

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1989

H

2

HOUSE BILL 756  
Committee Substitute Favorable 5/8/89

Short Title: Firemen's/Rescue/Funds.

(Public)

Sponsors:

Referred to:

March 20, 1989

A BILL TO BE ENTITLED

AN ACT TO AMEND THE FIREMEN'S AND RESCUE SQUAD WORKERS' PENSION FUND AND THE FIREMEN'S RELIEF FUND.

The General Assembly of North Carolina enacts:

Section 1. G.S. 118-41.1 reads as rewritten:

**"§ 118-41.1. Additional retroactive membership.**

(a) Any fireman or rescue squad worker who is now eligible and is a member of a fire department or rescue squad chartered by the State of North Carolina and who has not previously elected to become a member may make application through the board of trustees for membership in the fund on or before March 31, 1987. The person shall make a lump sum payment of five dollars (\$5.00) per month retroactively to the time he first became eligible to become a member, plus interest at an annual rate of eight percent (8%), for each year of his retroactive payments. Upon making the lump sum payment, the person shall be given credit for all prior service in the same manner as if he had made application for membership at the time he first became eligible. Any member who made application for membership subsequent to the time he was first eligible and did not receive credit for prior service may receive credit for this prior service upon lump sum payment of five dollars (\$5.00) per month retroactively to the time he first became eligible, plus interest at an annual rate of eight percent (8%), for each year of his retroactive payments. Upon making this lump sum payment, the date of membership shall be the same as if he had made application for membership at the time he was first eligible. Any fireman or rescue squad worker who has applied for prior service under this subsection shall have until October 1, 1989, to pay for this prior

1 service and, if this payment is not made by October 1, 1989, he shall not receive credit  
2 for this service.

3 (b) Effective April 1, 1987, any fireman or rescue squad worker who has not  
4 reached his thirty-fifth birthday who is eligible and who has not previously elected to  
5 become a member may make application through the board of trustees for membership  
6 in the fund at any time. The person shall make a lump sum payment of five dollars  
7 (\$5.00) per month retroactively to the time he first became eligible to become a  
8 member, plus interest at an annual rate to be set by the board of trustees, for each year  
9 of his retroactive payments. Upon making this lump sum payment, the person shall be  
10 given credit for all prior service in the same manner as if he had made application for  
11 membership at the time he first became eligible. Any member who has not reached his  
12 thirty-fifth birthday who made application for membership subsequent to the time he  
13 was first eligible and did not receive credit for prior service may receive credit for such  
14 prior service upon lump sum payment of five dollars (\$5.00) per month retroactively to  
15 the time he first became eligible, plus interest at an annual rate to be set by the board of  
16 trustees, for each year of his retroactive payments. Upon making this lump sum  
17 payment, the date of membership shall be the same as if he had made application for  
18 membership at the time he was first eligible. Any fireman or rescue squad worker who  
19 applies for prior service under this subsection shall have six months from the date of his  
20 application to pay for this prior service and if the payment is not made within that time  
21 he shall not receive credit for the prior service."

22 Sec. 2. Effective July 1, 1989, G.S. 118-42 reads as rewritten:

23 "**§ 118-42. Monthly pensions upon retirement.**

24 Any member who has served 20 years as an 'eligible fireman' or 'eligible rescue  
25 squad worker' in the State of North Carolina, as provided in G.S. 118-38 and G.S. 118-  
26 39, and who has attained the age of 55 years is entitled to be paid a monthly pension  
27 from this fund. The monthly pension shall be in the amount of ~~one hundred dollars~~  
28 ~~(\$100.00)~~ one hundred ten dollars (\$110.00) per month. ~~Any retired fireman receiving a~~  
29 ~~pension of fifty dollars (\$50.00) per month shall, effective July 1, 1981, receive a pension of~~  
30 ~~one hundred dollars (\$100.00) per month.~~

31 Members shall pay five dollars (\$5.00) per month as required by G.S. 118-40 and  
32 G.S. 118-41 for a period of no longer than 20 years. No 'eligible rescue squad member'  
33 shall receive a pension prior to July 1, 1983. No person shall be entitled to a pension  
34 hereunder until his official duties as a fireman or rescue squad worker for which he is  
35 paid compensation shall have been terminated and he shall have retired as such  
36 according to standards or rules fixed by the board of trustees.

