

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2021**

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SENATE BILL 273

Short Title: Charlotte Firefighters' Retirement System Act. (Public)

Sponsors: Senators Marcus, Salvador, and Waddell (Primary Sponsors).

Referred to: Rules and Operations of the Senate

March 15, 2021

A BILL TO BE ENTITLED
AN ACT AMENDING THE LAW ESTABLISHING THE CHARLOTTE FIREFIGHTERS'
RETIREMENT SYSTEM.

The General Assembly of North Carolina enacts:

SECTION 1. S.L. 2001-22, as amended by S.L. 2002-43, S.L. 2006-117, S.L. 2010-7, S.L. 2015-42, and S.L. 2017-71, reads as rewritten:

"TITLE I. PREFACE.

...

"Sec. 2. **Definitions.** The following words and phrases as used in this act shall have the indicated meanings unless a different meaning is clearly required by the context.

...

(2) 'Actuarial Equivalent' means a benefit payable by the System that is determined by the Actuary to be equal to the ~~basic benefit~~ Basic Benefit provided by the System based on the interest rate and the mortality and other tables and assumptions adopted for such purposes by the Board of Trustees. In no event shall any Actuarial Equivalent be less than the corresponding Actuarial Equivalent as of June 30, 1987, based on the Accrued Benefit and the assumptions in effect on that date.

...

(5a) 'Basic Benefit' means the benefit specified in subsection (a) of Section 17.

...

(11) 'Final Average Salary' means, effective with respect to Plan Years beginning on and after July 1, 2001, the higher amount of (i) the monthly average Compensation received during the two highest consecutive Plan Years of the Member's last five years of Membership Service or (ii) the monthly average Compensation received during the 104 weeks preceding the end of the Member's Membership Service. If a Member has less than two years of Membership Service, his Final Average Salary shall mean the monthly average Compensation for his total Membership Service. For the purpose of calculating a Member's Final Average Salary, ~~(i) payments~~ the following apply:

a. Payments for unused sick and vacation days shall be included as Compensation to the extent that the vacation and sick days for which payments are made could have accrued during two Plan Years of the Member's last five years of Membership Service, ~~and (ii) payments~~ Service.



- 1 b. Payments for longevity shall be included as Compensation to the
2 extent such payments were made during two Plan Years of the
3 Member's last five years of Membership Service.

4 ...

5 **"TITLE II. MEMBERSHIP SERVICE CREDIT.**

6 ...

7 "Sec. 4. **Periods of Workers' Compensation & Accident and Sickness, Family Medical**
8 **Leave Act, and Long-Term Disability Benefits.** Membership Service Credit shall be credited
9 to a Member for any periods of workers' compensation, accident and sickness, Family Medical
10 Leave Act, or long-term disability benefits for which said Member contributes to the Charlotte
11 Firefighters' Retirement System an amount equal to the Compensation the Member would have
12 earned multiplied by twelve and sixty-five hundredths percent (~~12.65%~~)-(12.65%), except that
13 for any new periods of leave described in this section that begin after July 1, 2021, such other
14 percentage rate as may be determined from time to time by the City upon recommendation of the
15 Board of Trustees, in accordance with Section 39 or any funding policies adopted by the Board
16 of Trustees. Such contributions must be made within a 12-calendar month period from and after
17 the date the Member returns to employment with the Charlotte Fire Department and prior to the
18 Member's termination of membership or retirement.

19 ...

20 "Sec. 6. **Return from Active Military Duty.** Membership Service Credit shall be credited
21 to any Member who entered the Armed Forces of the United States of America during World
22 War I, World War II, the Korean War, any period of national emergency conditions, or entered
23 the Armed Forces at any time through the operation of the compulsory military service law of
24 the United States of America, upon the return to membership employment with the Charlotte Fire
25 Department. Such Membership Service Credit shall include the period of active military service
26 and any period after discharge or release from active duty from the Armed Forces for which his
27 reemployment rights are guaranteed by law unless otherwise specified in this act.
28 Notwithstanding any other provision of this section, effective December 12, 1994, this act shall
29 at all times be construed and enforced according to the requirements of the Uniformed Services
30 Employment and Reemployment Rights Act of ~~1994~~-1994 (USERRA), as amended.

31 "Sec. 7. **Purchase of Membership Service Credit.**

32 (a) Military Service. – Effective July 1, 1999, Membership Service Credit for prior active
33 military duty may be purchased upon the completion of five years of Membership Service Credit
34 by any Member who served on active duty in the Armed Forces of the United States of America
35 prior to his employment with the Charlotte Fire Department. Such Membership Service Credit
36 shall be purchased by the Member before termination of membership or retirement. The amount
37 of Membership Service Credit that may be purchased by a Member will be equal to the actual
38 active military duty by the Member not to exceed five years and shall be credited upon the
39 payment of the required ~~contributions as determined by the Administrator,~~ contributions,
40 provided that the Membership Service to be so credited shall not be credited in any other
41 retirement system, except the national guard or any reserve component of the Armed Forces of
42 the United States. The required contributions shall be an amount equal to the annualized
43 Compensation rate the Member earned when he first entered membership in the Retirement
44 System, multiplied by the sum of the Member and the City of Charlotte contribution rates in
45 effect at the time when he first entered membership in the Retirement System, increased by five
46 percent (5%) compounded per annum from the date of membership to the date of the payment of
47 the required contributions and multiplied by the number of years and days of Membership Service
48 to be credited. For any Member beginning membership on or after July 1, 2021, the required
49 contributions shall be the full actuarial cost as determined by the System's actuary. Membership
50 Service Credit purchased pursuant to this section cannot be used to meet the minimum service
51 requirements for a nonduty disability retirement benefit or an early service retirement benefit,

1 but may be used to meet the minimum service requirements for a service retirement benefit and
2 to compute the amount of any retirement benefit.

