

**NORTH CAROLINA GENERAL ASSEMBLY
LEGISLATIVE ACTUARIAL NOTE
RETIREMENT**

BILL NUMBER: Senate Bill 276

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

SPONSOR(S): Senator Horton

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

FUNDS AFFECTED: City of Winston-Salem Funds

BILL SUMMARY: The bill complies with regulations of the Internal Revenue Code and allows the Board to set the compensation level of the secretary-treasurer.

EFFECTIVE DATE: July 1, 2003

ESTIMATED IMPACT ON CITY OF WINSTON-SALEM: Both the System's actuary, Aon Consultants, and the General Assembly's actuary, Hartman & Associates, agree that the changes are not expected to have a cost to the Fund.

ASSUMPTIONS AND METHODOLOGY: The cost estimates of the System's Actuary are based on the employee data, actuarial assumptions and actuarial methods used to prepare the July 1, 1996 actuarial valuation of the system. The data included 260 active members, 118 retired members in receipt of annual pensions totaling \$284,859 and market value of assets of \$3.5 million. Significant actuarial assumptions used include (a) an investment return rate of 7.5%, (b) 1983 Mortality Table for males and females, and (d) rates of separation from active service. 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 Consultants Inc.
General Assembly Actuary - Hartman & Associates, LLC

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: James D. Johnson, Director, Fiscal Research Division

DATE: April 2, 2003



Signed Copy Located in the NCGA Principal Clerk's Offices