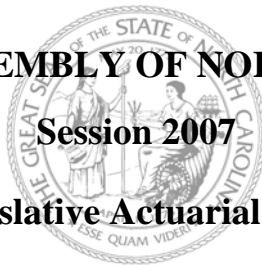


GENERAL ASSEMBLY OF NORTH CAROLINA



Session 2007

Legislative Actuarial Note

RETIREMENT

BILL NUMBER: Senate Bill 2160 (First Edition)

SHORT TITLE: Amend Winston-Salem Firemen's Retirement Fund.

SPONSOR(S): Senator Garrou

FUNDS AFFECTED: Funds of the City of Winston-Salem Firemen's Retirement Fund

SYSTEM OR PROGRAM AFFECTED: City of Winston-Salem Firemen's Retirement Fund

EFFECTIVE DATE: July 1, 2008

BILL SUMMARY: Amends session laws creating the Winston-Salem Firemen's Retirement Fund and Association to increase the size of the Board of Trustees and to make clarifying changes to the provisions regarding the term and appointment of Board members. Also makes numerous technical changes regarding distributions to plan participants to conform with Internal Revenue Code requirements. Establishes procedures for determining the required minimum distributions for calendar years beginning with 2003.

ESTIMATED IMPACT ON THE CITY OF WINSTON-SALEM: Both the Fund's actuary, Aon Consulting, and the General Assembly's actuary, Hartman & Associates, LLC, agree that there would be no material financial impact as a result of this change.

ASSUMPTIONS AND METHODOLOGY: Winston-Salem Firemen's Retirement Fund Association: The cost estimates of the Fund's Actuary are based on the employee data, actuarial assumptions and actuarial methods used to prepare the July 1, 2006 actuarial valuation of the fund. The data included 354 active members and 165 retired members. Significant actuarial assumptions used include (a) an investment return rate of 7.5%, (b) salary increase rate of 2% compounded annually, (c) the 1983 Group Annuity Mortality Tables for deaths in service and after retirement. Detailed information concerning these assumptions and methods is shown in the actuary's report, which is available upon request from Stanley Moore.

SOURCES OF DATA: System Actuary – Aon Consulting
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.

PREPARED BY: Stanley Moore

APPROVED BY:

Lynn Muchmore, Director
Fiscal Research Division

DATE: June 10, 2008



Signed Copy Located in the NCGA Principal Clerk's Offices