3 (b) Local, State, and Federal Government Service. – Membership Service Credit for prior
4 public employment may be purchased upon completion of five years of Membership Service
5 Credit by any Member who was employed by any state, governmental subdivision of any state,
6 or the federal government prior to his current employment with the Charlotte Fire Department.
7 Such Membership Service Credit shall be purchased by the Member before termination of
8 membership or retirement. A Member may purchase one year of Membership Service Credit for
9 every two years of prior government service. The maximum amount of Membership Service
10 Credit that may be purchased is five years. The purchased Membership Service Credit shall be
11 credited upon the payment of the required contributions, provided that the Membership Service
12 to be so credited shall not be credited in any other retirement system. The required contributions
13 shall be the full actuarial cost as determined by the System's actuary. Membership Service Credit
14 purchased pursuant to this section cannot be used to meet the minimum service requirements for
15 a nonduty disability retirement benefit or an early service retirement benefit, but may be used to
16 meet the minimum service requirements for a service retirement benefit and to compute the
17 amount of any retirement benefit.

18 (c) Withdrawn Service. – Any Member who withdrew his contributions in accordance
19 with the provisions of this Act and who subsequently returns to service, may upon completion of
20 five years of Membership Service Credit, purchase the withdrawn service. Such Membership
21 Service Credit shall be purchased by the Member before termination of membership or
22 retirement. The maximum amount of Membership Service Credit that may be purchased by a
23 Member is equal to the prior years of service with the Charlotte Fire Department and shall be
24 credited upon the payment of the required contributions, provided that the Membership Service
25 Credit to be so credited shall not be credited in any other retirement system. The required
26 contributions shall be the full actuarial cost as determined by the System's actuary. Membership
27 Service Credit purchased pursuant to this section cannot be used to meet the minimum service
28 requirements for a nonduty disability retirement benefit or an early service retirement, but may
29 be used to meet the minimum service requirements for a service retirement benefit and to
30 compute the amount of any retirement benefit.

31 ...

32 "TITLE III. TERMINATION OF MEMBERSHIP.

33 ...

34 "Sec. 12. Failure to Return From Active Military Duty.

35 (a) Generally. Should any Member of this Retirement System who entered the Armed
36 Forces of the United States of America pursuant to the provisions of Section 6 of this act fail to
37 return to employment with the Charlotte Fire Department within the period for which his
38 reemployment rights are guaranteed by law, said Member shall thereupon cease membership and
39 shall be entitled to a deferred benefit or reimbursement of his contributions in the same manner
40 and in all respects as provided for in Section 10 or 11 of this act, whichever is applicable.

41 Such former Member shall not receive Membership Service Credit for the period of active
42 military duty or any period after discharge or release from active duty from the Armed Forces
43 for which his reemployment rights had been guaranteed by law.

44 (b) Death or Disability. In the case of a death or disability occurring on or after January
45 1, 2007, if a Member dies while performing qualified military service (as defined in section
46 414(u) of the Code), the survivors of the Member are entitled to any additional benefits (other
47 than benefit accruals relating to the period of qualified military service) provided under the
48 System as if the Member had resumed and then terminated employment on account of death.

49 (c) ~~Benefit Accrual. For benefit accrual~~ Accrued Benefit. For Accrued Benefit purposes,
50 the System treats an individual who, on or after January 1, 2007, dies or becomes disabled (as
51 defined under the terms of the System) while performing qualified military service with respect

1 to the Charlotte Fire Department as if the individual had resumed employment in accordance
2 with the individual's reemployment rights under USERRA, on the day preceding death or
3 disability (as the case may be) and terminated employment on the actual date of death or
4 disability. The System will determine the amount of Member contributions of an individual
5 treated as reemployed under this section for purposes of applying section 414(u)(8)(C) of the
6 Code on the basis of the individual's average actual employee contributions for the lesser of (i)
7 the 12-month period of service with the Sponsor immediately prior to qualified military service
8 or (ii) if service with the Sponsor is less than such 12-month period, the actual length of
9 continuous service with the Sponsor.

10 (d) Differential Wage Payments. For years beginning after December 31, 2008, (i) an
11 individual receiving a differential wage payment, as defined by section 3401(h)(2) of the Code,
12 shall be treated as a Member of the Sponsor making the payment; (ii) the differential wage
13 payment shall be treated as compensation; and (iii) the System shall not be treated as failing to
14 meet the requirements of any provision described in section 414(u)(1)(C) of the Code by reason
15 of any contribution or benefit that is based on the differential wage payment.

16 ...

17 "TITLE IV. BENEFITS.

18 ...

