

## UPDATE ON CLARIFY LOCAL SPECIAL SEPARATION ALLOWANCE

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AND  
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On Tuesday, June 30<sup>th</sup>, Senate Bill 986, "Clarify Local Special Separation Allowance," was approved by the House State Government/State Personnel Committee and has been referred to the House Pensions and Retirement Committee. Then on Wednesday, July 8<sup>th</sup>, the identical House version of this bill, House Bill 816, passed the Senate Pensions & Retirement and Aging Committee. Both of these bills were amended in Committee and now provide that any city or county can employ a retired local law enforcement officer in a *part-time capacity, in a public safety position*, and the officer will not forfeit receipt of the Special Separation Allowance benefit so long as the retired officer's part-time employment does not require the officer's participation in the Local Governmental Employees' Retirement System.\*

These bills also clarify that a retired local law enforcement officers' Special Separation Allowance benefit cannot be terminated if the officer returns to work for the State of North Carolina or a private business employer. After a law enforcement officer retires, the Special Separation Allowance benefit will only be terminated: 1) upon the officer's reemployment by a local government in a capacity requiring participation in the Local Governmental Employees' Retirement System; 2) upon the death of the officer; or 3) on the last day of the month in which the officer becomes 62 years of age.

The original intent of these bills was to clarify the law so that officers could, without question, go back to work for a local government and not lose their Special Separation Allowance benefit. As you will recall, the counties and cities were interpreting the statute differently, and some municipalities were, by policy, allowing this to occur which further exacerbated the problem. Limiting the re-employment to a "public safety" capacity was included to garner support.

House Bill 816 is calendared for its Second Reading on the Senate floor on Monday evening, July 13, 2009.

\* In order to not be required to participate in the Local Governmental Employees' Retirement System, a retired officer who goes back to work part-time must work less than 1,000 hours and must earn less than \$28,080 or less than 50% of compensation, excluding termination payments, reported to the Retirement System during the 12 months of service preceding the effective date of the officer's retirement.

If you have any questions, please contact Terry Mangum at [marman@verizon.net](mailto:marman@verizon.net)