

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2023

S

1

SENATE BILL 728

Short Title: Firefighter Pension Increase. (Public)

Sponsors: Senator Burgin (Primary Sponsor).

Referred to: Rules and Operations of the Senate

April 10, 2023

1 A BILL TO BE ENTITLED
2 AN ACT TO INCREASE ELIGIBLE FIREFIGHTERS' RETIREMENT FROM ONE
3 HUNDRED SEVENTY DOLLARS TO TWO HUNDRED DOLLARS, TO INCREASE
4 CONTRIBUTIONS FROM TEN DOLLARS TO TWENTY DOLLARS, AND TO
5 PROVIDE AN INFLATIONARY FACTOR FOR FUTURE DISBURSEMENTS.

6 The General Assembly of North Carolina enacts:

7 SECTION 1.(a) G.S. 58-86-35 reads as rewritten:

8 "§ 58-86-35. Firefighters' application for membership in fund; monthly payments by
9 members; payments credited to separate accounts of members; termination of
10 membership.

11 Those firefighters who are eligible pursuant to G.S. 58-86-25 may apply to the board for
12 membership. Each firefighter upon becoming a member of the fund shall pay the director of the
13 fund the sum of ~~ten dollars (\$10.00)~~ twenty dollars (\$20.00) per month; each payment shall be
14 made no later than March 31 subsequent to the end of the calendar year in which the month
15 occurred. The Pension Fund shall not award fully credited service based on payments received
16 later than March 31 subsequent to the end of the calendar year in which the month occurred
17 unless the payment is applied as provided in G.S. 58-86-45(a1). The monthly payments shall be
18 credited to the separate account of the member and shall be kept by the custodian so it is available
19 for payment on withdrawal from membership or retirement.

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

24 SECTION 1.(b) G.S. 58-86-40 reads as rewritten:

25 "§ 58-86-40. Rescue squad worker's application for membership in funds; monthly
26 payments by members; payments credited to separate accounts of members;
27 termination of membership.

28 Those rescue squad workers eligible pursuant to G.S. 58-86-30 may apply to the board for
29 membership. Each eligible rescue squad worker upon becoming a member shall pay the director
30 of the fund the sum of ~~ten dollars (\$10.00)~~ twenty dollars (\$20.00) per month; each payment shall
31 be made no later than March 31 subsequent to the end of the calendar year in which the month
32 occurred. The Pension Fund shall not award fully credited service based on payments received
33 later than March 31 subsequent to the end of the calendar year in which the month occurred
34 unless the payment is applied as provided in G.S. 58-86-45(a1). The monthly payments shall be
35 credited to the separate account of the member and shall be kept by the custodian so it is available
36 for payment on withdrawal from membership or retirement.



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

5 **SECTION 1.(c)** G.S. 58-86-45 reads as rewritten:

6 "**§ 58-86-45. Additional retroactive membership.**

7 ...

8 (b) An eligible firefighter or rescue squad worker who is not yet 35 years old may apply
9 to the board of trustees for membership in the fund at any time. Upon becoming a member, the
10 worker may make a lump sum payment of ~~ten dollars (\$10.00)~~ twenty dollars (\$20.00) per month
11 retroactively to the time the worker first became eligible to become a member, plus interest at an
12 annual rate to be set by the board upon advice from actuary for each year of retroactive payments.
13 Upon making this lump sum payment, the worker shall be given credit for all prior service in the
14 same manner as if the worker had applied for membership upon first becoming eligible.

15 (c) A member of the Pension Fund who is not yet 35 years old may receive credit for the
16 prior service upon making a lump sum payment of ~~ten dollars (\$10.00)~~ twenty dollars (\$20.00)
17 for each month since the worker first became eligible, plus interest at an annual rate to be set by
18 the board for each year of retroactive payments. Upon making this lump sum payment, the date
19 of membership shall be the same as if the worker had applied for membership upon first
20 becoming eligible. This provision for the payment of a lump sum for service "not otherwise
21 creditable" shall apply, inter alia, to all purchases of service credits for months as to which timely
22 payments were not previously made pursuant to G.S. 58-86-35 or G.S. 58-86-40, whichever is
23 applicable, for any firefighter or rescue squad worker who is not yet 35 years of age or older and
24 who is a current or former member of a fire department or rescue squad chartered by the State of
25 North Carolina."

