

GENERAL ASSEMBLY OF NORTH CAROLINA
1987 SESSION

CHAPTER 1033
SENATE BILL 1606

AN ACT TO AMEND CHAPTER 926 OF THE 1947 SESSION LAWS, AS
REWRITTEN BY CHAPTER 506, 1987 SESSION LAWS, REGARDING THE
CHARLOTTE FIREFIGHTERS' RETIREMENT SYSTEM.

The General Assembly of North Carolina enacts:

Section 1. Subdivision (7) of Section 2 of Chapter 926 of the 1947 Session Laws, as rewritten by Chapter 506 of the 1987 Session Laws reads as rewritten:

"(7) 'Board of Trustees', 'Board' or 'Trustee' means the Board of Trustees of the Charlotte Firefighters' Retirement System, as specified in Section ~~6.03,~~29, or any individual member thereof."

Sec. 2. Subdivision (9) of Section 2 of Chapter 926 of the 1947 Session Laws, as rewritten by Chapter 506 of the 1987 Session Laws reads as rewritten:

"(9) 'Compensation' means the remuneration earned by a Member for services performed as an employee of the Charlotte Fire Department and for which contributions are made to the System. Compensation shall include regular wages, longevity pay, overtime (hire-back) pay, bonus payments, funeral leave, jury duty, used vacation pay, used sick leave, paid military reserve duty (paid by City), used compensatory and court time, and used holiday pay. Compensation also includes any amounts for which contributions are made by a Member to receive Membership Service Credit for any period(s) of workers' compensation and/or accident and sickness benefits pursuant to the provisions of Section 4. Compensation does not include terminal payments for unused sick leave, unused vacation pay, unused compensatory and court time, and/or unused holiday pay. Also, Compensation does not include worker's compensation payments and/or supplemental payments from the City, accident and sickness benefits, reimbursement for scheduled and/or unscheduled mileage, and/or remuneration from the city for services performed outside his employment with the Charlotte Fire Department. For the purpose of calculating a Member's Final Average Salary, any lump sum payments for which contributions were made to the System, such as longevity pay and bonus payments, and received by said Member within two consecutive years of Membership Service shall be apportioned over the previous Membership Service for which the payment(s) was earned."

Sec. 3. Subdivision (21) of Section 2 of Chapter 926 of the 1947 Session Laws, as rewritten by Chapter 506 of the 1987 Session Laws reads as rewritten:

"(21) 'Year' or 'Plan Year' means the twelve months from July ~~1st~~1 through June ~~30th~~30."

Sec. 4. Section 5 of Chapter 926 of the 1947 Session Laws, as rewritten by Chapter 506 of the 1987 Session Laws reads as rewritten:

"Sec. 5. **Reinstatement of Membership Service Credit Previously Forfeited.** Membership Service Credit shall be credited for previous Membership Service for a Member who is reemployed by the Charlotte Fire Department within five years of the termination date of his previous employment, and provided the Member has not received reimbursement of his Total Contributions pursuant to the provisions of this act. Any Member who is reemployed by the Charlotte Fire Department ~~on or before~~ December 31, 1958, January 1, 1959, shall receive Membership Service Credit for all previous membership employment in said department. Any Member who was reemployed by the Charlotte Fire Department after ~~December 31, 1958, January 1, 1959,~~ and has previously received reimbursement of his Total Contributions pursuant to the provisions of this act, shall receive no Membership Service Credit for any previous membership employment with the Charlotte Fire Department."

Sec. 5. Section 7 of Chapter 926 of the 1947 Session Laws, as rewritten by Chapter 506 of the 1987 Session Laws reads as rewritten:

"Sec. 7. **Purchase of Active Military Duty.** Membership Service Credit may be purchased for credit upon the completion of ten ~~or more~~ years of Membership Service Credit, ~~prior to termination of membership or retirement,~~ Effective July 1, 1988, the purchase of such Membership Service Credit must occur before the completion of 13 years of Membership Service Credit, or by October 7, 1990, whichever is later, prior to termination of membership or retirement, by any Member who served on active duty in the Armed Forces of the United States of America prior to his employment with the Charlotte Fire Department. The amount of Membership Service Credit to be credited to a Member will be equal to the actual active military duty by the Member not to exceed five years and shall be credited upon the payment of the required contributions as determined by the Administrator, provided that the Membership Service to be so credited shall not be credited in any other retirement system, except the national guard or any reserve component of the Armed Forces of the United States. The required contributions shall be an amount equal to the annualized Compensation rate the Member earned when he first entered membership in the Retirement System, multiplied by the sum of the Member and the City of Charlotte contribution rates in effect at the time when he first entered membership in the Retirement System, increased by five percent (5%) compounded per annum from the date of membership to the date of the payment of the required contributions and multiplied by the number of years and days of Membership Service to be credited."

