

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2003

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HOUSE BILL 1736

Short Title: Increase Funding/Fire & Rescue Pension. (Public)

Sponsors: Representatives Cole; B. Allen, Bonner, Bordsen, Carney, Crawford, Culp, England, Farmer-Butterfield, Fox, Glazier, Goforth, Goodwin, Haire, Hall, Harrell, Hill, Holliman, C. Johnson, Luebke, McGee, McLawhorn, Nye, Owens, Parmon, Rapp, Saunders, Sutton, Tolson, Wainwright, Warner, Warren, and Yongue.

Referred to: Pensions and Retirement.

May 27, 2004

A BILL TO BE ENTITLED

AN ACT TO INCREASE THE FUNDING OF THE FIRE AND RESCUE SQUAD WORKERS' PENSION FUND AND TO AUTHORIZE THE FIRE DEPARTMENTS AND RESCUE SQUADS SERVED TO FUND THE INCREASE WITH MONEY RAISED THROUGH FUND-RAISING EVENTS OR BY OTHER MEANS.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 58-86-35 reads as rewritten:

"§ 58-86-35. Firemen's application for membership in fund; monthly payments by members; payments credited to separate accounts of members.

Those firemen who are eligible pursuant to G.S. 58-86-25 may make application for membership to the board. Each fireman upon becoming a member of the fund shall pay the director of the fund the sum of ~~ten dollars (\$10.00)~~ twenty dollars (\$20.00) per month. The fire department served by the fireman may make any portion of this payment from funds available to the department as a result of fund-raising activities or other means. The monthly payments shall be credited to the separate account of the member and shall be kept by the custodian so it is available for payment on withdrawal from membership or retirement."

SECTION 2. G.S. 58-86-40 reads as rewritten:

"§ 58-86-40. Rescue squad worker's application for membership in funds; monthly payments by members; payments credited to separate accounts of members.

Those rescue squad workers eligible pursuant to G.S. 58-86-30 may apply to the board for membership. Each eligible rescue squad worker upon becoming a member shall pay the director of the fund the sum of ~~ten dollars (\$10.00)~~ twenty dollars (\$20.00)

1 per month. The rescue squad served by the rescue squad worker may make any portion
2 of this payment from funds available to the rescue squad as a result of fund-raising
3 activities or other means. The monthly payments shall be credited to the separate
4 account of the member and shall be kept by the custodian so it is available for payment
5 on withdrawal from membership or retirement."

6 **SECTION 3.** G.S. 58-86-45 reads as rewritten:

7 "**§ 58-86-45. Additional retroactive membership.**

8 (a) Any fireman or rescue squad worker who is now eligible and is a member of
9 a fire department or rescue squad chartered by the State of North Carolina and who has
10 not previously elected to become a member may make application through the board of
11 trustees for membership in the fund on or before March 31, 2001. The person shall
12 make a lump sum payment of ~~ten dollars (\$10.00)~~ twenty dollars (\$20.00) per month
13 retroactively to the time he first became eligible to become a member, plus interest at an
14 annual rate of eight percent (8%), for each year of his retroactive payments. Upon
15 making the lump sum payment, the person shall be given credit for all prior service in
16 the same manner as if he had made application for membership at the time he first
17 became eligible. Any member who made application for membership subsequent to the
18 time he was first eligible and did not receive credit for prior service may receive credit
19 for this prior service upon lump sum payment of ~~ten dollars (\$10.00)~~ twenty dollars
20 (\$20.00) per month retroactively to the time he first became eligible, plus interest at an
21 annual rate of eight percent (8%), for each year of his retroactive payments. Upon
22 making this lump sum payment, the date of membership shall be the same as if he had
23 made application for membership at the time he was first eligible. Any fireman or
24 rescue squad worker who has applied for prior service under this subsection shall have
25 until June 30, 2001, to pay for this prior service and, if this payment is not made by June
26 30, 2001, he shall not receive credit for this service, except as provided in subsection
27 (a1) of this section.

28 (a1) Effective July 1, 1993, any fireman or rescue squad worker who is a current
29 or former member of a fire department or rescue squad chartered by the State of North
30 Carolina may purchase credit for any periods of service to any chartered fire department
31 or rescue squad not otherwise creditable by making a lump sum payment to the Annuity
32 Savings Fund equal to the full liability of the service credits calculated on the basis of
33 the assumptions used for purposes of the actuarial valuation of the system's liabilities,
34 which payment shall take into account the retirement allowance arising on account of
35 the additional service credit commencing at the earliest age at which the member could
36 retire on a retirement allowance, as determined by the board of trustees upon the advice
37 of the consulting actuary, plus an administrative fee to be set by the board of trustees.

