

**GENERAL ASSEMBLY OF NORTH CAROLINA**

**Session 2005**

**Legislative Actuarial Note**

**RETIREMENT**

**BILL NUMBER:** Senate Bill 383 (First Edition)

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

**SPONSOR(S):** Senator Horton

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**FUNDS AFFECTED:** Funds of the City of Winston-Salem.

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

**EFFECTIVE DATE:** July 1, 2005

**BILL SUMMARY:** Amends provision regarding payment of pro rata benefits to remove requirement that retirement fund may not fall below a minimum amount and substitute requirement that pro rata benefits be determined upon the advice of an actuary.

**ESTIMATED IMPACT ON THE CITY OF WINSTON-SALEM:** Both the Fund's actuary, Aon Consulting, and the General Assembly's actuary, Hartman & Associates, LLC, agree that there would be no material financial impact as a result of this change.

**ASSUMPTIONS AND METHODOLOGY: Winston-Salem Firemen's Retirement Fund Association:** The cost estimates of the Fund's Actuary are based on the employee data, actuarial assumptions and actuarial methods used to prepare the July 1, 2004 actuarial valuation of the fund. The data included 309 active members and 168 retired members. Significant actuarial assumptions used include (a) an investment return rate of 7.5%, (b) salary increase rate of 2% compounded annually, (c) the 1983 Group Annuity Mortality Tables for deaths in service and after retirement. 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 Consulting  
General Assembly Actuary - Hartman & Associates, LLC

**TECHNICAL CONSIDERATIONS:** None

**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 4, 2005



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