26 **SECTION 1.(d)** G.S. 58-86-55 reads as rewritten:

27 "**§ 58-86-55. Monthly pensions upon attaining the age of 55 years.**

28 (a) Any member who has served 20 years as an "eligible firefighter" or "eligible rescue
29 squad worker" in the State of North Carolina, as provided in G.S. 58-86-25 and G.S. 58-86-30,
30 and who has attained the age of 55 years is entitled to be paid a monthly pension from this fund.
31 The monthly pension shall be in the amount of ~~one hundred seventy dollars (\$170.00)~~ two
32 hundred dollars (\$200.00) per month. Any retired firefighter receiving a pension shall, effective
33 ~~July 1, 2008, January 1, 2024,~~ receive a pension of ~~one hundred seventy dollars (\$170.00)~~ two
34 hundred dollars (\$200.00) per month.

35 (b) Members shall pay ~~ten dollars (\$10.00)~~ twenty dollars (\$20.00) per month as required
36 by G.S. 58-86-35 and G.S. 58-86-40 for a period of no longer than 20 years. No "eligible rescue
37 squad member" shall receive a pension prior to July 1, 1983.

38 (c) A member who is totally and permanently disabled while in the discharge of the
39 member's official duties as a result of bodily injuries sustained or as a result of extreme exercise
40 or extreme activity experienced in the course and scope of those official duties and who leaves
41 the fire or rescue squad service because of this disability shall be entitled to be paid from the fund
42 a monthly benefit in an amount of ~~one hundred seventy dollars (\$170.00)~~ two hundred dollars
43 (\$200.00) per month beginning the first month after the member's fifty-fifth birthday. All
44 applications for disability are subject to the approval of the board who may appoint physicians
45 to examine and evaluate the disabled member prior to approval of the application, and annually
46 thereafter. Any disabled member shall not be required to make the monthly payment of ~~ten dollars~~
47 ~~(\$10.00)~~ twenty dollars (\$20.00) as required by G.S. 58-86-35 and G.S. 58-86-40.

48 (d) A member who is totally and permanently disabled for any cause, other than line of
49 duty, who leaves the fire or rescue squad service because of this disability and who has at least
50 10 years of service with the pension fund, may be permitted to continue making a monthly
51 contribution of ~~ten dollars (\$10.00)~~ twenty dollars (\$20.00) to the fund until the member has

1 made contributions for a total of 240 months. The member shall upon attaining the age of 55
2 years be entitled to receive a pension as provided by this section. All applications for disability
3 are subject to the approval of the board who may appoint physicians to examine and evaluate the
4 disabled member prior to approval of the application and annually thereafter.

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

7 (1) If the member had been receiving a monthly pension fund benefit prior to
8 being killed in the line of duty, there shall be paid to the member's principal
9 beneficiary, if only one principal beneficiary is eligible and has not accepted
10 a return of contributions, an amount of ~~one hundred seventy dollars (\$170.00)~~
11 two hundred dollars (\$200.00) per month beginning the month following the
12 member's month of death, payable until the beneficiary's death. If the member
13 became a member prior to July 1, 2018, and had not designated a principal
14 beneficiary prior to being killed in the line of duty, there shall be paid to the
15 member's living spouse upon the spouse's application to the Board, an amount
16 of ~~one hundred seventy dollars (\$170.00)~~ two hundred dollars (\$200.00) per
17 month beginning the month following the member's month of death, payable
18 until the spouse's death.

