



This Bill Analysis reflects the contents of the bill as it was presented in committee.

SENATE BILL 273: Charlotte Firefighters' Retirement System Act.

2021-2022 General Assembly

Committee:	Senate Pensions and Retirement and Aging. If favorable, re-refer to Rules and Operations of the Senate	Date:	May 7, 2021
Introduced by:	Sens. Marcus, Salvador, Waddell	Prepared by:	Theresa Matula Committee Staff
Analysis of:	First Edition		

OVERVIEW: Senate Bill 273 amends the Charlotte Firefighters' Retirement System.

CURRENT LAW: The Charlotte Firefighters' Retirement System Act is a benefit plan initially enacted in 1947 and since amended, that provides retirement, disability, and survivor benefits to certain employees of the Charlotte Fire Department.

BILL ANALYSIS: Senate Bill 273 makes a significant number of technical and clarifying changes to the law establishing the Charlotte Firefighters' Retirement System. Other amendments include:

- Sec. 4 is amended to provide that for the purposes of membership service credit, any new periods of leave described in the section (workers' compensation, accident, sickness, Family Medical Leave Act, or long-term disability) that begin after July 1, 2021 may have a percentage rate determined by the City upon recommendation of the Board of Trustees.
- Sec. 7, related to the purchase of military service, is amended to provide that for any member beginning membership on or after July 1, 2021, the required contributions must be the full actuarial cost as determined by the System's actuary.
- Sec. 24 is amended to provide that the Member contribution percentage rate for retirement may be determined by the City upon recommendation of the Board of Trustees.
- Sec. 25 is amended to provide that effective July 1, 2020, the City of Charlotte must contribute 14% (previously 12.65%) for each and every payroll member the Retirement System. The rate must be increased 2% each year for 5 years up to a maximum contribution rate of 24%. The rate must remain at 24% unless the Actuarially Determined Employer Contribution (ADEC) rate falls below 24% in a Plan Year, in which case the contribution rate may be the ADEC or other percentage determined by the City upon the recommendation of the Board of Trustees, but it cannot be less than 14%. The authorization for the City Council, upon the recommendation of the Board of Trustees, to appropriate funds for a cost of living increase to the Retirees of the System is removed.
- Sec. 32 is amended to permit the Board of Trustees to allow a vacancy of an elected Trustee to remain unfilled for longer than 90 days after the date of the vacancy upon the affirmative votes from a majority of the Trustees in attendance, including the Chairman, that due to the timing of the vacancy, it would be more practical to wait for the next election to fill the vacancy.

EFFECTIVE DATE: The bill would only apply to the City of Charlotte and would become effective July 1, 2021.

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Legislative Analysis
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