

GENERAL ASSEMBLY OF NORTH CAROLINA  
1985 SESSION

CHAPTER 729  
HOUSE BILL 1380

AN ACT TO ENHANCE THE PENSION AND RETIREMENT BENEFITS FOR  
LOCAL LAW OFFICERS.

The General Assembly of North Carolina enacts:

Section 1. Chapter 143 of the General Statutes is amended by the addition of the following new Article:

"ARTICLE 12G.

"Sheriffs' Supplemental Pension Fund Act of 1985.

"§ 143-168. **Short title and purpose.**—(a) This Article shall be known and may be cited as the 'Sheriffs' Supplemental Pension Fund Act of 1985'.

(b) The purpose of this Article is to create a pension fund to supplement local government retirement benefits which will attract the most highly qualified talent available within the State to the position of sheriff and to fully recognize that sheriffs are constitutional officers elected by the people and are also officers of the court enforcing the laws of the State of North Carolina.

"§ 143-168.1. **Scope.**—(a) This Article provides supplemental pension benefits for all county sheriffs who are retired from the Local Governmental Employees' Retirement System or an equivalent locally sponsored plan as herein described.

(b) The North Carolina Department of Justice shall administer the provisions of this Article.

(c) The provisions of this Article shall be subject to future legislative change or revision, and no person is deemed to have acquired any vested right to a pension payment provided by this Article.

"§ 143-168.2. **Assets.**—(a) On and after July 1, 1985, each Clerk of Superior Court shall remit to the Department of Justice the monthly receipts collected pursuant to G.S. 7A-304(a)(3A) to be deposited to the credit of the Sheriffs' Supplemental Pension Fund, hereinafter referred to as the Fund, to be used in making monthly pension payments to eligible retired sheriffs under the provisions of this Article and to pay the cost of administering the provisions of this Article.

(b) The State Treasurer shall be the custodian of the Sheriffs' Supplemental Pension Fund and shall invest its assets in accordance with the provisions of G.S. 147-69.2 and G.S. 147-69.3.

"§ 143-168.3. **Disbursements.**—(a) Immediately following July 1, 1986, and immediately following the first of July of each fiscal year thereafter, the Department of Justice shall divide an amount equal to ninety percent (90%) of the assets of the Fund at the end of the preceding fiscal year into equal shares and disburse the same as monthly

pension payments in accordance with this Article. The remaining ten percent (10%) of the Fund's assets at the end of the preceding fiscal year may be used by the Department of Justice in administering the provisions of this Article.

(b) All of the Fund's disbursements shall be conducted in the same manner as disbursements are conducted for other special funds of the State.

(c) If, for any reason, the Fund shall be insufficient to pay any pension benefits or other charges, then all benefits or payments shall be reduced pro rata for as long as the deficiency in amount exists. No claim shall accrue with respect to any amount by which a pension payment shall have been reduced.

**"§ 143-168.4. Eligibility.**—(a) Each elected county sheriff who has retired from the Local Governmental Employees' Retirement System or an equivalent locally sponsored plan on and before June 30, 1986, and who has attained the age of 55 years and who has completed at least 10 years of eligible service as an elected sheriff is entitled to receive a monthly pension under this Article, beginning July 1, 1986. Eligible service shall only mean service for which a sheriff has been elected and shall not include service as an appointed sheriff or any other appointed or elected service.

(b) Subsequent to June 30, 1986, each eligible retired sheriff as defined in subsection (a) of this section on June 30 of each fiscal year shall be entitled to receive a monthly pension under this Article beginning the first of the following fiscal year.

**"§ 143-168.5. Benefits.**—(a) An eligible retired sheriff shall be entitled to and receive an annual pension benefit, payable in equal monthly installments, equal to one share for each full year of eligible service as an elected sheriff multiplied by his total number of years of eligible service. The amount of each share shall be determined by dividing the total number of years of eligible service for all eligible retired sheriffs on June 30 of each fiscal year into the amount to be disbursed as monthly pension payments in accordance with the provisions of G.S. 143-168.3(a). In no event however shall a monthly pension under this Article exceed an amount, which when added to a retirement allowance from the Local Governmental Employees' Retirement System or an equivalent locally sponsored plan, is greater than seventy-five percent (75%) of a sheriff's equivalent annual salary immediately preceding retirement computed on the latest monthly base rate, to a maximum amount of one thousand dollars (\$1,000).

(b) All monthly pensions payable under this Article shall be paid on the last business day of each month.

(c) Monthly pensions payable under this Article will cease at the death of the pensioner and no payment will be made to any beneficiaries or to the decedent's estate.

(d) Monthly pensions payable under this Article will cease upon the full-time reemployment of a pensioner with an employer participating in the Local Governmental Employees' Retirement System for as long as the pensioner is so reemployed.

(e) Pensions paid under the provisions of this Article shall be exempt from North Carolina income tax.

(f) Nothing contained in this Article shall preclude or in any way affect the benefits that a pensioner may be entitled to from any state, federal or private pension, retirement or other deferred compensation plan."

Sec. 2. Effective July 1, 1985, G.S. 7A-304(a) is amended by adding a new subsection (3A) to read:

"(3A) For the supplemental pension benefits of sheriffs, the sum of seventy-five cents (75c), to be remitted to the Department of Justice and administered under the provisions of Article 12G of Chapter 143 of the General Statutes."

Sec. 3. G.S. 7A-304(a)(3) is rewritten to read:

"(3) For the retirement and insurance benefits of both State and local governmental law enforcement officers, the sum of four dollars and twenty-five cents (\$4.25), to be remitted to the State Treasurer. Fifty cents (50c) of this sum shall be administered as is provided in Article 12C of Chapter 143 of the General Statutes. Two dollars and seventy-five cents (\$2.75) of this sum shall be administered as is provided in Article 12E of Chapter 143 of the General Statutes, with one dollar and twenty-five cents (\$1.25) being administered in accordance with the provisions of G.S. 143-166.50(e). One dollar (\$1.00) of this sum shall be administered as is provided in Article 12F of Chapter 143 of the General Statutes."

Sec. 4. Effective July 1, 1985, G.S. 7A-304(b) is amended in the fourth line by inserting the words "and the Sheriffs' Supplemental Pension Fund" between the words "Fund" and "shall".

Sec. 5. There is appropriated from the General Fund to the Department of Justice the sum of five thousand dollars (\$5,000) for fiscal year 1985-86 as start-up cost.

Sec. 6. Effective January 1, 1986, G.S. 143-166.50(d) is amended in the first sentence by inserting between the words "Article" and "shall" the phrase ", except for the amount designated for the provisions of G.S. 143-166.50(e),".

Sec. 7. Effective January 1, 1986, G.S. 143-166.50(e) is amended by adding a new sentence at the end to read:

"Additional contributions shall also be made to the individual accounts of all participants in the Plan, except for Sheriffs, on a per capita equal-share basis from the sum of one dollar and twenty-five cents (\$1.25) for each cost of court collected under G.S. 7A-304."

Sec. 8. This act shall become effective upon ratification unless otherwise stated. The increase in court costs established by Section 2 and 3 of this act shall apply to offenses committed on and after the effective date of this act.

In the General Assembly read three times and ratified, this the 12th day of July, 1985.