

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2021

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HOUSE BILL 666

Short Title: Up Volunteer Firefighters' Retirement Benefit. (Public)

Sponsors: Representatives Pickett, Saine, and Clampitt (Primary Sponsors).

For a complete list of sponsors, refer to the North Carolina General Assembly web site.

Referred to: Pensions and Retirement, if favorable, Rules, Calendar, and Operations of the House

April 27, 2021

A BILL TO BE ENTITLED

AN ACT INCREASING THE AMOUNT OF MEMBERS' MONTHLY PAYMENTS AND MONTHLY PENSIONS UNDER THE NORTH CAROLINA FIREFIGHTERS' AND RESCUE SQUAD WORKERS' PENSION FUND.

The General Assembly of North Carolina enacts:

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

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

Those firefighters who are eligible pursuant to G.S. 58-86-25 may apply to the board for membership. Each firefighter upon becoming a member of the fund shall pay the director of the fund the sum of ~~ten dollars (\$10.00)~~ fifteen dollars (\$15.00) per month; each payment shall be made no later than March 31 subsequent to the end of the calendar year in which the month occurred. The Pension Fund shall not award fully credited service based on payments received later than March 31 subsequent to the end of the calendar year in which the month occurred unless the payment is applied as provided in G.S. 58-86-45(a1). 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.

A member may elect to terminate membership in the fund at any time and request the refund of payments previously made to the fund. However, a member's delinquency in making the monthly payments required by this section does not result in the termination of membership without such an election by the member."

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; termination of membership.

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)~~ fifteen dollars (\$15.00) per month; each payment shall be made no later than March 31 subsequent to the end of the calendar year in which the month occurred. The Pension Fund shall not award fully credited service based on payments received later than March 31 subsequent to the end of the calendar year in which the month occurred unless the payment is applied as provided in G.S. 58-86-45(a1). The monthly payments shall be



1 credited to the separate account of the member and shall be kept by the custodian so it is available
2 for payment on withdrawal from membership or retirement.

3 A member may elect to terminate membership in the fund at any time and request the refund
4 of payments previously made to the fund. However, a member's delinquency in making the
5 monthly payments required by this section does not result in the termination of membership
6 without such an election by the member."

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

8 "**§ 58-86-45. Additional retroactive membership.**

9 (a) Repealed by Session Laws 2013-284, s. 1(a), effective July 1, 2013.

10 (a1) Any firefighter or rescue squad worker who is 35 years of age or older and who is a
11 current or former member of a fire department or rescue squad chartered by the State of North
12 Carolina may purchase credit for any periods of service to any chartered fire department or rescue
13 squad not otherwise creditable by making a lump sum payment to the Annuity Savings Fund
14 equal to the full liability of the service credits calculated on the basis of the assumptions used for
15 purposes of the actuarial valuation of the system's liabilities, which payment shall take into
16 account the retirement allowance arising on account of the additional service credit commencing
17 at the earliest age at which the member could retire on a retirement allowance, as determined by
18 the board of trustees upon the advice of the consulting actuary, plus an administrative fee to be
19 set by the board of trustees. This provision for the payment of a lump sum for service "not
20 otherwise creditable" shall apply, inter alia, to all purchases of service credits for months as to
21 which timely payments were not previously made pursuant to G.S. 58-86-35 or G.S. 58-86-40,
22 whichever is applicable.

23 (b) An eligible firefighter or rescue squad worker who is not yet 35 years old may apply
24 to the board of trustees for membership in the fund at any time. Upon becoming a member, the
25 worker may make a lump sum payment of ~~ten dollars (\$10.00)~~ fifteen dollars (\$15.00) per month
26 retroactively to the time the worker first became eligible to become a member, plus interest at an
27 annual rate to be set by the board upon advice from actuary for each year of retroactive payments.
28 Upon making this lump sum payment, the worker shall be given credit for all prior service in the
29 same manner as if the worker had applied for membership upon first becoming eligible.

30 (c) A member of the Pension Fund who is not yet 35 years old may receive credit for the
31 prior service upon making a lump sum payment of ~~ten dollars (\$10.00)~~ fifteen dollars (\$15.00)
32 for each month since the worker first became eligible, plus interest at an annual rate to be set by
33 the board for each year of retroactive payments. Upon making this lump sum payment, the date
34 of membership shall be the same as if the worker had applied for membership upon first
35 becoming eligible. This provision for the payment of a lump sum for service "not otherwise
36 creditable" shall apply, inter alia, to all purchases of service credits for months as to which timely
37 payments were not previously made pursuant to G.S. 58-86-35 or G.S. 58-86-40, whichever is
38 applicable, for any firefighter or rescue squad worker who is not yet 35 years of age or older and
39 who is a current or former member of a fire department or rescue squad chartered by the State of
40 North Carolina."

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

42 "**§ 58-86-55. Monthly pensions upon attaining the age of 55 years.**

43 (a) Any member who has served 20 years as an "eligible firefighter" or "eligible rescue
44 squad worker" in the State of North Carolina, as provided in G.S. 58-86-25 and G.S. 58-86-30,
45 and who has attained the age of 55 years is entitled to be paid a monthly pension from this fund.
46 The monthly pension shall be in the amount of ~~one hundred seventy dollars (\$170.00)~~ two
47 hundred dollars (\$200.00) per month. Any retired firefighter receiving a pension shall, effective
48 July 1, 2008, January 1, 2022, receive a pension of ~~one hundred seventy dollars (\$170.00)~~ two
49 hundred dollars (\$200.00) per month.

