



HOUSE BILL 385: Sheriffs' Supp. Pension Fund Changes

2015-2016 General Assembly

Committee: House Finance	Date: May 28, 2015
Introduced by: Reps. McNeill, Presnell, Shepard, Waddell	Prepared by: Greg Roney
Analysis of: Second Edition	Committee Counsel

SUMMARY: *House Bill 385 would increase from \$1.25 to \$2.50 the portion of court costs used to fund supplemental pension benefits for sheriffs in the Sheriffs' Supplemental Pension Fund (SSPF) and allows unused sick leave in the Local Governmental Employees' Retirement System (LGERS) to be applied as eligible service in the SSPF.*

[As introduced, this bill was identical to S404, as introduced by Sen. Gunn, which is currently in Senate Pensions & Retirement and Aging.]

CURRENT LAW:

G.S. 7A-304(a)(3a) provides \$1.25 from court costs collected in criminal cases to be used to fund the supplemental pension benefits for sheriffs.

Article 12H of Chapter 143 provides the Sheriffs' Supplemental Pension Fund (SSPF). As described in G.S. 143-166.8, the SSPF provides supplemental pension benefits for all county sheriffs who are retired from the Local Governmental Employees' Retirement System (LGERS), or an equivalent locally sponsored plan. The SSPF is administered by the NC Department of Justice, Sheriffs' Standards Division.

G.S. 128-26(e) outlines creditable service in the LGERS, including creditable service for unused sick leave.

BILL ANALYSIS:

Section 1 of the bill amends G.S. 7A-304(a) which provides for the assessment, collection, and distribution of costs in criminal cases. The bill increases from \$1.25 to \$2.50 the amount that is remitted to the Department of Justice to administer the SSPF.

Section 2 of the bill amends G.S. 143-166.84 which outlines eligibility in the SSPF. The bill provides a new subsection specifying that "eligible service as a sheriff" means membership service rendered since the person became sheriff. If the person has sick leave accrued as a member of the LGERS, the bill allows an election to have sick leave applied to service in the SSPF (instead of the LGERS). The election grants one month of credit for each 20 days and is subject to all the requirements of G.S. 128-26(e).

BACKGROUND: The SSPF is funded by criminal court costs assessed and collected under G.S. 7A-304(a)(3a). Benefits are based on the SSPF's assets. The total available assets are divided into equal shares and disbursed as monthly payments. As the number of retired sheriffs eligible for benefits increases, the number of shares increases, and the value of each share decreases. The share value for 2013 was \$748.58, meaning each additional year of service provides an annual benefit of \$748.58. The increase in court costs in the bill should increase the assets of the SSPF and increase benefits.

The bill allows a sheriff to elect to move sick leave from LGERS to SSPF. The SSPF requires 10 years of service as a sheriff. For example, a sheriff who does not have 10 years of service but has sick leave could elect to use the sick leave to meet the 10 years of service and qualify for a share of the SSPF.

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EFFECTIVE DATE: Section 1 of the bill would become effective July 1, 2015, and apply to court costs collected on or after that date. If a lower court cost is specified in a misdemeanor citation issued before July 1, 2015, and if the matter is heard under G.S. 7A-180(4)¹ or G.S. 7A-273(2)², an exception sets the court cost equal to the lesser of the cost specified in the bill or the cost listed in the citation.

Section 2 on sick leave becomes effective July 1, 2015, and expires January 31, 2019.

Theresa Matula with the Research Division and David Vanderweide with the Fiscal Research Division substantially contributed to this summary.

¹ G.S. 7A-180(4) provides that the clerk of superior court in district court matters has the power to accept written appearances, waivers of trial or hearing and pleas of guilty or admissions of responsibility for certain types of offenses in accordance with schedules of offenses promulgated by the Conference of Chief District Judges and to enter judgment and collect the fine or penalty and costs.

² G.S. 7A-273(2) provides that in misdemeanor or infraction cases involving certain alcohol offenses, traffic offenses, hunting, fishing, State park and recreation area rule offenses, boating offenses, certain burning offenses and littering offenses the magistrate has power to accept written appearances, waivers of trial or hearing and pleas of guilty or admissions of responsibility, in accordance with the schedule of offenses and fines or penalties promulgated by the Conference of Chief District Judges, and to enter judgment and collect the fines or penalties or costs.