution payable by all
 6 members.

7 Upon his subsequent retirement, he shall be paid a
 8 retirement allowance determined as follows:

- 9 1. For a member who earns at least three years' membership
 10 service after restoration to service, the retirement
 11 allowance shall be computed on the basis of his
 12 compensation and service before and after the period of
 13 prior retirement without restriction; provided, that if the
 14 prior allowance was based on a social security leveling
 15 payment option, the allowance shall be adjusted
 16 actuarially for the difference between the amount
 17 received under the optional payment and what would
 18 have been paid if the retirement allowance had been paid
 19 without optional modification.
- 20 2. For a member who does not earn three years'
 21 membership service after restoration to service, the
 22 retirement allowance shall be equal to the sum of the
 23 retirement allowance to which he would have been
 24 entitled had he not been restored to service, without
 25 modification of the election of an optional allowance
 26 previously made, and the retirement allowance that
 27 results from service earned since being restored to
 28 service; provided, that if the prior retirement allowance
 29 was based on a social security leveling payment option,
 30 the prior allowance shall be adjusted actuarially for the
 31 difference between the amount that would have been
 32 paid for each month had the payment not been suspended
 33 and what would have been paid if the retirement
 34 allowance had been paid without optional modification."

35 **SECTION 3.** G.S. 128-27(a) reads as rewritten:

36 "(a) Service Retirement Benefits. –

- 37 (1) Any member may retire upon written application to the Board of
 38 Trustees setting forth at what time, as of the first day of a calendar
 39 month, not less than one day nor more than 90 days subsequent to the
 40 execution and filing thereof, he desires to be retired: Provided, that the
 41 said member at the time so specified for his retirement shall have
 42 attained the age of 60 years and have at least five years of creditable
 43 service or shall have completed 30 years of creditable service, or if a
 44 fireman, ~~he~~ career firefighter or career rescue squad worker, the

1 member shall have attained the age of 55 years and have at least five
2 years of creditable service. service in that capacity.

3 (2) Repealed by Session Laws 1983 (Regular Session, 1984), c. 1019, s. 1.

4 (3) Repealed by Session Laws 1971, c. 325, s. 12.

5 (4) Any member who was in service October 8, 1981, who had attained 60
6 years of age, may retire upon written application to the Board of
7 Trustees setting forth at what time, as of the first day of a calendar
8 month, not less than one day nor more than 90 days subsequent to the
9 execution and filing thereof, he desires to be retired.

10 (5) Any member who is a law enforcement officer, career firefighter, or
11 career rescue squad worker and who attains age 50 and completes 15
12 or more years of creditable service in this capacity or who attains age
13 55 and completes five or more years of creditable service in this
14 capacity, may retire upon written application to the Board of Trustees
15 setting forth at what time, as of the first day of a calendar month, not
16 less than one day nor more than 90 days subsequent to the execution
17 and filing thereof, ~~he~~ the member desires to be retired; provided, also,
18 any member who has met the conditions required by this subdivision
19 but does not retire, and later becomes an employee other than as a law
20 enforcement officer, career firefighter, or career rescue squad worker
21 continues to have the right to commence retirement."

22 **SECTION 4.** G.S. 128-27(b21) reads as rewritten:

23 "(b21) Service Retirement Allowance of Member Retiring on or After July 1, ~~2003.~~
24 2003, but Before July 1, 2007. – Upon retirement from service in accordance with
25 subsection (a) or (a1) above, on or after July 1, 2003, but before July 1, 2007, a member
26 shall receive the following service retirement allowance:

27 (1) A member who is a law enforcement officer or an eligible former law
28 enforcement officer shall receive a service retirement allowance
29 computed as follows:

30 a. If the member's service retirement date occurs on or after his
31 55th birthday and completion of five years of creditable service
32 as a law enforcement officer, or after the completion of 30 years
33 of creditable service, the allowance shall be equal to one and
34 eighty-five hundredths percent (1.85%) of his average final
35 compensation, multiplied by the number of years of his
36 creditable service.