37 Any member who is totally and permanently disabled while in the discharge of his  
38 official duties as a result of bodily injuries sustained or as a result of extreme exercise or  
39 extreme activity experienced in the course and scope of his official duties and who  
40 leaves the fire or rescue squad service because of this disability shall be entitled to be  
41 paid from the fund a monthly benefit in an amount of ~~one hundred dollars (\$100.00)~~ one  
42 hundred ten dollars (\$110.00) per month beginning the first month after his fifty-fifth  
43 birthday. All applications for disability are subject to the approval of the board who may  
44 appoint physicians to examine and evaluate the disabled member prior to approval of

1 his application, and annually thereafter. Any disabled member shall not be required to  
2 make the monthly payment of five dollars (\$5.00) as required by G.S. 118-40 and G.S.  
3 118-41.

4 Any member who is totally and permanently disabled for any cause, other than line  
5 of duty, who leaves the fire or rescue squad service because of this disability and who  
6 has at least 10 years of service with the pension fund, may be permitted to continue  
7 making a monthly contribution of five dollars (\$5.00) to the fund until he has paid into  
8 the fund the sum of one thousand two hundred dollars (\$1,200). The member shall upon  
9 attaining the age of fifty-five years be entitled to receive a pension as provided by this  
10 section. All applications for disability are subject to the approval of the board who may  
11 appoint physicians to examine and evaluate the disabled member prior to approval of  
12 his application annually thereafter.

13 Any member who, because his residence is annexed by a city under Part 2 or Part 3  
14 of Article 4 of Chapter 160A of the General Statutes, or whose department is closed  
15 because of an annexation by a city under Part 2 or Part 3 of Article 4 of Chapter 160A  
16 of the General Statutes, and because of such annexation is unable to perform as a  
17 fireman of any status, and if the member has at least 10 years of service with the  
18 pension fund, may be permitted to continue making a monthly contribution of five  
19 dollars (\$5.00) to the fund until he has paid into the fund the sum of one thousand two  
20 hundred dollars (\$1,200). The member upon attaining the age of 55 years and  
21 completion of such contributions shall be entitled to receive a pension as provided by  
22 this section. Any application to make monthly contributions under this section shall be  
23 subject to a finding of eligibility by the Board of Trustees upon application of the  
24 member.

25 The pensions provided shall be in addition to all other pensions or benefits under any  
26 other statutes of the State of North Carolina or the United States, notwithstanding any  
27 exclusionary provisions of other pensions or retirement systems provided by law."

28 Sec. 3. Effective July 1, 1990, G.S. 118-42, as rewritten by Section 2 of this  
29 act, reads as rewritten:

30 **"§ 118-42. Monthly pensions upon retirement.**

31 Any member who has served 20 years as an 'eligible fireman' or 'eligible rescue  
32 squad worker' in the State of North Carolina, as provided in G.S. 118-38 and G.S. 118-  
33 39, and who has attained the age of 55 years is entitled to be paid a monthly pension  
34 from this fund. The monthly pension shall be in the amount of ~~one hundred ten dollars~~  
35 ~~(\$110.00)~~ one hundred thirty dollars (\$130.00) per month. ~~Any retired fireman receiving a~~  
36 ~~pension of fifty dollars (\$50.00) per month shall, effective July 1, 1981, receive a pension of~~  
37 ~~one hundred ten dollars (\$110.00) per month.~~

38 Members shall pay five dollars (\$5.00) per month as required by G.S. 118-40 and  
39 G.S. 118-41 for a period of no longer than 20 years. No 'eligible rescue squad member'  
40 shall receive a pension prior to July 1, 1983.

