

1 Plan Years beginning on or after January 1, 2002, the annual
2 Compensation of each Member taken into account under the Act shall
3 not exceed two hundred thousand dollars (\$200,000), the annual
4 compensation limit under section 401(a)(17) of the Internal Revenue
5 Code, as amended by section 611(c) of the Economic Growth and Tax
6 Relief Reconciliation Act of 2001. Annual compensation means
7 compensation during the Plan Year or such other 12-month period
8 over which Compensation is otherwise determined (the 'determination
9 period'). If a determination period consists of fewer than 12 months,
10 the annual compensation limit will be multiplied by a fraction, the
11 numerator of which is the number of months in the determination
12 period, and the denominator of which is 12. For purposes of
13 determining benefit accruals in a plan year, beginning after December
14 31, 2001, the compensation limit for any prior determination period
15 shall be two hundred thousand dollars (\$200,000). The two hundred
16 thousand dollars (\$200,000) limit on annual compensation shall be
17 adjusted for cost-of-living increases in accordance with section
18 401(a)(17)(B) of the Code."

19 **SECTION 2.** Section 13.1 of Chapter 926 of the 1947 Session Laws, as
20 rewritten by Section 1 of Chapter 830 of the 1991 Session Laws, Chapter 171 of the
21 1995 Session Laws, Chapter 640 of the 1993 Session Laws, S.L. 1999-100, S.L.
22 2001-22, and S.L. 2002-43, is amended by adding a new subsection to read:

23 "(c) In the event of a mandatory distribution greater than one thousand dollars
24 (\$1,000) that is made without the Member's consent and is made to the Member before
25 the Member attains the later of age 62 or Normal Retirement Age, if the Member does
26 not elect to have such distribution paid directly to an eligible retirement plan specified
27 by the Member in a direct rollover or to receive the distribution from the Plan, the
28 Administrator shall pay the distribution in a direct rollover to an individual retirement
29 plan designated by the Administrator."

30 **SECTION 3.** None of the provisions of this act shall create an additional
31 liability for the Charlotte Firefighters' Retirement System unless sufficient assets are
32 available to pay for the liability.

33 **SECTION 4.** This act becomes effective July 1, 2006.