37 b. If the member's service retirement date occurs on or after his
38 50th birthday and before his 55th birthday with 15 or more
39 years of creditable service as a law enforcement officer and
40 prior to the completion of 30 years of creditable service, his
41 retirement allowance shall be equal to the greater of:

42 1. The service retirement allowance payable under
43 G.S. 128-27(b21)(1)a. reduced by one-third of one
44 percent (1/3 of 1%) thereof for each month by which his

- 1 retirement date precedes the first day of the month
2 coincident with or next following the month the member
3 would have attained his 55th birthday;
- 4 2. The service retirement allowance as computed under
5 G.S. 128-27(b21)(1)a. reduced by five percent (5%)
6 times the difference between 30 years and his creditable
7 service at retirement.
- 8 (2) A member who is not a law enforcement officer or an eligible former
9 law enforcement officer shall receive a service retirement allowance
10 computed as follows:
- 11 a. If the member's service retirement date occurs on or after his
12 65th birthday upon the completion of five years of creditable
13 service or after the completion of 30 years of creditable service
14 or on or after his 60th birthday upon the completion of 25 years
15 of creditable service, the allowance shall be equal to one and
16 eighty-five hundredths percent (1.85%) of average final
17 compensation, multiplied by the number of years of creditable
18 service.
- 19 b. If the member's service retirement date occurs after his 60th
20 birthday and before his 65th birthday and prior to his
21 completion of 25 years or more of creditable service, his
22 retirement allowance shall be computed as in
23 G.S. 128-27(b21)(2)a. but shall be reduced by one-quarter of
24 one percent (1/4 of 1%) thereof for each month by which his
25 retirement date precedes the first day of the month coincident
26 with or next following his 65th birthday.
- 27 c. If the member's early service retirement date occurs on or after
28 his 50th birthday and before his 60th birthday and after
29 completion of 20 years of creditable service but prior to the
30 completion of 30 years of creditable service, his early service
31 retirement allowance shall be equal to the greater of:
- 32 1. The service retirement allowance as computed under
33 G.S. 128-27(b21)(2)a. but reduced by the sum of
34 five-twelfths of one percent (5/12 of 1%) thereof for
35 each month by which his retirement date precedes the
36 first day of the month coincident with or next following
37 the month the member would have attained his 60th
38 birthday, plus one-quarter of one percent (1/4 of 1%)
39 thereof for each month by which his 60th birthday
40 precedes the first day of the month coincident with or
41 next following his 65th birthday; or
- 42 2. The service retirement allowance as computed under
43 G.S. 128-27(b21)(2)a. reduced by five percent (5%)

- 1 times the difference between 30 years and his creditable
2 service at retirement; or
- 3 3. If the member's creditable service commenced prior to
4 July 1, 1995, the service retirement allowance equal to
5 the actuarial equivalent of the allowance payable at the
6 age of 60 years as computed in G.S. 128-27(b21)(2)b.
- 7 d. Notwithstanding the foregoing provisions, any member whose
8 creditable service commenced prior to July 1, 1965, shall not
9 receive less than the benefit provided by G.S. 128-27(b)."

10 **SECTION 5.** G.S. 128-27 is amended by adding a new subsection to read:

11 "(b22) Service Retirement Allowance of Member Retiring on or After July 1, 2007.
12 – Upon retirement from service in accordance with subsection (a) or (a1) of this section,
13 on or after July 1, 2007, a member shall receive the following service retirement
14 allowance:

15 (1) A member who is a law enforcement officer, an eligible former law
16 enforcement officer, a career firefighter, an eligible former career
17 firefighter, a career rescue squad worker, or an eligible former career
18 rescue squad worker shall receive a service retirement allowance
19 computed as follows:

20 a. If the member's service retirement date occurs on or after his
21 55th birthday and completion of five years of creditable service
22 as a law enforcement officer, career firefighter, or a career
23 rescue squad worker, or after the completion of 30 years of
24 creditable service, the allowance shall be equal to one and
25 eighty-five hundredths percent (1.85%) of his average final
26 compensation, multiplied by the number of years of his
27 creditable service.

28 b. If the member's service retirement date occurs on or after his
29 50th birthday and before his 55th birthday with 15 or more
30 years of creditable service as a law enforcement officer, career
31 firefighter, or career rescue squad worker and prior to the
32 completion of 30 years of creditable service, his retirement
33 allowance shall be equal to the greater of:

34 1. The service retirement allowance payable under
35 G.S. 128-27(b22)(1)a. reduced by one-third of one
36 percent (1/3 of 1%) thereof for each month by which his
37 retirement date precedes the first day of the month
38 coincident with or next following the month the member
39 would have attained his 55th birthday;

40 2. The service retirement allowance as computed under
41 G.S. 128-27(b22)(1)a. reduced by five percent (5%)
42 times the difference between 30 years and his creditable
43 service at retirement.