19 "Sec. 17. **Basic Benefit.** (a) Effective July 1, 1998, upon retirement pursuant to the provisions
20 of Section 15 of this act, a Member shall receive a monthly benefit equal to two and six-tenths
21 percent (2.6%) of his Final Average Salary multiplied by his Membership Service Credit, not to
22 exceed the ~~Final Average Salary~~ limits imposed by section 415 of the Internal Revenue Code, as
23 amended, but not less than nine hundred two dollars and seventy-five cents (\$902.75). The
24 benefit payable pursuant to this subsection shall be referred to as the ~~basic benefit~~ Basic Benefit.

25 (b) Prior to his retirement, but not thereafter, a Member may elect to receive an Actuarial
26 Equivalent, computed as of the effective date of his retirement, of his ~~basic benefit~~ Basic Benefit
27 from subsection (a) of this section in a reduced monthly amount payable throughout his life, and
28 nominate a Beneficiary in accordance with the provisions of option 1, 2, 3, 4, 5 or 6 as set forth
29 below. Actuarial Equivalent for all Members retiring prior to July 1, 1987, shall be computed in
30 accordance with the Group Annuity Table for 1951 with interest at four percent (4%). Actuarial
31 Equivalent for all Members retiring after June 30, 1987, shall be computed in accordance with
32 the Unisex Mortality Table for 1984 set forward one year in age with interest at six percent (6%).
33 If a Member does not have an option election in force at the time of his retirement, his monthly
34 benefit shall be paid as the ~~basic benefit~~ Basic Benefit.

35 (c) Option 1. Benefit for 10 Years Certain and Life Thereafter. A Retiree shall receive a
36 reduced ~~basic benefit~~ Basic Benefit payable monthly throughout his life with the provision that
37 if he dies before he has received 120 monthly payments, the payments will continue for the
38 remainder of the 120-month period to such Beneficiary, if living, as the Retiree shall have
39 nominated by written designation duly executed and filed with the Board of Trustees.

40 (d) Option 2. 100% Joint and Survivor Benefit. A Retiree shall receive a reduced ~~basic~~
41 ~~benefit~~ Basic Benefit payable monthly throughout his life and upon his death his reduced monthly
42 benefit shall continue throughout the life of such Beneficiary, if living, as the Retiree shall have
43 nominated by written designation duly executed and filed with the Board of Trustees prior to
44 retirement but not thereafter.

45 (e) Option 3. 75% Joint and Survivor Benefit. A Retiree shall receive a reduced ~~basic~~
46 ~~benefit~~ Basic Benefit payable monthly throughout his life and upon his death seventy-five percent
47 (75%) of his reduced monthly benefit shall continue throughout the life of such Beneficiary, if
48 living, as the Retiree shall have nominated by written designation duly executed and filed with
49 the Board of Trustees prior to retirement but not thereafter.

50 (f) Option 4. 66 2/3% Joint and Survivor Benefit. A Retiree shall receive a reduced ~~basic~~
51 ~~benefit~~ Basic Benefit payable monthly throughout his life and upon his death sixty-six and

1 two-thirds percent (66 2/3%) of his reduced monthly benefit shall continue throughout the life of
2 such Beneficiary, if living, as the Retiree shall have nominated by written designation duly
3 executed and filed with the Board of Trustees prior to retirement but not thereafter.

4 (g) Option 5. 50% Joint and Survivor Benefit. A Retiree shall receive a reduced ~~basic~~
5 ~~benefit~~ Basic Benefit payable monthly throughout his life and upon his death fifty percent (50%)
6 of his reduced monthly benefit shall continue throughout the life of such Beneficiary, if living,
7 as the Retiree shall have nominated by written designation duly executed and filed with the Board
8 of Trustees prior to retirement but not thereafter.

9 (h) Option 6. A Retiree may elect any of Options 2 through 5 with the added provision
10 that in the event the Designated Beneficiary predeceases the Retiree, the monthly benefit payable
11 to the Retiree after the Beneficiary's death shall be equal to the ~~basic benefit~~ Basic Benefit. Such
12 election will result in a benefit that is further reduced than the corresponding benefit payable
13 under Options 2 through 5 if this Option 6 has not been elected. The intent of this additional
14 reduction is to support the additional cost of this election.

15 (i) In the event that a Retiree who named his spouse as Beneficiary in accordance with
16 the provisions of Options 1 through 6 and shall subsequently become divorced from the named
17 Beneficiary, the Retiree may then elect a life annuity which shall be the Actuarial Equivalent of
18 the value of all future benefit payments under the option then in effect upon written request to
19 the Board of Trustees provided such request is not inconsistent with the terms of the divorce
20 decree. It is the Retiree's responsibility to provide all pertinent documentation.

21 ...

22 **"Sec. 19. Disability Retirement in the Line of Duty.**

23 (a) An 'Application for Disability Retirement in the Line of Duty' shall be filed by the
24 Member or his department head with the Administrator, provided that the Member has applied
25 for and been granted workers' compensation benefits on account of this disability.