38 (b) An eligible fireman or rescue squad worker who is not yet 35 years old and
39 has not previously elected to become a member may apply to the board of trustees for
40 membership in the fund at any time. Upon becoming a member, the worker must make
41 a lump sum payment of ~~ten dollars (\$10.00)~~ twenty dollars (\$20.00) per month
42 retroactively to the time the worker first became eligible to become a member, plus
43 interest at an annual rate to be set by the board for each year of retroactive payments.
44 Upon making this lump sum payment, the worker shall be given credit for all prior

1 service in the same manner as if the worker had applied for membership upon first
2 becoming eligible.

3 A member who is not yet 35 years old, who applied for membership after first
4 becoming eligible, and who did not receive credit for prior service may receive credit
5 for the prior service upon making a lump sum payment of ~~ten dollars (\$10.00)~~ twenty
6 dollars (\$20.00) for each month since the worker first became eligible, plus interest at
7 an annual rate to be set by the board for each year of retroactive payments. Upon
8 making this lump sum payment, the date of membership shall be the same as if the
9 worker had applied for membership upon first becoming eligible."

10 **SECTION 4.** G.S. 58-86-55 reads as rewritten:

11 "**§ 58-86-55. Monthly pensions upon retirement.**

12 Any member who has served 20 years as an "eligible fireman" or "eligible rescue
13 squad worker" in the State of North Carolina, as provided in G.S. 58-86-25 and
14 G.S. 58-86-30, and who has attained the age of 55 years is entitled to be paid a monthly
15 pension from this fund. The monthly pension shall be in the amount of ~~one hundred~~
16 ~~fifty eight dollars (\$158.00)~~ one hundred sixty-six dollars (\$166.00) per month. Any
17 retired fireman receiving a pension shall, effective ~~July 1, 2003,~~ July 1, 2004, receive a
18 pension of ~~one hundred fifty eight dollars (\$158.00)~~ one hundred sixty-six dollars
19 (\$166.00) per month.

20 Members shall pay ~~ten dollars (\$10.00)~~ twenty dollars (\$20.00) per month as
21 required by G.S. 58-86-35 and G.S. 58-86-40 for a period of no longer than 20 years.
22 No "eligible rescue squad member" shall receive a pension prior to July 1, 1983. No
23 member shall be entitled to a pension hereunder until the member's official duties as a
24 fireman or rescue squad worker for which the member is paid compensation shall have
25 been terminated and the member shall have retired as such according to standards or
26 rules fixed by the board of trustees.

27 A member who is totally and permanently disabled while in the discharge of the
28 member's official duties as a result of bodily injuries sustained or as a result of extreme
29 exercise or extreme activity experienced in the course and scope of those official duties
30 and who leaves the fire or rescue squad service because of this disability shall be
31 entitled to be paid from the fund a monthly benefit in an amount of ~~one hundred~~
32 ~~fifty eight dollars (\$158.00)~~ one hundred sixty-six dollars (\$166.00) per month
33 beginning the first month after the member's fifty-fifth birthday. All applications for
34 disability are subject to the approval of the board who may appoint physicians to
35 examine and evaluate the disabled member prior to approval of the application, and
36 annually thereafter. Any disabled member shall not be required to make the monthly
37 payment of ~~ten dollars (\$10.00)~~ twenty dollars (\$20.00) as required by G.S. 58-86-35
38 and G.S. 58-86-40.

39 A member who is totally and permanently disabled for any cause, other than line of
40 duty, who leaves the fire or rescue squad service because of this disability and who has
41 at least 10 years of service with the pension fund, may be permitted to continue making
42 a monthly contribution of ~~ten dollars (\$10.00)~~ twenty dollars (\$20.00) to the fund until
43 the member has made contributions for a total of 240 months. The member shall upon
44 attaining the age of 55 years be entitled to receive a pension as provided by this section.

1 All applications for disability are subject to the approval of the board who may appoint
2 physicians to examine and evaluate the disabled member prior to approval of the
3 application and annually thereafter.

4 A member who, because his residence is annexed by a city under Part 2 or Part 3 of
5 Article 4 of Chapter 160A of the General Statutes, or whose department is closed
6 because of an annexation by a city under Part 2 or Part 3 of Article 4 of Chapter 160A
7 of the General Statutes, or whose volunteer department is taken over by a city or county,
8 and because of such annexation or takeover is unable to perform as a fireman or rescue
9 squad worker of any status, and if the member has at least 10 years of service with the
10 pension fund, may be permitted to continue making a monthly contribution of ten
11 dollars (\$10.00) to the fund until the member has made contributions for a total of 240
12 months. The member upon attaining the age of 55 years and completion of such
13 contributions shall be entitled to receive a pension as provided by this section. Any
14 application to make monthly contributions under this section shall be subject to a
15 finding of eligibility by the Board of Trustees upon application of the member.

16 The pensions provided shall be in addition to all other pensions or benefits under any
17 other statutes of the State of North Carolina or the United States, notwithstanding any
18 exclusionary provisions of other pensions or retirement systems provided by law."

19 **SECTION 5.** This act becomes effective January 1, 2005.