Sec. 6. Subsection (a) of Section 10 of Chapter 926 of the 1947 Session Laws, as rewritten by Chapter 506 of the 1987 Session Laws reads as rewritten:

"(a) If a Member with less than ten years of Membership Service Credit with this Retirement System shall cease employment with the Charlotte Fire Department, whether voluntary or involuntary, said former Member shall thereupon cease membership and shall be entitled to reimbursement of the Total Contributions made by or on his behalf to the Retirement System, excluding any contributions made on the former Member's behalf by the City of Charlotte under the provisions of Section 25 of

this act without interest. A former Member desiring reimbursement of said contributions must complete and file the form 'Application for Refund of Accumulated Contributions' with the Administrator within five years of the termination date of his employment. Should a former Member fail to complete and file said form with the Administrator within such five years, the ~~Former Members~~—former Member shall receive reimbursement of said contributions."

Sec. 7. Subsection (a) of Section 11 of Chapter 926 of the 1947 Session Laws, as rewritten by Chapter 506 of the 1987 Session Laws reads as rewritten:

"(a) Effective July 1, 1986, if a Member with ten or more years of Membership Service Credit with this Retirement System shall cease employment with the Charlotte Fire Department, whether voluntary or involuntary, said Member shall receive his Accrued Benefit and defer such benefit until the participant reaches age 60 years. The Accrued Benefit shall be calculated pursuant to the provisions of Sections 15 and 17 of this act in effect on the last day of work by said Participant. If such Participant dies before applying for his deferred benefits and attaining age 60 years, reimbursement of the Participant's contributions may be accomplished in the same manner and in all respects as in Section 10 of this act."

Sec. 8. Section 14 of Chapter 926 of the 1947 Session Laws, as rewritten by Chapter 506 of the 1987 Session Laws reads as rewritten:

"Sec. 14. **Retirement of Member.** Upon his retirement pursuant to the provisions of this act, a Member shall thereupon cease membership in the Charlotte Firefighters' Retirement ~~System~~System."

Sec. 9. Subsection (b) of Section 17 of Chapter 926 of the 1947 Session Laws, as rewritten by Chapter 506 of the 1987 Session Laws reads as rewritten:

"(b) Prior to his retirement, but not thereafter, a Member may elect to receive an Actuarial Equivalent, computed as of the effective date of his retirement, of his basic benefit from subsection (a) of this section in a reduced monthly amount payable throughout his life, and nominate a Beneficiary in accordance with the provisions of option 1, 2, 3, 4, 5 or 6 as set forth below. Actuarial Equivalent for all Members retiring prior to July 1, 1987, shall be computed in accordance with the Group Annuity Table for 1951 with interest at four percent (4%). Actuarial Equivalent for all Members retiring ~~on or after July 1, 1987,~~ after June 30, 1987, shall be computed in accordance with the Unisex Mortality Table for 1984 set forward one year in age with interest at six percent (6%). If a Member does not have an option election in force at the time of his retirement, his monthly benefit shall be paid as the basic benefit."

Sec. 10. Subsection (h) of Section 17 of Chapter 926 of the 1947 Session Laws, as rewritten by Chapter 506 of the 1987 Session Laws reads as rewritten:

"(h) Option 6. A Retiree may elect any of Options 2 through 5 with the added provision that in the event the Designated Beneficiary predeceases the Retiree, the monthly benefit payable to the Retiree after the Beneficiary's death shall be equal to the basic benefit. Such election will result in a benefit that is further reduced than the corresponding benefit payable under Options 2 through 5 if this Option 6 has not been elected. The intent of this additional reduction is to support the additional cost of this election."