19 (2) If the member had been receiving a monthly pension fund benefit prior to
20 being killed in the line of duty and the beneficiary is not payable as described
21 in subdivision (1) of this subsection, a lump sum payment equal to the
22 difference between the amount paid into the member's separate account by or
23 on behalf of the member and the amount received by the member as a
24 pensioner will be paid to the eligible beneficiaries, or if there are no eligible
25 beneficiaries, shall be paid to the member's estate.

26 (3) If the member had not yet begun receiving a monthly benefit prior to being
27 killed in the line of duty, there shall be paid to the member's principal
28 beneficiary, if only one principal beneficiary is eligible and has not accepted
29 a return of contributions, an amount of ~~one hundred seventy dollars (\$170.00)~~
30 two hundred dollars (\$200.00) per month beginning the month following the
31 month the member would have attained age 55, or if the member had already
32 attained age 55, beginning the month following the member's month of death,
33 payable until the beneficiary's death. If the member became a member prior
34 to July 1, 2018, and had not designated a principal beneficiary prior to being
35 killed in the line of duty, there shall be paid to the member's living spouse
36 upon the spouse's application to the Board, an amount of ~~one hundred seventy~~
37 ~~dollars (\$170.00)~~ two hundred dollars (\$200.00) per month beginning the
38 month following the month the member would have attained age 55, or if the
39 member had attained age 55, beginning the month following the member's
40 month of death, payable until the spouse's death.

41 (4) If the member had not begun receiving a monthly benefit prior to being killed
42 in the line of duty and the beneficiary is not payable as described in
43 subdivision (3) of this subsection, a lump sum payment equal to the member's
44 contributions will be paid to the eligible beneficiaries, or if there are no
45 eligible beneficiaries, a return of the contributions shall be paid to the
46 member's estate.

47 A beneficiary under this subsection shall not be required to make the monthly payment of ~~ten~~
48 ~~dollars (\$10.00)~~ twenty dollars (\$20.00) as required by G.S. 58-86-35 and G.S. 58-86-40 after
49 the member has been killed in the line of duty.

50 ...

1 (e) A member who, because the member's residence is annexed by a city under Part 2 or
2 Part 3 of Article 4A of Chapter 160A of the General Statutes, or whose department is closed
3 because of an annexation by a city under Part 2 or Part 3 of Article 4A of Chapter 160A of the
4 General Statutes, or whose volunteer department is taken over by a city or county, and because
5 of such annexation or takeover is unable to perform as a firefighter or rescue squad worker of
6 any status, and if the member has at least 10 years of service with the pension fund, may be
7 permitted to continue making a monthly contribution of ~~ten dollars (\$10.00)~~ twenty dollars
8 (\$20.00) to the fund until the member has made contributions for a total of 240 months. The
9 member upon attaining the age of 55 years and completion of such contributions shall be entitled
10 to receive a pension as provided by this section. Any application to make monthly contributions
11 under this section shall be subject to a finding of eligibility by the Board of Trustees upon
12 application of the member.

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

16 (g) Effective January 1, 2024, the monthly payment amount a member is entitled to
17 receive under this section shall be increased on January 1 each year by the percent change
18 between the June Consumer Price Index in the fiscal year prior to the fiscal year most recently
19 ended and the June Consumer Price Index in the fiscal year most recently ended, calculated to
20 the nearest tenth of a percent (0.1%), provided that this percent change is positive."

21 **SECTION 1.(e)** This section becomes effective on January 1, 2024. The changes in
22 benefit amounts apply to benefits due on or after that date. The changes to member contributions
23 apply to member contributions for months occurring on or after that date.

24 **SECTION 2.(a)** There is appropriated from the General Fund to the State Treasurer
25 to be used for the North Carolina Firefighters' and Rescue Squad Workers' Pension Fund the
26 nonrecurring sum of two hundred fifty-five million dollars (\$255,000,000) to increase the amount
27 of eligible firefighters' pensions.

28 **SECTION 2.(b)** This section becomes effective July 1, 2023.

29 **SECTION 3.** Except as otherwise provided, this act is effective when it becomes
30 law.