

GENERAL ASSEMBLY OF NORTH CAROLINA



Session 2007

Legislative Actuarial Note

RETIREMENT

BILL NUMBER: House Bill 1563 (Third Edition)

SHORT TITLE: Extend Fire and Rescue Death Benefits.

SPONSOR(S): Representative Holliman

FUNDS AFFECTED: General Fund

SYSTEM OR PROGRAM AFFECTED: Law-Enforcement Officers', Firemen's, Rescue Squad Workers' and Civil Air Patrol Members' Death Benefit Act

EFFECTIVE DATE: June 1, 2008

BILL SUMMARY: Amends definition of eligible unit in GS 58-87-10(a) to include members of any eligible unit who are otherwise eligible for benefits but are conducting fire and rescue training "to another eligible unit." Amends definition of fireman in GS 143-166.2(d) to include "all otherwise eligible persons acting in the capacity of a fire or rescue instructor."

ESTIMATED IMPACT ON STATE: There is no data available indicating the number of eligible covered persons who provide training outside their own department or squad, but the General Assembly's actuary, Hartman & Associates, does not expect this change to create a significant cost.

The Retirement System's actuary, Buck Consultants, made no estimate of the cost for this change.

ASSUMPTIONS AND METHODOLOGY: This Death Benefit is funded from the General Fund on a pay-as-you-go basis on a year-to-year. The experience over 30 years is as follows:

**\$50,000 Death Benefit for Law Enforcement Officers,
Firemen Rescue Squad Workers, Civil Air Patrol
Members & State Forestry Employees
(G. S. 143, Article 12A)**

<u>Fiscal Year</u>	<u>Beginning Claims Payable</u>	<u>New Claims No.</u>	<u>Amount</u>	<u>Total Claims Payable</u>	<u>Ending Claims Paid</u>	<u>Claims Payable</u>
75-76	160,000	25	325,000	485,000	265,000	220,000
76-77	220,000	18	242,500	462,500	262,500	200,000
77-78	200,000	22	250,000	450,000	225,000	225,000
78-79	225,000	14	345,000	570,000	307,150	262,850
79-80	262,850	11	275,000	537,850	332,850	205,000

80-81	205,000	7	175,000	380,000	250,000	130,000
81-82	130,000	9	225,000	355,000	255,350	99,650
Fiscal Year	Beginning Claims Payable	New Claims		Total Claims Payable	Ending Claims Paid	Claims Payable
		No.	Amount			
82-83	99,650	3	75,000	174,650	84,650	90,000
83-84	90,000	5.5	137,500	227,500	147,500	80,000
84-85	80,000	7.2	180,000	260,000	145,000	115,000
85-86	115,000	9	225,000	340,000	235,000	105,000
86-87	105,000	9	225,000	330,000	195,000	135,000
87-88	135,000	6	150,000	285,000	180,000	105,000
88-89	105,000	5	125,000	230,000	115,000	115,000
89-90	115,000	3	75,000	190,000	110,000	80,000
90-91	80,000	3	75,000	155,000	80,000	75,000
91-92	75,000	9	225,000	300,000	165,000	135,000
92-93	135,000	8	200,000	335,000	180,000	155,000
93-94	155,000	6	150,000	305,000	200,000	105,000
94-95	105,000	5	125,000	230,000	140,000	90,000
95-96	90,000	7	175,000	265,000	150,000	115,000
96-97	115,000	6	150,000	265,000	160,000	105,000
97-98	105,000	4	100,000	205,000	100,000	105,000
98-99	105,000	9	225,000	330,000	120,000	210,000
99-00	210,000	12	300,000	510,000	250,000	260,000
00-01	260,000	7	175,000	435,000	210,000	225,000
01-02	225,000	6	150,000	375,000	180,000	195,000
02-03	195,000	12	300,000	495,000	270,000	225,000
03-04	225,000	14	550,000	775,000	370,000	405,000
04-05	405,000	8	400,000	805,000	385,000	420,000
05-06	375,000	7	280,000	700,000	325,000	375,000
06-07	375,000	12	600,000	975,000	490,000	485,000
07-08	485,000	13	625,000	1,110,000	500,000	610,000

2005-06 Estimated Coverage

Law Officers (State & Local Gov't.)	21,227
Firemen (Paid & Volunteer)	48,970
Rescue Squad Workers	23,653
Correctional Custody Officers	12,412
Probation Officers	1,275
Forest Firefighters	725
CAP Senior Members	854
Dept. of Insurance Employees	<u>27</u>
TOTAL	109,143

TECHNICAL CONSIDERATIONS: None

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Signed Copy Located in the NCGA Principal Clerk's Offices