Sec. 11. Subsection (i) of Section 17 of Chapter 926 of the 1947 Session Laws as rewritten by Chapter 506 of the 1987 Session Laws reads as rewritten:

"(i) In the event that a Retiree who named his spouse as Beneficiary in accordance with the provisions of ~~this subsection~~ Options 1 through 6 and shall subsequently become divorced from the named Beneficiary, the Retiree may then elect a life annuity which shall be the Actuarial Equivalent of the value of all future benefit payments under the option then in effect upon written request to the Board of Trustees provided such request is not inconsistent with the terms of the divorce decree. It is the Retiree's responsibility to provide all pertinent documentation."

Sec. 12. Subsection (f) of Section 19 of Chapter 926 of the 1947 Session Laws as rewritten by Chapter 506 of the 1987 Session Laws reads as rewritten:

"(f) The Board of Trustees shall have the authority and may require any disability Retiree who has not attained age 70 years to undergo a medical reexamination at any time not to exceed one reexamination per year by or under the direction of the Medical Board to determine if the medical condition for which the disability retiree was retired still exists. Upon such medical reexamination, if the disability Retiree is found able to perform active duty with the Charlotte Fire Department by the Board of Trustees, he shall be reinstated in a position equal in rank to his rank at the time he was retired as soon as such position becomes available in the Charlotte Fire Department. Refusal by the disability Retiree to submit to such medical reexamination or refusal to return to work as a result of finding by the Board of Trustees based on a medical reexamination shall cause all retirement benefits to cease forthwith and such person shall be entitled to apply for reimbursement of the balance, if any, of his contributions to the Retirement System in the same manner and in all respects as in Section 10 of this act."

Sec. 13. Subsection (g) of Section 19 of Chapter 926 of the 1947 Session Laws as rewritten by Chapter 506 of the 1987 Session Laws reads as rewritten:

"(g) Effective July 1, 1986, upon retirement pursuant to the provisions of this ~~Section, section,~~ a Member shall receive a monthly benefit equal to seventy-two percent (72%) of his final average salary, ~~not to exceed one hundred percent (100%) of Final Average Salary,~~ but not less than five hundred dollars (\$500.00) per month. Effective July 1, 1987, upon retirement pursuant to the provisions of this ~~Section, section,~~ a Member shall receive a monthly benefit equal to the greater of seventy-two percent (72%) or two and four-tenths percent (2.4%) multiplied by his Membership Service, of his Final Average Salary, not to exceed one hundred percent (100%) of Final Average Salary, but not less than five hundred dollars (\$500.00) per month. Effective July 1, 1988, prior to his retirement pursuant to the provisions of this section, but not thereafter, a Member may elect to receive an Actuarial Equivalent, computed as of the effective date of his retirement, of his monthly disability benefit from this subsection in a reduced monthly amount payable throughout his life, and nominate a Beneficiary in accordance with the provisions of the Option 5, Fifty Percent (50%) Joint and Survivor Benefit, as set forth in subsection (g) of Section 17. Actuarial Equivalent for all Members retiring pursuant to this section shall be computed in accordance with the Unisex Mortality Table for 1984 set forward one year in age with interest at six percent (6%). Benefits

payable under this Section shall be effective on the date of approval by the Board of Trustees or upon exhaustion of worker's compensation benefits, whichever is later."

Sec. 14. Section 19 of Chapter 926 of the 1947 Session Laws as rewritten by Chapter 506 of the 1987 Session Laws is amended by adding a new subsection to the end to read:

"(h) Upon the reinstatement of a disability retiree to active duty following a medical reexamination pursuant to the provisions of this section any subsequent benefit paid by the System shall be based on the length of service after reinstatement with the Charlotte Fire Department.