26 (b) An 'Application for Disability Retirement in the Line of Duty' shall be administered
27 pursuant to the Disability Regulations adopted by the Board of Trustees from time to time and
28 approved by the City of Charlotte and administered in a uniform and nondiscriminatory manner.
29 The Administrator shall request the Board of Trustees to conduct a hearing on the Application
30 for Disability Retirement in the Line of Duty pursuant to the provisions of the Disability
31 Regulations. The Member or any person filing on the Member's behalf or the Administrator may
32 appeal from any order of the Board to the Superior Court of Mecklenburg County, within 10 days
33 of the order. The appeal to the Superior Court shall be upon the record of the proceeding before
34 the Board at the hearing.

35 (c) Effective July 1, 1999, upon retirement pursuant to the provisions of this section, a
36 Member shall receive a monthly benefit equal to the greater of seventy-eight percent (78%) of
37 his Final Average Salary or two and six-tenths percent (2.6%) of his Final Average Salary
38 multiplied by his Membership Service Credit, not to exceed the ~~Final Average Salary~~ limits
39 imposed by section 415 of the Internal Revenue Code, as amended, but not less than nine hundred
40 two dollars and seventy-five cents (\$902.75) per month. Effective July 1, 1988, prior to his
41 retirement pursuant to the provisions of this Section, but not thereafter, a Member may elect to
42 receive an Actuarial Equivalent, computed as of the effective date of his retirement, of his
43 monthly ~~amount benefit~~ payable throughout his life, and nominate a Beneficiary in accordance
44 with the provisions of the Option 5, Fifty Percent (50%) Joint and Survivor Benefit, as set forth
45 in subsection (g) of Section 17. The Actuarial Equivalent for all Members retiring pursuant to
46 this Section shall be computed in accordance with the Unisex Mortality Table for 1984 set
47 forward one year in age, with interest at six percent (6%). Benefits payable under this Section
48 shall be effective on the date of approval by the Board of Trustees or upon exhaustion of workers'
49 compensation benefits, whichever is later. Also, disability retirement benefits payable under this
50 Section may be adjusted ~~by the disability retirement regulations~~ in accordance with the Disability
51 Regulations adopted pursuant to the requirements ~~contained in~~ of subsection (b) of this Section.

1 A Retiree receiving disability retirement benefits shall revert to a service retirement as specified
2 in Section 15 and shall receive the greater of such disability retirement benefits or his Accrued
3 Benefit as determined as of the last date of active employment with the Charlotte Fire Department
4 at such time as the Retiree's attained age and Membership Service Credit meet the requirements
5 for a service retirement.

6 **"Sec. 20. Disability Retirement not in the Line of Duty.**

7 (a) An 'Application for Disability Retirement not in the Line of Duty' shall be filed by a
8 Member or his department head with the Administrator, provided that the Member has 10 or
9 more years of Membership Service Credit and has applied for and been granted accident and
10 sickness benefits on account of the disability.

11 (b) An 'Application for Disability Retirement not in the Line of Duty' shall be
12 administered pursuant to ~~rules and regulations~~ Disability Regulations adopted by the Board of
13 Trustees from time to time and approved by the City of Charlotte and administered in a uniform
14 and nondiscriminatory manner. The Administrator shall request the Board of Trustees to conduct
15 a hearing on the Application for Disability Retirement not in the Line of Duty pursuant to the
16 provisions of the Disability Regulations. The Member or any person filing on the Member's
17 behalf or the Administrator may appeal from any order of the Board to the Superior Court of
18 Mecklenburg County by giving notice of appeal, in writing, to the Superior Court, within 10 days
19 of the order. The appeal to the Superior Court shall be upon the record of the proceeding before
20 the Board at the hearing.

21 (c) Effective July 1, 1999, upon retirement pursuant to the provisions of this section, a
22 Member shall receive a monthly benefit equal to thirty-nine percent (39%) of his Final Average
23 Salary, plus one and ninety-five hundredths percent (1.95%) of his Final Average Salary
24 multiplied by the Membership Service Credit in excess of 10 years, not to exceed the ~~Final~~
25 ~~Average Salary~~ limits imposed by section 415 of the Internal Revenue Code, as amended, but
26 not less than nine hundred two dollars and seventy-five cents (\$902.75) per month. Effective July
27 1, 1988, prior to his retirement pursuant to the provisions of this section, but not thereafter, a
28 Member may elect to receive an Actuarial Equivalent, computed as of the effective date of his
29 retirement, of his monthly ~~amount-benefit~~ payable throughout his life, and nominate a
30 Beneficiary in accordance with the provisions of the Option 5, Fifty Percent (50%) Joint and
31 Survivor Benefit, as set forth in subsection (g) of Section 17. The Actuarial Equivalent for all
32 Members retiring pursuant to this section shall be computed in accordance with the Unisex
33 Mortality Table for 1984 set forward one year in age, with interest at six percent (6%). Benefits
34 payable under this section shall be effective on the date of approval by the Board of Trustees.
35 Also, disability retirement benefits payable under this Section may be adjusted ~~by the disability~~
36 ~~retirement regulations in accordance with the Disability Regulations~~ adopted pursuant to the
37 requirements ~~contained in of~~ subsection (b) of this Section. A Retiree receiving disability
38 retirement benefits shall revert to a service retirement as specified in Section 15 and shall receive
39 the greater of such disability retirement benefits or his Accrued Benefit as determined as of the
40 last date of active employment with the Charlotte Fire Department at such time as the Retiree's
41 attained age and Membership Service Credit meet the requirements for a service retirement.

