

NORTH CAROLINA GENERAL ASSEMBLY
1981 SESSION

CHAPTER 647
SENATE BILL 486

AN ACT RELATING TO THE WINSTON-SALEM FIREMEN'S RETIREMENT FUND ASSOCIATION.

The General Assembly of North Carolina enacts:

Section 1. Chapter 388 of the 1973 Session Laws, as amended by Chapter 15 of the 1977 Session Laws and Chapter 284 of the 1979 Session Laws, is further amended as follows:

(1) By rewriting Section 9 to read:

"The Trustees shall elect a custodian of all funds and property of the Association, provided that such custodian shall have first offered proof satisfactory to the Trustees, by bond or otherwise, that it is and will be financially responsible for all property coming into its hands in a fiduciary capacity. Said custodian shall not release any of the funds or property of the Association for reasons other than investment of such funds or property except upon the written authorization of the Trustees.

The Trustees shall also elect an investment manager who may or may not be the same person as the custodian. Any such investment manager shall be a bank, or an insurance company, or an entity registered under the Investment Adviser's Act of 1940. The investment manager shall be authorized to invest and reinvest the funds or property of the Association in the investment manager's own judgment and discretion. The investment manager shall report to the Trustees on a periodic basis, but not less frequently than each calendar quarter. The investment manager (including said custodian when acting as investment manager) shall not be liable to the Association for any act or failure to act by it, except for gross negligence or willful misconduct."

(2) By rewriting the last sentence of Section 12 to read:

"The treasurer of the Association shall post yearly at each fire station and at the office of each police district, as soon as practicable following the end of each year, a financial statement of the Association."

(3) By rewriting Section 13 to read:

"The treasurer of the Association shall deposit with the custodian all funds and property that may come into his hands for the Association. The said treasurer shall obtain a receipt from the custodian for all funds and property delivered to the custodian by the treasurer. Said custodian shall invest and reinvest such funds and property as directed by the investment manager appointed under Section 9. Notwithstanding any contrary provisions of Section 9 or of this section, the Trustees are specifically authorized and empowered to invest funds of the Association by depositing such funds

with the Winston-Salem Firemen's Credit Union on condition that the Association shall receive interest at an annual rate agreed upon by the Association and such credit union."

(4) By rewriting Section 14 to read:

"The custodian and the investment manager shall receive compensation for services rendered as may be agreed upon from time to time in writing by the Trustees and by the custodian (with respect to services rendered by the custodian) or the investment manager (with respect to services rendered by the investment manager). The Trustees shall have the authority to employ legal counsel when, in the opinion of the Trustees, legal counsel is necessary. In case of such employment, said counsel shall be paid such fees as may be fair and reasonable as agreed upon in writing by the Trustees and the counsel so employed."

(5) By rewriting Section 15 to read:

"On or before July 31, 1981, the Board of Trustees of the Winston-Salem Firemen's Relief Fund shall transfer to the Board of Trustees of the Winston-Salem Firemen's Retirement Fund Association out of properties and funds belonging to the Winston-Salem Firemen's Relief Fund of the City of Winston-Salem the sum of sixty thousand dollars (\$60,000) in cash or assets. The assets so transferred pursuant to the immediately preceding sentence shall be transferred upon the basis of the fair market value thereof as of the date of transfer, and the particular assets to be transferred shall be determined by joint action of the Board of Trustees of the Winston-Salem Firemen's Relief Fund and the Board of Trustees of the Winston-Salem Firemen's Retirement Fund Association. All property of the association is hereby relieved from any and all claims of the persons entitled to relief from the Winston-Salem Firemen's Relief Fund. The North Carolina Firemen's Association, its officers, members, boards and committees, are also hereby relieved of any claim of any kind whatsoever which may be based on past service, present service or future service in the Winston-Salem Fire Department. The Firemen's Relief Fund of the City of Winston-Salem, and the officers, members, boards and committees of said Fund, are also hereby relieved of any claim of any kind whatsoever which may be based on past, present or future service in the Winston-Salem Fire Department, if any, so long as any claimant is entitled to benefits or pension under the provisions of this act."

(6) By rewriting subsection (c) of Section 16 to read:

"(c) Any member whose employment by the Fire Department or as a Public Safety Officer shall be terminated on or after the ratification date for any reason, including transfer to another department in the employment of the City, shall be terminated immediately as a member; provided, that any member who is transferred on or after July 1, 1981, to another department of the City of Winston-Salem in a fire-related job shall not become a terminated member if the following conditions are met: (i) within 15 days following the date of such transfer he shall file with the Trustees a written election to continue as a member; and (ii) such member shall be notified in writing by the secretary of the Association on or before the date of transfer of his right to make the election. If a terminated member shall reenter employment of the Fire Department, his eligibility to become a member shall be determined at that time in accordance with Section 2 hereof, except to the extent such individual may be entitled

to elect to become a member upon a transfer of employment as provided in subsection (a) of this Section 16."

