

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2005

Legislative Actuarial Note

RETIREMENT

BILL NUMBER: Senate Bill 148 (Second Edition)

SHORT TITLE: Death Benefit for Part-Time Law Enforcement.

SPONSOR(S): Senator Berger of Franklin

FUNDS AFFECTED: General Fund

SYSTEM OR PROGRAM AFFECTED: Law-Enforcement Officers', Firemen's, Rescue Squad Workers' and Civil Air Patrol Members' Death Benefit

EFFECTIVE DATE: November 1, 2004

BILL SUMMARY: Extends the line-of-duty death benefit of \$50,000 to permanent part-time or temporary law enforcement officers and to all full-time, permanent part-time or temporary detention officers employed by any county or municipality, whether paid or unpaid.

ESTIMATED IMPACT ON STATE: Both the Plan's actuary, Mellon, and the General Assembly's actuary, Hartman & Associates, LLC, agree that the cost to cover these members under the death benefit would cost an additional \$100,000 per year. However, the bill was changed from introduction to be effective November 1, 2004. This could possibly include two additional deaths that occurred between November 1, 2004 and June 30, 2005, so the estimated cost is \$200,000.

ASSUMPTIONS AND METHODOLOGY: There would be an estimated 14,700 additional persons covered by the Plan. The estimated cost is based on the experience of the Plan over period of time. The experience is shown as follows.

**\$50,000 Death Benefit for Law Enforcement Officers,
Firemen Rescue Squad Workers, Civil Air Patrol
Members & State Forestry Employees
(G. S. 143, Article 12A)**

Fiscal Year	Beginning Claims Payable	New Claims		Total Claims Payable	Claims Paid	Ending Claims Payable
		No.	Amount			
75-76	160,000	25	325,000	485,000	265,000	220,000
76-77	220,000	18	242,500	462,500	262,500	200,000
77-78	200,000	22	250,000	450,000	225,000	225,000
78-79	225,000	14	345,000	570,000	307,150	262,850
79-80	262,850	11	275,000	537,850	332,850	205,000
80-81	205,000	7	175,000	380,000	250,000	130,000
81-82	130,000	9	225,000	355,000	255,350	99,650
82-83	99,650	3	75,000	174,650	84,650	90,000
83-84	90,000	5.5	137,500	227,500	147,500	80,000
84-85	80,000	7.2	180,000	260,000	145,000	115,000
85-86	115,000	9	225,000	340,000	235,000	105,000
86-87	105,000	9	225,000	330,000	195,000	135,000
87-88	135,000	6	150,000	285,000	180,000	105,000
88-89	105,000	5	125,000	230,000	115,000	115,000
89-90	115,000	3	75,000	190,000	110,000	80,000
90-91	80,000	3	75,000	155,000	80,000	75,000
91-92	75,000	9	225,000	300,000	165,000	135,000
92-93	135,000	8	200,000	335,000	180,000	155,000
93-94	155,000	6	150,000	305,000	200,000	105,000
94-95	105,000	5	125,000	230,000	140,000	90,000
95-96	90,000	7	175,000	265,000	150,000	115,000
96-97	115,000	6	150,000	265,000	160,000	105,000
97-98	105,000	4	100,000	205,000	100,000	105,000
98-99	105,000	9	225,000	330,000	120,000	210,000
99-00	210,000	12	300,000	510,000	250,000	260,000
00-01	260,000	7	175,000	435,000	210,000	225,000
01-02	225,000	6	150,000	375,000	180,000	195,000
02-03	195,000	12	300,000	495,000	270,000	225,000
03-04	225,000	14	550,000	775,000	370,000	405,000
04-05	405,000					

2004-05 Estimated Coverage

Law Officers	
(State & Local Gov't.)	20,575
Firemen (Paid & Volunteer)	42,864
Rescue Squad Workers	22,798
Correctional Custody Officers	13,528
Forest Firefighters	700
CAP Senior Members	863
Dept. of Insurance Employees	<u>26</u>
TOTAL	101,354

SOURCES OF DATA: System Actuary - Mellon
General Assembly Actuary - Hartman & Associates, LLC

TECHNICAL CONSIDERATIONS: None

FISCAL RESEARCH DIVISION: (919) 733-4910. The above information is provided in accordance with North Carolina General Statute 120-114 and applicable rules of the North Carolina Senate and House of Representatives.

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Fiscal Research Division



DATE: August 22, 2005

Signed Copy Located in the NCGA Principal Clerk's Offices