42 **"Sec. 21. Death Benefits.**

43 (a) In the event of the death of any Member of the System prior to his effective date of
44 retirement pursuant to the provisions of Sections 15, 16, 18, 19, or 20 of this act, his Designated
45 Beneficiary(s) on file with the Retirement System, or his personal representative in the absence
46 of any Designated Beneficiary, shall be entitled to reimbursement of the Total Contributions by
47 him or on his behalf and contributions by the City of Charlotte to the System on his behalf; plus,
48 interest compounded annually at the rate of four percent (4%) per year on the contribution
49 balance at the beginning of each Plan Year in which the Participant contributed or in which
50 contributions were made on his behalf. The Board of Trustees has the right to set a different
51 interest rate from time to time. Interest shall not apply to death benefits occurring before July 1,

1 1986. Such Beneficiary(s) or personal representative must complete and file the form
2 'Application for Survivor Death Benefits' with the Administrator to receive reimbursement. As
3 an option, a Beneficiary may elect to receive an annuity equal to and in lieu of a lump sum
4 distribution by so designating on the above form. Effective July 1, 1989, as an option, a surviving
5 spouse of a deceased Member who was eligible for a service or early retirement benefit on the
6 date preceding death may elect to receive an Actuarial Equivalent computed as of the date
7 preceding death in the same manner as if the deceased member had retired and elected a reduced
8 monthly amount payable throughout his life, and nominated the surviving spouse as his
9 beneficiary in accordance with the provisions of Option 4, Sixty-Six and Two-Thirds Percent (66
10 2/3%) Joint and Survivor benefit, as set forth in subsection (f) of Section 17. The Actuarial
11 Equivalent for all benefits payable pursuant to this section shall be computed in accordance with
12 the Unisex Mortality Table for 1984 set forward one year in age, with interest at six percent (6%).

13 (b) In the event of the death of a Retiree of this System receiving ~~basic benefit~~ Basic
14 Benefit payments, or the last to die of the Retiree and Beneficiary receiving an optional form of
15 benefit payment in accordance with Section 17, and before the Retiree (or Retiree and
16 Beneficiary, in the case of an optional form of benefit) has received monthly benefit payments
17 equal to the present value on the effective date of retirement of the Total Contributions to the
18 System by the Retiree and by the City of Charlotte on behalf of the Retiree, plus interest
19 compounded annually at the rate applicable to subsection (a) of this section on the contribution
20 balance at the beginning of each Plan Year in which the Retiree contributed or in which
21 contributions were made on behalf of the Retiree, the Designated Beneficiary(s), if any, or estate
22 of the Retiree (or estate of the Beneficiary, in the case of an optional form of benefit) shall be
23 entitled to an amount equal to the difference between such contributions, plus interest, and the
24 sum of the monthly benefit payments received by the Retiree (or Retiree and Beneficiary, in the
25 case of an optional form of benefit). However, interest shall not apply to death benefits occurring
26 before July 1, 1986. Such Beneficiary(s) or personal representative must complete and file the
27 form 'Application for Survivor Death Benefits' with the Administrator to receive reimbursement.

28 ...

29 **"Sec. 23. Post-Retirement Adjustments.**

30 (a) The retirement benefits payable to a Retiree pursuant to the provisions of this act may
31 be adjusted at the discretion of the Board of Trustees based upon the prevailing economic and
32 funding conditions. Such adjustment shall not be paid until such adjustment is ratified by the City
33 of Charlotte.

34 (b) Effective July 1, 2001, the Board of Trustees shall make an annual bonus payment in
35 the month of January upon receipt of a fiscal note prepared by the actuary demonstrating that the
36 Retirement System could support such payment in an actuarially sound manner. Such fiscal note,
37 at a minimum, shall evaluate the effect that granting the bonus payment will have on the
38 amortization period, the level of unfunded accrued liabilities, and the annual required
39 contributions. The total amount to be distributed shall be recommended by the actuary but in all
40 events shall not exceed the aggregate monthly benefits of the Retirees eligible for the bonus. A
41 Retiree who has been retired for at least one year as of December 31, preceding distribution of
42 the bonus, shall receive a bonus that is determined by the Administrator as proportional of the
43 Retiree's monthly benefit to the aggregate monthly benefits of all Retirees eligible for the bonus.

44 (b1) Effective July 1, 1998, a Member who retired prior to July 1, 1989, shall receive an
45 adjustment to the annual benefit equivalent to eight and thirty-three one hundredths percent
46 (8.33%), which shall result in a monthly benefit of not less than nine hundred two dollars and
47 seventy-five cents (\$902.75) per month. Effective July 1, 1998, a Member who retired pursuant
48 to a disability retirement after July 1, 1989, shall receive an adjustment to the annual benefit
49 equivalent to eight and thirty-three one hundredths percent (8.33%) through July 1, 1999, which
50 shall result in a monthly benefit of not less than nine hundred two dollars and seventy-five cents
51 (\$902.75) per month.

1 Member would have earned based upon the last pay grade with the Fire Department multiplied
2 by the contribution rate established pursuant to Section 24 of this act. Any contributions by and
3 on behalf of such Member shall inure to the benefit of such Member as though made by such
4 Member under the provisions of this act unless otherwise specified in this act.