- 1 (2) A member who is not a law enforcement officer, an eligible former
2 law enforcement officer, a career firefighter, an eligible former career
3 firefighter, a career rescue squad worker, or an eligible former career
4 rescue squad worker shall receive a service retirement allowance
5 computed as follows:
- 6 a. If the member's service retirement date occurs on or after his
7 65th birthday upon the completion of five years of creditable
8 service or after the completion of 30 years of creditable service
9 or on or after his 60th birthday upon the completion of 25 years
10 of creditable service, the allowance shall be equal to one and
11 eighty-five hundredths percent (1.85%) of average final
12 compensation, multiplied by the number of years of creditable
13 service.
- 14 b. If the member's service retirement date occurs after his 60th
15 birthday and before his 65th birthday and prior to his
16 completion of 25 years or more of creditable service, his
17 retirement allowance shall be computed as in
18 G.S. 128-27(b22)(2)a. but shall be reduced by one-quarter of
19 one percent (1/4 of 1%) thereof for each month by which his
20 retirement date precedes the first day of the month coincident
21 with or next following his 65th birthday.
- 22 c. If the member's early service retirement date occurs on or after
23 his 50th birthday and before his 60th birthday and after
24 completion of 20 years of creditable service but prior to the
25 completion of 30 years of creditable service, his early service
26 retirement allowance shall be equal to the greater of:
- 27 1. The service retirement allowance as computed under
28 G.S. 128-27(b22)(2)a. but reduced by the sum of
29 five-twelfths of one percent (5/12 of 1%) thereof for
30 each month by which his retirement date precedes the
31 first day of the month coincident with or next following
32 the month the member would have attained his 60th
33 birthday, plus one-quarter of one percent (1/4 of 1%)
34 thereof for each month by which his 60th birthday
35 precedes the first day of the month coincident with or
36 next following his 65th birthday; or
- 37 2. The service retirement allowance as computed under
38 G.S. 128-27(b22)(2)a. reduced by five percent (5%)
39 times the difference between 30 years and his creditable
40 service at retirement; or
- 41 3. If the member's creditable service commenced prior to
42 July 1, 1995, the service retirement allowance equal to
43 the actuarial equivalent of the allowance payable at the
44 age of 60 years as computed in G.S. 128-27(b22)(2)b.

1 d. Notwithstanding the foregoing provisions, any member whose
2 creditable service commenced prior to July 1, 1965, shall not
3 receive less than the benefit provided by G.S. 128-27(b)."

4 **SECTION 6.** G.S. 128-27(m) reads as rewritten:

5 "(m) Survivor's Alternate Benefit. – Upon the death of a member in service, the
6 principal beneficiary designated to receive a return of accumulated contributions shall
7 have the right to elect to receive in lieu thereof the reduced retirement allowance
8 provided by Option two of subsection (g) above computed by assuming that the member
9 had retired on the first day of the month following the date of his death, provided that all
10 three of the following conditions apply:

- 11 (1) a. The member had attained such age and/or creditable service to
12 be eligible to commence retirement with an early or service
13 retirement allowance, or
14 b. The member had obtained 20 years of creditable service in
15 which case the retirement allowance shall be computed in
16 accordance with ~~G.S. 128-27(b21)(1)b.~~ ~~or~~
17 ~~G.S. 128-27(b21)(2)c.,~~ G.S. 128-27(b22)(1)b. ~~or~~
18 G.S. 128-27(b22)(2)c., notwithstanding the requirement of
19 obtaining age 50, or
20 c. The member had not commenced to receive a retirement
21 allowance as provided under this Chapter.
- 22 (2) The member had designated as the principal beneficiary to receive a
23 return of his accumulated contributions one and only one person who
24 is living at the time of his death.
- 25 (3) The member had not instructed the Board of Trustees in writing that he
26 did not wish the provisions of this subsection apply.

27 For the purpose of this benefit, a member is considered to be in service at the date of
28 his death if his death occurs within 180 days from the last day of his actual service. The
29 last day of actual service shall be determined as provided in subsection (l) of this
30 section. Upon the death of a member in service, the surviving spouse may make all
31 purchases for creditable service as provided for under this Chapter for which the
32 member had made application in writing prior to the date of death, provided that the
33 date of death occurred prior to or within 60 days after notification of the cost to make
34 the purchase."

35 **SECTION 7.** This act becomes effective July 1, 2007, but shall not affect
36 the rights of a person who is a vested member of the Local Governmental Employees'
37 Retirement System on that date to any disability benefits for which that person is
38 otherwise eligible on that date.