1 (b) Members shall pay ~~ten dollars (\$10.00)~~ fifteen dollars (\$15.00) per month as required
2 by G.S. 58-86-35 and G.S. 58-86-40 for a period of no longer than 20 years. No "eligible rescue
3 squad member" shall receive a pension prior to July 1, 1983.

4 (c) A member who is totally and permanently disabled while in the discharge of the
5 member's official duties as a result of bodily injuries sustained or as a result of extreme exercise
6 or extreme activity experienced in the course and scope of those official duties and who leaves
7 the fire or rescue squad service because of this disability shall be entitled to be paid from the fund
8 a monthly benefit in an amount of ~~one hundred seventy dollars (\$170.00)~~ two hundred dollars
9 (\$200.00) per month beginning the first month after the member's fifty-fifth birthday. All
10 applications for disability are subject to the approval of the board who may appoint physicians
11 to examine and evaluate the disabled member prior to approval of the application, and annually
12 thereafter. Any disabled member shall not be required to make the monthly payment of ~~ten dollars~~
13 ~~(\$10.00)~~ fifteen dollars (\$15.00) as required by G.S. 58-86-35 and G.S. 58-86-40.

14 (d) A member who is totally and permanently disabled for any cause, other than line of
15 duty, who leaves the fire or rescue squad service because of this disability and who has at least
16 10 years of service with the pension fund, may be permitted to continue making a monthly
17 contribution of ~~ten dollars (\$10.00)~~ fifteen dollars (\$15.00) to the fund until the member has made
18 contributions for a total of 240 months. The member shall upon attaining the age of 55 years be
19 entitled to receive a pension as provided by this section. All applications for disability are subject
20 to the approval of the board who may appoint physicians to examine and evaluate the disabled
21 member prior to approval of the application and annually thereafter.

22 (d1) Benefits shall be paid in the following manner when a member is killed in the line of
23 duty and the requirements of Article 12A of Chapter 143 of the General Statutes are met:

- 24 (1) If the member had been receiving a monthly pension fund benefit prior to
25 being killed in the line of duty, there shall be paid to the member's principal
26 beneficiary, if only one principal beneficiary is eligible and has not accepted
27 a return of contributions, an amount of ~~one hundred seventy dollars (\$170.00)~~
28 two hundred dollars (\$200.00) per month beginning the month following the
29 member's month of death, payable until the beneficiary's death.
- 30 (2) If the member had been receiving a monthly pension fund benefit prior to
31 being killed in the line of duty and the beneficiary is not payable as described
32 in subdivision (1) of this subsection, a lump sum payment equal to the
33 difference between the amount paid into the member's separate account by or
34 on behalf of the member and the amount received by the member as a
35 pensioner will be paid to the eligible beneficiaries, or if there are no eligible
36 beneficiaries, shall be paid to the member's estate.
- 37 (3) If the member had not yet begun receiving a monthly benefit prior to being
38 killed in the line of duty, there shall be paid to the member's principal
39 beneficiary, if only one principal beneficiary is eligible and has not accepted
40 a return of contributions, an amount of ~~one hundred seventy dollars (\$170.00)~~
41 two hundred dollars (\$200.00) per month beginning the month following the
42 month the member would have attained age 55, or if the member had already
43 attained age 55, beginning the month following the member's month of death,
44 payable until the beneficiary's death.
- 45 (4) If the member had not begun receiving a monthly benefit prior to being killed
46 in the line of duty and the beneficiary is not payable as described in
47 subdivision (3) of this subsection, a lump sum payment equal to the member's
48 contributions will be paid to the eligible beneficiaries, or if there are no
49 eligible beneficiaries, a return of the contributions shall be paid to the
50 member's estate.

1 A beneficiary under this subsection shall not be required to make the monthly payment of ~~ten~~
2 ~~dollars (\$10.00)~~ fifteen dollars (\$15.00) as required by G.S. 58-86-35 and G.S. 58-86-40 after
3 the member has been killed in the line of duty.

4 (d2) Repealed by Session Laws 2016-108, s. 1(f), effective July 1, 2018.

5 (e) A member who, because the member's residence is annexed by a city under Part 2 or
6 Part 3 of Article 4A of Chapter 160A of the General Statutes, or whose department is closed
7 because of an annexation by a city under Part 2 or Part 3 of Article 4A of Chapter 160A of the
8 General Statutes, or whose volunteer department is taken over by a city or county, and because
9 of such annexation or takeover is unable to perform as a firefighter or rescue squad worker of
10 any status, and if the member has at least 10 years of service with the pension fund, may be
11 permitted to continue making a monthly contribution of ~~ten dollars (\$10.00)~~ fifteen dollars
12 (\$15.00) to the fund until the member has made contributions for a total of 240 months. The
13 member upon attaining the age of 55 years and completion of such contributions shall be entitled
14 to receive a pension as provided by this section. Any application to make monthly contributions
15 under this section shall be subject to a finding of eligibility by the Board of Trustees upon
16 application of the member.

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

20 **SECTION 5.** This act becomes effective January 1, 2022, and applies to monthly
21 payments due from, and monthly pension benefits owed to, members of the North Carolina
22 Firefighters' and Rescue Squad Workers' Pension Fund on or after that date.