5 (c1) Should any Member of the Retirement System contribute an amount pursuant to
6 Section 4 for the purpose of receiving Membership Service Credit for any period of benefits
7 under the federal Family Medical Leave Act, the City of Charlotte shall contribute to the
8 Charlotte Firefighters' Retirement System an amount equal to the Compensation that Member
9 would have earned multiplied by the contribution rate established in Section 24 of this act.

10 ~~(d) In addition thereto, the City Council may, within its discretion and upon the~~
11 ~~recommendation of the Board of Trustees, appropriate funds necessary to provide a cost of living~~
12 ~~increase to the Retirees of the System.~~

13 ...

14 "TITLE VI. ADMINISTRATION BY BOARD OF TRUSTEES.

15 ...

16 "Sec. 29. **Board of Trustees.** (a) The Board of Trustees shall consist of 11 Trustees, as
17 follows: (i) City Manager, or some other City department head or employee as duly designated
18 by the City Manager; (ii) City Finance Director, or a deputy finance director as duly designated
19 by the City Finance Director; (iii) City Treasurer; (iv) a Chairman of the Board and three Trustees
20 to represent the public and who are residents of Mecklenburg County and who are appointed by
21 the Resident Judge of the Superior Court of Mecklenburg County and who shall hold office for
22 a period of three years or until their successor shall have been appointed and been qualified; (v)
23 three Members of the Retirement System, each of whom shall be elected by a vote of the
24 Members of the Retirement System for a term of three years, pursuant to the ~~Charlotte~~
25 ~~Firefighters' Retirement System Election Regulation; Election Regulations adopted by the Board;~~
26 and (vi) one Retiree of the Retirement System to be elected by a majority vote of the retirees of
27 the Retirement System for a term of three years, pursuant to the ~~Charlotte Firefighters' Retirement~~
28 ~~System Election Regulation; Election Regulations adopted by the Board.~~ The terms of office for
29 elected Member Trustees and, effective July 1, 1989, for appointed Trustees, shall be graduated
30 so that no more than three Trustees' terms shall expire each year. Any Member shall be eligible
31 to succeed himself as a Trustee.

32 (b) Conflict of Interest. No trustee, chairman, or other officer or employee of the
33 Charlotte Firefighters' Retirement System shall directly or indirectly become an independent
34 contractor for work done by, or on behalf of, the System, or become directly or indirectly
35 financially interested in, or receive profits from any purchase, contract, or association by or with
36 the System.

37 "Sec. 30. **Election of Member and Retiree Trustees.** The elections of the Member Trustees
38 as provided for in ~~Subsection Section 29(a)(v)~~ and the Retiree Trustee as provided for in
39 ~~Subsection Section 29(a)(vi)~~ shall be administered in accordance with ~~rules and regulations~~
40 ~~Election Regulations~~ adopted by the Board of Trustees from time to time.

41 "Sec. 31. **Oath of Office.** An oath of office shall be administered to the Chairman of the
42 Board and each Trustee prior to their assumption of duties with the Board of Trustees. The oath
43 of office shall be administered by the Mayor or the Mayor's designee only after the Trustee having
44 first qualified and within 10 days after having been appointed or elected. The Chairman of the
45 Board and each Trustee shall swear to diligently and honestly administer the affairs of said Board
46 and that he will not knowingly violate or willfully permit to be violated any of the provisions of
47 the law applicable to the Retirement System. Such oath of office shall be subscribed to by the
48 Member making it, and certified by the officer by whom it is taken, and immediately filed in the
49 office of the City Clerk.

50 "Sec. 32. **Vacancy on Board of Trustees.** A vacancy on the Board of Trustees shall be
51 deemed to have occurred for any or all of the following reasons:

1 (a) In the event that an elected Trustee of the Board shall make application for benefits
2 under this act he shall first submit a written notice to the Chairman of the Board disqualifying
3 himself from his trusteeship.

4 (b) A vacancy shall be deemed to have occurred if a Trustee or the Chairman fails to
5 attend any three consecutive meetings of the Board without prior notification unless excused for
6 cause by the Trustees attending said meetings.

7 (c) A vacancy shall be deemed to have occurred if a Trustee or the Chairman should die.

8 (c1) A vacancy shall be deemed to have occurred if a Trustee or the Chairman should fail
9 to satisfy the classification requirements in Subsection 29(a) of this act.

10 (d) If a Trustee shall deem himself incapable of fulfilling his Board obligations for any
11 reason or if any condition exists that renders the Trustee disqualified, the Trustee shall submit a
12 written notice to the Chairman disqualifying himself from his trusteeship. If the Chairman shall
13 deem himself to be disqualified for any of the foregoing reasons, he shall submit written notice
14 to the Resident Judge of the Superior Court of Mecklenburg County.

15 (e) If a vacancy shall occur pursuant to the provisions of subsections (a) through (d) of
16 this section, the vacancy shall be filled within 90 days after the date of the vacancy, for the
17 unexpired portion of the term, for the same classification and in the same manner as the position
18 was previously filled. Notwithstanding this subsection, the Board of Trustees may allow a
19 vacancy of an elected Trustee to remain unfilled for longer than 90 days after the date of the
20 vacancy upon the affirmative votes from a majority of the Trustees in attendance, including the
21 Chairman, that, due to the timing of the vacancy, it would be more practical to wait for the next
22 election to fill the vacancy.

