

NORTH CAROLINA GENERAL ASSEMBLY
LEGISLATIVE ACTUARIAL NOTE

BILL NUMBER: Senate Bill 1393

SHORT TITLE: Mecklenburg/Catawba Deputies' Retirement

SPONSOR(S): Senator Odom

FISCAL IMPACT: Expenditures: Increase (X) Decrease ()

FUNDS AFFECTED: Local Fund (X)

BILL SUMMARY: Rewrites the definition of a law enforcement officer in the Local Governmental Employees' Retirement System for any certified employees employed with the Mecklenburg County Sheriffs' Office between July 1, 1994 and July 29, 1995 and any certified employee of the Catawba County Sheriffs' Office as of July 20, 1995. The bill allows these certified employees as of the effective dates to continue as a law enforcement officer for retirement purposes regardless of job duties.

EFFECTIVE DATE: Ratification

PRINCIPAL DEPARTMENT(S)/PROGRAM(S) AFFECTED: Local Governmental Employees' Retirement System.

FISCAL IMPACT

System Actuary:

	<u>FY</u>	<u>FY</u>	<u>FY</u>	<u>FY</u>	<u>FY</u>
EXPENDITURES	1996-97	1997-98	1998-99	1999-00	2000-01
Mecklenburg County	\$7,600	\$7,600	\$7,600	\$7,600	\$7,600
Catawba County	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200

General Assembly Actuary: Same as System Actuary.

POSITIONS: Five employees of Mecklenburg County and one employee of Catawba County would continue to be treated as law enforcement officers while working as jailers.

ASSUMPTIONS AND METHODOLOGY: Local Governmental Employees' Retirement System

The cost estimates of the System's Actuary are based on the employee data, actuarial assumptions and actuarial methods used to prepare the December 31, 1994 actuarial valuation of the fund. The data included 98,216 active members with an annual payroll of \$2.281 billion and 21,331 retired members in receipt of annual pensions totaling \$178.9 million. Significant actuarial assumptions used include (a) an investment return rate of 7.5%, (b) salary increase rate of 6.25%, (c) the 1979 George B. Buck Mortality Tables for deaths in service and after retirement and (d) rates of separation from active service based on System experience. The actuarial cost method used was the projected benefit method with aggregate level normal cost and frozen accrued liability. 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 - Buck Consultant, Inc.
General Assembly Actuary - Dilts, Umstead & Dunn

FISCAL RESEARCH DIVISION: 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. The above cost estimates are based on the salary base as of July 1, 1996 projected at the average annual increase in compensation base for each system over the last five years.

733-4910

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