41 Any member who is totally and permanently disabled while in the discharge of his  
42 official duties as a result of bodily injuries sustained or as a result of extreme exercise or  
43 extreme activity experienced in the course and scope of his official duties and who  
44 leaves the fire or rescue squad service because of this disability shall be entitled to be

1 paid from the fund a monthly benefit in an amount of ~~one hundred ten dollars (\$110.00)~~  
2 one hundred thirty dollars (\$130.00) per month beginning the first month after his fifty-  
3 fifth birthday. All applications for disability are subject to the approval of the board who  
4 may appoint physicians to examine and evaluate the disabled member prior to approval  
5 of his application, and annually thereafter. Any disabled member shall not be required  
6 to make the monthly payment of five dollars (\$5.00) as required by G.S. 118-40 and  
7 G.S. 118-41.

8 Any member who is totally and permanently disabled for any cause, other than line  
9 of duty, who leaves the fire or rescue squad service because of this disability and who  
10 has at least 10 years of service with the pension fund, may be permitted to continue  
11 making a monthly contribution of five dollars (\$5.00) to the fund until he has paid into  
12 the fund the sum of one thousand two hundred dollars (\$1,200). The member shall upon  
13 attaining the age of fifty-five years be entitled to receive a pension as provided by this  
14 section. All applications for disability are subject to the approval of the board who may  
15 appoint physicians to examine and evaluate the disabled member prior to approval of  
16 his application annually thereafter.

17 Any member who, because his residence is annexed by a city under Part 2 or Part 3  
18 of Article 4 of Chapter 160A of the General Statutes, or whose department is closed  
19 because of an annexation by a city under Part 2 or Part 3 of Article 4 of Chapter 160A  
20 of the General Statutes, and because of such annexation is unable to perform as a  
21 fireman of any status, and if the member has at least 10 years of service with the  
22 pension fund, may be permitted to continue making a monthly contribution of five  
23 dollars (\$5.00) to the fund until he has paid into the fund the sum of one thousand two  
24 hundred dollars (\$1,200). The member upon attaining the age of 55 years and  
25 completion of such contributions shall be entitled to receive a pension as provided by  
26 this section. Any application to make monthly contributions under this section shall be  
27 subject to a finding of eligibility by the Board of Trustees upon application of the  
28 member.

29 The pensions provided shall be in addition to all other pensions or benefits under any  
30 other statutes of the State of North Carolina or the United States, notwithstanding any  
31 exclusionary provisions of other pensions or retirement systems provided by law."

32 Sec. 4. G.S. 118-6 reads as rewritten:

33 **"§ 118-6. Trustees appointed; organization.**

34 For each ~~county,~~ town or city complying with and deriving benefits from the  
35 provisions of this Article, there shall be appointed a local board of trustees, known as  
36 the trustees of the firemen's relief fund, to be composed of five members, two of whom  
37 shall be elected by the members of the local fire department ~~or departments~~ who are  
38 qualified as beneficiaries of such fund, two of whom shall be elected by the ;mayor and  
39 board of aldermen or other local governing body, and one of whom shall be named by  
40 the Commissioner of Insurance. Their selection and term of office shall be as follows:

- 41 (1) The members of the fire department shall hold an election each  
42 January to elect their representatives to above board. In January 1950,  
43 the firemen shall elect one member to serve for two years and one  
44 member to serve for one year, then each year in January thereafter,

1 they shall elect only one member and his term of office shall be for  
2 two years.

3 (2) The mayor and board of aldermen or other local governing body shall  
4 appoint, in January 1950, two representatives to above board, one to  
5 hold office for two years and one to hold office for one year, and each  
6 year in January thereafter they shall appoint only one representative  
7 and his term of office shall be for two years.

8 (3) The Commissioner of Insurance shall appoint one representative to  
9 serve as trustee and he shall serve at the pleasure of the Commissioner.