(7) By rewriting subsection (d) of Section 16 to read:

"(d) In determining the number of years of continuous employment of a member, there shall be taken into account all years for which he shall make contributions in accordance with subsection (a) or (e) of this Section 16 or Section 19."

(8) By rewriting subsection (e) of Section 16 to read:

"(e) If any member of the Association was employed by the Fire Department as a cadet, such member's number of years of employment as a cadet may be added to the period of his continuous employment with the City of Winston-Salem if, by July 31, 1981, such member contributes to the Association an amount equal to twelve dollars (\$12.00) per month for the time he was a cadet, plus interest at the rate of six percent (6%) per annum, computed on the amount accrued as of the end of each fiscal year of the Association."

(9) By deleting in subsections (a)(1), (a)(2), and (b) of Section 16 the words "interest at the rate of four and one-half percent (4 1/2%) per annum, compounded annually" wherever they appear and substituting therefor "interest at the rate of six percent (6%) per annum, computed on the amount accrued as of the end of each fiscal year of the Association".

(10) By rewriting Section 17 to read:

"The Treasurer of the City of Winston-Salem shall make a monthly deduction from the salary of each member of the Association (except for members in the employ of the Police Department) due him by the City of Winston-Salem in the amount directed in writing by the Trustees, not to exceed ten dollars (\$10.00) per month prior to July 1, 1981, and twelve dollars (\$12.00) per month following June 30, 1981, and the amount so deducted shall be turned over monthly by the said Treasurer to the treasurer of the Association, who in turn will deliver the same to the custodian of the Association as hereinbefore provided, and the Association shall have the authority to accept donations from any and all sources whatsoever."

(11) By deleting in the first paragraph of Section 19 the words "Bureau of Public Safety".

(12) By adding the following new sentence at the end of the first paragraph of Section 19:

"Providing, that if a member has 30 years of employment with the City of Winston-Salem, but such service is not continuous solely because of a leave of absence lasting not more than a year and not described in Section 26, such member shall be deemed to have 30 years of continuous employment with the City; and provided further, that if a member has less than 30 years of employment with the City but the sum of his years of employment with the City plus any leave of absence lasting not more than one year and not described in Section 26, equals or exceeds 30 years, the period of such leave shall be deemed to be continuous employment with the City if such member contributes to the Association twelve dollars (\$12.00) for each month he was on such leave, plus interest at the rate of six percent (6%) per annum, computed on the amount accrued as of the end of each fiscal year of the Association."

(13) By rewriting the second paragraph of Section 19 to read:

"The amount of the monthly pension for each member who retires shall be determined in accordance with the following table:

<u>Retirement Date</u>		<u>Monthly Pension</u>
<u>On or After</u>	<u>Before</u>	
	July 1, 1974	\$100
July 1, 1974	January 1, 1977	\$110
January 1, 1977	July 1, 1981	\$135
July 1, 1981	July 1, 1982	\$145
July 1, 1982	July 1, 1983	\$155
July 1, 1983	July 1, 1984	\$165
July 1, 1984	July 1, 1985	\$175
July 1, 1985		\$185

Payments shall be subject to the provisions of Section 18 of this act."

(14) By rewriting the second paragraph of Section 20 to read:

"In the case of such a disabled participant, the amount of the monthly benefit shall be determined in accordance with the following table:

<u>Retirement Date</u>		<u>Monthly Pension</u>
<u>On or After</u>	<u>Before</u>	
	July 1, 1974	\$3.00 times years of service, but not to exceed \$75.00
July 1, 1974	January 1, 1977	\$4.00 times years of service, but not to exceed \$100.00
January 1, 1977	July 1, 1981	\$5.40 times years of service, but not to exceed \$135.00
July 1, 1981	July 1, 1982	\$5.80 times years of service, but not to exceed \$145.00
July 1, 1982	July 1, 1983	\$6.20 times years of service, but not to exceed \$155.00
July 1, 1983	July 1, 1984	\$6.60 times years of service, but not to exceed \$165.00
July 1, 1984	July 1, 1985	\$7.00 times years of service, but not to exceed \$175.00
July 1, 1985		\$7.40 times years of service, but not to exceed \$185.00

For this purpose only, years of service shall mean the number of full years of his service in the employment of the City. Payments shall be subject to the provisions of Section 18 of this act."

(15) By deleting in Section 21 the words "Bureau of Public Safety".

(16) By deleting in Section 22 the words "Bureau of Public Safety".

(17) By deleting the period at the end of the first sentence of Section 22 and adding thereafter the following new matter:

"less interest, if any, previously contributed to the Association by the member pursuant to Section 16 or Section 19."

(18) By deleting in the first sentence of Section 26 the words "Bureau of Public Safety" and substituting therefor "Police Department".

Sec. 2. This act shall become effective July 1, 1981.

In the General Assembly read three times and ratified, this the 22nd day of June, 1981.