23 ...

24 "Sec. 35. **Meetings.** (a) The Board of Trustees shall conduct its business at meetings that
25 conform with the 'Open Meetings Law,' Article 33C of Chapter 143 of the General Statutes,
26 G.S. 143-318.9 through G.S. 143-318.18, as amended.

27 (a1) The Board of Trustees shall hold meetings regularly, at least one in each calendar
28 quarter, and shall designate the time and place thereof. The first regular meeting in each Plan
29 Year shall be held on the fourth Thursday of the month of July.

30 (b) The Chairman or, in the absence of the Chairman, the Vice Chairman may hold a
31 special meeting and/or an emergency meeting at his discretion. Additionally, upon the written
32 request of two members of the Board of Trustees, the Chairman shall call a special meeting of
33 the Board.

34 When a special meeting is called, the Administrator shall ~~insure~~ ensure that notice is given
35 to each ~~trustee~~ Trustee either in ~~person~~ person, by electronic mail, or by first class mail to the
36 address of record on file with the Administrator. Such notice shall include the purpose of the
37 meeting and designate the time, date and place thereof. The Chairman or Vice Chairman shall
38 ~~insure~~ ensure that the business of the special meeting be limited to the purpose as set forth in the
39 notice.

40 When an emergency meeting is called, the Administrator shall attempt to notify each Trustee
41 by ~~telephone to~~ the electronic mail address or the telephone number on file with the
42 Administrator.

43 (c) Each Trustee shall be entitled to one vote on each motion presented to the Board of
44 Trustees. The Chairman shall only vote in case of a tie or in such case as to create a quorum. Six
45 attending Trustees, or, in the case of a vacancy, a majority of the current Trustees, including the
46 Chairman, shall constitute a quorum at any meeting of the Board and ~~at least six~~ affirmative votes
47 from a majority of the Trustees in attendance shall be necessary for a decision by the Trustees at
48 any meeting of said Board. Prior to any discussion of a specific agenda item for which a Trustee
49 or the Chairman deems himself to have a conflict of interest, or at such point during discussion
50 that he determines himself to have a conflict of interest, the Trustee or Chairman shall thereupon
51 make such conflict known to the Board and the Board shall inquire into the nature of the conflict

1 and make a determination whether a conflict of interest exists and if the Trustee or Chairman
2 should participate in the discussion and vote on the agenda item.

3 (d) The Board of Trustees through the Secretary shall cause to be kept a record of all of
4 its proceedings which shall be open to public inspection.

5 "Sec. 36. **Employment of Professional Services.** (a) The Board of Trustees shall have the
6 authority to employ and/or utilize professional and secretarial services and to purchase and
7 maintain such property, equipment and supplies as are deemed necessary for the proper operation
8 of the System. All expenses, fees and/or retainers for the employment of services shall be borne
9 by the System with the singular exception of the employment of the Actuary. All fees and
10 expenses in connection with the employment of a qualified actuary to perform the annual
11 evaluation of the Retirement System's financial condition shall be paid by the City of Charlotte.

12 (a1) **Actuary.** The Board of Trustees shall annually request the City to employ a qualified
13 Actuary to perform such studies and evaluations of the Charlotte Firefighters' Retirement System
14 as may be necessary and/or desirable by the Board or City in connection with the administration
15 of the System. Within the meaning of this subsection, a qualified Actuary shall be an associate
16 or fellow of the Society of Actuaries and either a member of the Conference of Consulting
17 Actuaries or a member of the American Academy of Actuaries.

18 (b) **Medical Board.** The Board of Trustees shall appoint a Medical Board to be composed
19 of one or more physicians to serve at the pleasure of the Board. The Medical Board shall arrange
20 for and evaluate all medical examinations required under provisions of this act. The Medical
21 Board shall also investigate and evaluate all medical evidence, statements, and certificates
22 submitted by and on behalf of a Member in connection with an application for disability
23 ~~retirement.~~ retirement pursuant to Sections 19 and 20. The Medical Board shall render its
24 conclusions and recommendations in writing to the Board of Trustees in accordance with the
25 provisions of this act.

26 (c) **Legal Counsel.** The City attorney and staff shall be the legal advisor to the Board of
27 Trustees. The Board may employ separate legal counsel as it deems necessary and beneficial for
28 the operation of the System.

29 (d) **Auditor.** The Board of Trustees shall appoint an Auditor who shall be a certified
30 public accountant.

31 (e) **Administrator.** The Board of Trustees shall have the authority to appoint an
32 Administrator who shall be responsible for the administration and coordination of all System
33 operations and activities that are not otherwise specified in this act. Such administration shall be
34 in accordance with rules and regulations of this act and the policy and direction of the Board. In
35 the absence of an Administrator, the Secretary of the Board as specified in Section 34(b)(2) shall
36 be responsible for the coordination of Board meetings and providing proper notice of such
37 meetings.