10 All of the above trustees shall hold office for their elected or appointed time, or until  
11 their successors are elected or appointed, and shall serve without pay for their services.  
12 They shall immediately after election and appointment organize by electing from their  
13 members a chairman and a secretary and treasurer, which two last positions may be held  
14 by the same person. The treasurer of said board of trustees shall give a good and  
15 sufficient surety bond in a sum equal to the amount of moneys in his hand, to be  
16 approved by the Commissioner of Insurance. The cost of this bond may be deducted by  
17 the Insurance Commissioner from the receipts collected pursuant to G.S. 118-2 before  
18 distribution is made to local relief funds. If the chief ~~or chiefs~~ of the local fire  
19 ~~departments~~ department ~~are~~ is not named on the board of trustees as above provided, then  
20 ~~they~~ he shall serve as an ex officio ~~members~~ member without privilege of voting on  
21 matters before the board."

22 Sec. 5. G.S. 118-12 reads as rewritten:

23 "**§ 118-12. Application of fund.**

24 The money paid into the hands of the treasurer of the North Carolina State Firemen's  
25 Association shall be known and remain as the 'Firemen's Relief Fund' of North  
26 Carolina, and shall be used as a fund for the relief of firemen, members of such  
27 Association, who may be injured or rendered sick by disease contracted in the actual  
28 discharge of duty as firemen, and for the relief of widows, children, and if there be no  
29 widow or children, then dependent mothers of such firemen killed or dying from disease  
30 so contracted in such discharge of duty; to be paid in such manner and in such sums to  
31 such individuals of the classes herein named and described as may be provided for and  
32 determined upon in accordance with the constitution and bylaws of said Association,  
33 and such provisions and determinations made pursuant to said constitution and bylaws  
34 shall be final and conclusive as to the persons entitled to benefits and as to the amount  
35 of benefit to be received, and no action at law shall be maintained against said  
36 Association to enforce any claim or recover any benefit under this Article or under the  
37 constitution and bylaws of said Association; but if any officer or committee of said  
38 Association omit or refuse to perform any duty imposed upon him or them, nothing  
39 herein contained shall be construed to prevent any proceedings against said officer or  
40 committee to compel him or them to perform such duty. No fireman shall be entitled to  
41 receive any benefits under this section ~~until the firemen's relief fund of his city or town shall~~  
42 ~~have been exhausted~~ unless the fire department of which he is a member is eligible for  
43 local firemen's relief funds pursuant to Article 1 of Chapter 118 of the General Statutes  
44 and then only when the firemen's relief fund of his city or town has been exhausted.

1 Notwithstanding the above provisions, the Executive Board of the North Carolina State  
2 Firemen's Association is hereby authorized to grant educational scholarships to  
3 members and the children of members, to subsidize premium payments of members  
4 over 65 years of age to the Firemen's Fraternal Insurance Fund of the North Carolina  
5 State Firemen's Association, and to provide accidental death and dismemberment  
6 insurance for members of those fire departments not eligible for benefits pursuant to  
7 standards of certification adopted by the State Firemen's Association for the use of local  
8 relief funds."

9 Sec. 6. G.S. 118-17 reads as rewritten:

10 **"§ 118-17. Treasurer to pay fund to Volunteer Firemen's Association.**

11 The treasurer of the North Carolina State Firemen's Association shall pay to the  
12 treasurer of the North Carolina State Volunteer Firemen's Association one-sixth of the  
13 funds arising from the ~~five percent (5%)~~ three percent (3%) paid him by the Insurance  
14 Commissioner each year to be used by said North Carolina State Volunteer Firemen's  
15 Association for the purposes set forth in G.S. 118-7.

16 Local units of the North Carolina State Volunteer Firemen's Association shall  
17 maintain records and report to the North Carolina State Firemen's Association in the  
18 same manner and to the same extent as provided for in G.S. 118-8, and shall be subject  
19 to the sanctions as set forth therein."

20 Sec. 7. There is appropriated from the General Fund to the Department of  
21 State Auditor, the sum of \$2,900,000 for the 1989-90 fiscal year and the sum of  
22 \$5,200,000 for the 1990-91 fiscal year to implement the provision of this act.

23 Sec. 8. This act shall become effective July 1, 1989.