



HOUSE BILL 58: Charlotte Firefighters' Retirement System.

2017-2018 General Assembly

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| Committee: | House State and Local Government I | Date: | February 23, 2017 |
| Introduced by: | Reps. Dulin, Autry, Belk, R. Moore | Prepared by: | Billy R. Godwin Staff Attorney |
| Analysis of: | PCS to First Edition H58-CSBD-5 | | |

OVERVIEW: House Bill 58 (proposed committee substitute) amends the definition of "final average salary" under the Charlotte Firefighters' Retirement System for purposes of calculating retirement benefits for entitled uniformed employees of the Charlotte Fire Department.

The PCS made technical changes in Section 1 of the bill to clarify citations to prior amendments.

[As introduced, this bill was identical to S54, as introduced by Sens. Waddell, Tarte, Bishop, which is currently in Senate Appropriations on Pensions, Compensation, and Benefits.]

CURRENT LAW: The Charlotte Firefighters Retirement System was established by Chapter 926 of the 1947 Session Laws (The Charlotte Firefighters Retirement System Act) as amended. Under Section 2(11) of S.L. 2001-22, the Act's most recent amendment, "final average salary" for calculating an eligible member's retirement benefit was defined as the monthly average compensation received by an eligible member during any two consecutive plan years of service which produced the highest average within the member's last five years of service. Those with less than two years of service used the average of their monthly salary.

BILL ANALYSIS: House Bill 59 (proposed committee substitute), applicable only to the City of Charlotte, amends the definition of "final average salary" under Section 2(11) of S.L. 2001-22, the *Charlotte Firefighters Retirement System Act*, to define "final average salary" with respect to Plan Years beginning on and after July 1, 2001, as the higher amount of:

- (i) the monthly average compensation received during the two highest consecutive plan years of the Member's last five years of Membership Service; **or**
- (ii) the monthly average compensation received during the 104 weeks preceding the end of the Member's membership service.

EFFECTIVE DATE: This bill is effective when it becomes law.

BACKGROUND: This legislation is supported by the City of Charlotte and is included within the City's 2017-18 State Legislative Agenda.

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Director



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