

NORTH CAROLINA GENERAL ASSEMBLY  
1965 SESSION

CHAPTER 63  
SENATE BILL 14

AN ACT TO AUTHORIZE THE GOVERNING BODY OF THE CITY OF  
LEXINGTON TO ESTABLISH A RETIREMENT OR PENSION FUND FOR  
EMPLOYEES.

The General Assembly of North Carolina do enact:

Section 1. The Governing Body of the City of Lexington is hereby authorized to establish or provide for a retirement system to provide for the payment of benefits to its employees or to their beneficiaries in the following cases:

- (1) Retirement, because of age;
- (2) Disability;
- (3) Death.

Sec. 2. Such system shall include such officers and employees of the City as shall be determined by the Council. The City shall contribute to the system in such amounts as it shall determine, in order to meet the liabilities accruing because of personal services rendered to the City by its officers and employees; provided, however, that the system may also provide benefits which are based, partly or entirely, upon personal services rendered to the City prior to the establishment thereof, and the City may contribute the entire cost of benefits based on any such prior service. The Governing Body may provide that employees shall share in the cost of financing the system, upon such terms as it deems advisable. The expense of administering the system shall be paid as provided by the Governing Body and the Governing Body shall appropriate each year sufficient revenue to provide for the expense of the administration.

Sec. 3. The system shall be maintained on a solvent actuarial reserve basis for all benefits beginning at its inauguration date, excepting the present value of benefits based on prior service.

Sec. 4. The contribution required to cover the cost of benefits based on prior service, if any, shall be sufficient to fund the liability for such prior service in not more than forty years from the date of establishment of the system.

Sec. 5. The ordinance may provide for the appointment or election of a retirement board or board of trustees, and for the delegation to such board of such powers and duties as may be deemed necessary to carry out the intent and purpose for which the system is established. If such a retirement board or board of trustees is provided for, the said board shall consist of a member or members of the Governing Body, an employee or employees entitled to participate in the system, and one or more

citizens of the City not officially connected with the City nor entitled to participate in the system.

Sec. 6. The City may provide for the payment of one or more of the benefits enumerated in Section 2 of this Act by contracting with the governing body of any other municipality or municipalities in the State, with the United States Government or any of its agencies or departments, with the State of North Carolina or any of its agencies or departments, or may contract with any insurance company or other corporation for the performance of any service in connection with the establishment of such Fund, or for the investment, care, or administration of such Fund, or for any other service relating thereto.

The City or any other governing body, agency, insurance company, person, or corporation contracting with the City for the investment, care or administration of said system may invest and reinvest the funds thereof in one or more of the types of securities or other investments authorized by Section 58-79 of the General Statutes of North Carolina, as heretofore or hereafter amended, and by other State law, for the investment of assets of domestic life insurance companies.

Sec. 7. Nothing in this Act shall be construed so as to prohibit the City from providing or continuing to provide Old Age and Survivors' Insurance, or Social Security coverage, for its officers and employees as the same may be authorized by Federal and State laws, either separately or in addition to the Fund authorized herein, or any other retirement or pension plan or fund authorized by general law or local act.

Sec. 8. All laws and clauses of laws in conflict with the provisions of this Act are hereby repealed to the extent of such conflict.

Sec. 9. This Act shall become effective upon its ratification.

In the General Assembly read three times and ratified, this the 12th day of March, 1965.