- (1) Where a reinstated member serves less than one year after his reinstatement before retirement, his accrued benefit upon retirement shall be as follows:
 - a. The total accrued benefit credited between his reinstatement and subsequent retirement as computed in accordance with the provisions in effect on the date of the member's subsequent retirement; plus
 - b. The total accrued benefit credited at the time of his effective date of disability retirement as computed in accordance with provisions in effect on the date of his disability retirement.
- (2) Where a reinstated member serves more than one year, but less than three years, after his reinstatement before retirement, his accrued benefit upon retirement shall be as follows:
 - a. The total accrued benefit credited between his reinstatement and subsequent retirement as computed in accordance with the provisions in effect on the date of the member's subsequent retirement; plus
 - b. The total accrued benefit credited on the effective date of his disability retirement as computed by applying both the provisions in effect on the date of the member's subsequent retirement and the provisions in effect on the date of the member's disability retirement. The provisions in effect on the date of the member's subsequent retirement shall be applied to one-third of the accrued benefit credited on the effective date of the member's disability retirement for each year served following reinstatement. The remaining portion of the member's accrued benefit credited on the date of his disability retirement shall be computed in accordance with provisions in effect on the effective date of the member's disability retirement. For periods greater than one calendar year, but less than three calendar years, the provisions in effect on the date of the member's subsequent retirement and the provisions in effect on the date of the member's disability retirement shall be applied proportionally to the remaining accrued benefit credited on the effective date of the member's disability retirement.

- (3) Where a reinstated member serves at least three years after his reinstatement before retirement, his total accrued benefit upon retirement shall be computed in accordance with the provisions in effect on the date of his subsequent retirement."

Sec. 15. Section 20 of Chapter 926 of the 1947 Session Laws as rewritten by Chapter 506 of the 1987 Session Laws reads as rewritten:

"Sec. 20. **Disability Retirement not in the Line of Duty.** (a) A Member, with 10 or more years of Membership Service Credit, whom the Board of Trustees finds to be totally and permanently disabled or incapacitated for duty in the employ of the Charlotte Fire Department by reason of an injury, accident or disease that did not arise out of and in the course of his actual performance of duty in his employment with the Charlotte Fire Department, may be retired by the ~~board~~Board of Trustees upon the filing of an 'Application for Disability Retirement Not in the Line of Duty' by the Member or his department head with the Administrator, provided that:

- (1) The Member has applied for and been granted accident and sickness benefits on account of such disability; and
- (2) After a medical examination of the Member, by or under the direction of the Medical ~~board~~Board, the Medical Board certifies to the board in writing that the member is totally and permanently disabled or incapacitated for duty in the employ of the Charlotte Fire Department by reason of an injury, accident or disease that did not arise out of and in the course of his actual performance of duty in his employment with the Charlotte Fire Department.

(b) The Board of Trustees shall retire the Member within 90 days of its receipt of a medical report from the medical board that meets the requirements of subdivision (a)(2) of this section and when the medical board and the ~~board~~Board agree on such application.

(c) Upon the request by the Chairman or the ~~board~~Board, the examining member of the Medical ~~board~~Board on an application for disability retirement not in the line of duty shall appear at a meeting of the ~~board~~Board to respond to any questions of a medical nature or to render any medical opinion necessary to clarify the medical report.

(d) In the event that the Medical Board shall certify that the Member is totally and permanently disabled or incapacitated for duty in the employ of the Charlotte Fire Department by reason of an injury, accident or disease that did not arise out of and in the course of his actual performance of duty in his employment with the Charlotte Fire Department and the Board of Trustees does not agree with such certification, the Board of Trustees shall deny such application. The Member shall upon such denial be given the opportunity to respond to the ~~board's~~Board's decision. The member shall have the right to appeal such denial to the Civil Service Board who shall render a decision on whether the Member should or should not be retired.

(e) The determination by the ~~board~~Board of trustees that a Member is not entitled to disability retirement benefits under this section and the Civil Service ~~board~~Board has not determined that he should be retired, shall not prohibit such Member

from filing another 'Application for Disability Retirement Not in the Line of ~~duty~~ Duty' at a later date, provided the application is based on additional or different facts bearing on the question of his disability.

(f) The Board of Trustees shall have the authority and may require any disability Retiree who has not attained age 70 years to undergo a medical reexamination at any time not to exceed one reexamination per year by or under the direction of the Medical board to determine if the medical condition for which the disability Retiree was retired still exists. Upon such medical reexamination, if the disability Retiree is found able to perform active duty with the Charlotte Fire Department by the Board of Trustees, he shall be reinstated in a position equal in rank to his rank at the time he was retired as soon as such position becomes available in the Charlotte Fire Department. Refusal by the disability Retiree to submit to such medical reexamination or refusal to return to work as a result of a finding by the Board of Trustees based on a medical reexamination shall cause all retirement benefits to cease forthwith and such person shall be entitled to apply for reimbursement of the balance, if any, of his contributions to the Retirement System in the same manner and in all respects as in Section 10 of this act.