38 (f) **Insurance.** The Board of Trustees may purchase and maintain that insurance
39 coverage necessary for the proper operation of the System, including worker's compensation,
40 fidelity insurance, and officers' and employees' liability coverage. All expenses incurred in
41 purchasing or maintaining this coverage, including fees, and retainers, shall be borne by the
42 System.

43 ...

44 "TITLE IX. RESTRICTIONS.

45 "Sec. 51. **Restrictions.** Notwithstanding any provision of this act to the contrary:

- 46 (1) No part of the funds contributed to the Retirement System, or the income
47 thereon, may be used for, or diverted to, purposes other than for the exclusive
48 benefit of the Participants of the Retirement System as authorized by the
49 provisions of this act, provided that in the event of the termination of the
50 Retirement System, the City shall receive any surplus funds or assets after all
51 liabilities of the Retirement System are satisfied.

- 1 (2) Upon termination of the Retirement System or upon complete discontinuance
2 of contributions to the Retirement System, the rights of all Participants of the
3 Retirement System to benefits accrued to the date of the termination or
4 discontinuance, to the extent then funded, are nonforfeitable.
- 5 (3) Forfeitures under the Retirement System may not be applied to increase the
6 benefits that any Participant would otherwise receive under the Retirement
7 System.
- 8 (4) Notwithstanding any provision of the Retirement System to the contrary, the
9 maximum annual benefit payable in the form of a straight life annuity from
10 the Retirement System on behalf of a Participant, when combined with any
11 benefits from another qualified benefit plan maintained by the City, shall not
12 exceed the amount permitted by section 415 of the Internal Revenue Code.
- 13 (5) Any benefit payable to a Participant pursuant to Section 4 of this act shall
14 commence not later than the April 1 immediately following the calendar year
15 in which the Participant attains age 70 1/2 or, if later, the April 1 immediately
16 following the calendar year in which the Participant terminates service.
17 Additionally, the distribution of any such benefit must satisfy the minimum
18 distribution requirements set forth in this paragraph and must be consistent
19 with Treasury Regulations, as of the required beginning date. The minimum
20 distribution for a calendar year equals the Participant's nonforfeitable Accrued
21 Benefit at the beginning of the year divided by the Participant's life expectancy
22 or, if applicable, the joint and last survivor expectancy of the ~~participant~~
23 Participant and his Designated Beneficiary. The minimum distribution shall
24 be computed by using the life expectancy multiples under U.S. Treasury
25 Regulation 1.72-9. The minimum distribution for a calendar year subsequent
26 to the first calendar year for which a minimum distribution is required may be
27 computed by redetermining the applicable life expectancy. However, there
28 shall be no redetermination of the joint life and last survivor expectancy of the
29 Participant and a nonspouse Designated Beneficiary in a manner which takes
30 into account any adjustment to a life expectancy other than the Participant's
31 life expectancy. A distribution to the Participant in the form of a life annuity,
32 joint and survivor annuity, or an annuity over a fixed period will satisfy the
33 minimum distribution requirements of this paragraph if the method of
34 distribution provides non-increasing payments or otherwise satisfies Treasury
35 Regulations. If the Participant dies after the payment of his benefit has
36 commenced, the death benefit provided by this act shall be paid over a period
37 which does not exceed the payment period which had commenced. If a
38 Participant dies prior to the time the payment of his benefit commences, the
39 death benefit provided by this act shall be paid over a period not exceeding:
40 (i) five years after the date of the Participant's death; or (ii) if the Beneficiary
41 is a Designated Beneficiary, over the Designated Beneficiary's life or life
42 expectancy. No payment of benefit over a period described in (ii) shall be
43 permitted, unless the payment of such benefit to the Designated Beneficiary
44 will commence no later than one year after the date of the Participant's death,
45 or, if later, and the Designated Beneficiary is the Participant's surviving
46 spouse, the date the Participant would have attained age 70 1/2. The life
47 expectancy multiples under U.S. Treasury Regulation 1.72-9 shall be used for
48 purposes of applying this paragraph. The life expectancy of a Participant's
49 surviving spouse may be recalculated not more frequently than annually, but
50 the life expectancy of a nonspouse Designated Beneficiary may not be
51 recalculated after the commencement of payment of benefits to the Designated

1 Beneficiary. Any amount paid to a Participant's child, which becomes payable
2 to the Participant's surviving spouse upon the child's attaining the age of
3 majority, shall be treated as paid to the Participant's surviving spouse for
4 purposes of applying this paragraph.

5 With respect to distributions under the Act made for calendar years
6 beginning on or after January 1, 2001, the minimum distribution requirements
7 of section 401(a)(9) of the Internal Revenue Code will be applied in
8 accordance with the regulations under section 401(a)(9) that were proposed
9 on January 17, 2001, notwithstanding any provision of the Act to the contrary.
10 These regulations shall be followed until the end of the last calendar year
11 beginning before the effective date of final regulations under section 401(a)(9)
12 or such other date as may be specified in guidance published by the Internal
13 Revenue Service.

14"

15 **SECTION 2.** None of the provisions of this act shall create an additional liability for
16 the Charlotte Firefighters' Retirement System unless sufficient assets are available to pay for the
17 liability.

18 **SECTION 3.** This act applies only to the City of Charlotte.

19 **SECTION 4.** This act becomes effective July 1, 2021.