(g) Effective July 1, 1986, upon retirement pursuant to the provisions of this section, a Member shall receive a monthly benefit equal to thirty-six percent (36%) of his Final Average Salary, plus one and eight-tenths percent (1.8%) of his final average salary multiplied by the Membership Service Credit in excess of 10 years, not to exceed one hundred percent (100%) of his Final Average Salary, but not less than five hundred dollars (\$500.00) per month. Effective July 1, 1988, prior to his retirement pursuant to the provisions of this section, but not thereafter, a Member may elect to receive an Actuarial Equivalent, computed as of the effective date of his retirement, of his monthly disability benefit from this subsection in a reduced monthly amount payable throughout his life, and nominate a Beneficiary in accordance with the provisions of Option 5, Fifty Percent (50%) Joint and Survivor Benefit, as set forth in subsection (g) of Section 17. Actuarial Equivalent for all Members retiring pursuant to this section shall be computed in accordance with the Unisex Mortality Table for 1984 set forward one year in age with interest at six percent (6%). Benefits payable under this section shall be effective on the date of approval by the Board of Trustees.

(h) Upon the reinstatement of a disability retiree to active duty following a medical reexamination pursuant to the provisions of this section any subsequent benefit paid by the System shall be based on the length of service after reinstatement with the Charlotte Fire Department.

(1) Where a reinstated member serves less than one year after his reinstatement before retirement, his accrued benefit upon retirement shall be as follows:

- a. The total accrued benefit credited between his reinstatement and subsequent retirement as computed in accordance with the provisions in effect on the date of the member's subsequent retirement; plus

- b. The total accrued benefit credited at the time of his effective date of disability retirement as computed in accordance with provisions in effect on the date of his disability retirement.
- (2) Where a reinstated member serves more than one year, but less than three years, after his reinstatement before retirement, his accrued benefit upon retirement shall be as follows:
- a. The total accrued benefit credited between his reinstatement and subsequent retirement as computed in accordance with the provisions in effect on the date of the member's subsequent retirement; plus
 - b. The total accrued benefit credited on the effective date of his disability retirement as computed by applying both the provisions in effect on the date of the member's subsequent retirement and the provisions in effect on the date of the member's disability retirement. The provisions in effect on the date of the member's subsequent retirement shall be applied to one-third of the accrued benefit credited on the effective date of the member's disability retirement for each year served following reinstatement. The remaining portion of the member's accrued benefit credited on the date of his disability retirement shall be computed in accordance with provisions in effect on the effective date of the member's disability retirement. For periods greater than one calendar year, but less than three calendar years the provisions in effect on the date of the member's subsequent retirement and the provisions in effect on the date of the member's disability retirement shall be applied proportionally to the remaining accrued benefit credited on the effective date of the member's disability retirement.
- (3) Where a reinstated member serves at least three years after his reinstatement before retirement, his total accrued benefit upon retirement shall be computed in accordance with the provisions in effect on the date of his subsequent retirement."

Sec. 16. Section 21 of Chapter 926 of the 1947 Session Laws as rewritten by Chapter 506 of the 1987 Session Laws reads as rewritten:

"Sec. 21. **Death Benefits.** (a) In the event of the death of any Member of the System prior to his effective date of retirement pursuant to the provisions of Sections 15, 16, 18, 19, or 20 of this act, his Designated Beneficiary(s) on file with the Retirement System, or his personal representative in the absence of any Designated Beneficiary, shall be entitled to reimbursement of the ~~total~~ Total Contributions by him or on his behalf and the City of Charlotte to the System, ~~plus, effective July 1, 1986,;~~ plus, two and five-tenths percent (2.5%) interest compounded annually on the contribution balance at the beginning of each Plan Year in which the Participant contributed or in which contributions were made on his behalf. However, the two and five-tenths percent (2.5%) interest shall not apply to death benefits occurring before

July 1, 1986. Such Beneficiary(s) or personal representative must complete and file the form 'Application for Survivor Death Benefits' with the Administrator to receive reimbursement. As an option, a Beneficiary may elect to receive an annuity equal to and in lieu of a lump sum distribution by so designating on the above form.

(b) In the event of the death of a Retiree of this System before he has received monthly benefit payments equal to the present value on the effective date of retirement of the ~~total~~ Total Contributions by him or on his behalf and the City of Charlotte to the system, ~~plus, effective July 1, 1986, ; plus, two and five-tenths percent (2.5%) interest compounded annually on the contribution balance at the beginning of each Plan Year in which the Participant contributed or in which contributions were made on his behalf~~ and provided a monthly benefit is not payable in accordance with Section 17, the Designated Beneficiary(s) or estate of the retiree shall be entitled to an amount equal to the difference between such contributions, plus interest, and the sum of the monthly benefit payments received by the retiree. However, the two and five-tenths percent (2.5%) interest shall not apply to death benefits occurring before July 1, 1986. Such Beneficiary(s) or personal representative must complete and file the form 'Application for Survivor Death Benefits' with the Administrator to receive reimbursement."

Sec. 17. Subsection (e) of Section 32 of Chapter 926 of the 1947 Session Laws as rewritten by Chapter 506 of the 1987 Session Laws reads as rewritten:

"(e) If a vacancy shall occur pursuant to the provisions of subsections (a) through ~~(e)-(d)~~ of this section, the vacancy shall be filled within 90 days after the date of the vacancy, for the unexpired portion of the term, in the same manner as the position was previously filled."

Sec. 18. Subsection (a) of Section 34 of Chapter 926 of the 1947 Session Laws as rewritten by Chapter 506 of the 1987 Session Laws reads as rewritten:

"(a) The Chairman of the Board, named pursuant to the provisions of Section ~~29(d)~~ 29(iv) of this act, shall preside at all meetings that he is in attendance."

Sec. 19. Subsection (b) of Section 35 of Chapter 926 of the 1947 Session Laws as rewritten by Chapter 506 of the 1987 Session Laws reads as rewritten:

"(b) The Chairman or, in the absence of the Chairman, the Vice Chairman may hold a special meeting and/or an emergency meeting at his discretion. Additionally, upon the written request of two members of the Board of Trustees, the Chairman shall call a special meeting of the Board.

When a special meeting is called, the Administrator shall insure that notice is given to each trustee either in person or by first class mail to the ~~record of address~~ address of record on file with the Administrator. Such notice shall include the purpose of the meeting and designate the time, date and place thereof. The Chairman or Vice Chairman shall insure that the business of the special meeting be limited to the purpose as set forth in the notice.

When an emergency meeting is called, the Administrator shall attempt to notify each Trustee by telephone to the telephone number on file with the Administrator."

Sec. 20. Section 44 of Chapter 926 of the 1947 Session Laws as rewritten by Chapter 506 of the 1987 Session Laws reads as rewritten:

"Sec. 44. **Annual Actuarial Valuation.** There shall be an annual Actuarial Valuation as of the 1st of July. The Valuation shall be performed by the actuary as specified in Section ~~36(a)~~36(a1). Such Valuation shall be completed and presented to the Board no later than the second regular quarterly meeting each year."

Sec. 21. Section 49 of Chapter 926 of the 1947 Session Laws as rewritten by Chapter 506 of the 1987 Session Laws reads as rewritten:

"Sec. 49. **Custody of System Assets.** The Treasurer of the Retirement System shall be the custodian and responsible for the safekeeping of all funds paid into the Charlotte Firefighters' Retirement System. The Treasurer shall deposit said funds in a bank or banks as designated by the Board of Trustees. The Treasurer may, with Board concurrence, use one or more nominees to facilitate transfer of the System's securities and may hold the securities in safekeeping with the Federal Reserve System, a clearing corporation, or a custodian bank which is a member of the Federal Reserve System. All payments from said funds shall be authorized by the treasurer only upon the signed, written request of the Administrator, or the Secretary of the Board in the absence of an administrator. The Treasurer shall furnish such bond as shall be required by the Board of Trustees and premium for said bond shall be paid out of the funds of the System."

Sec. 22. Section 57 of Chapter 926 of the 1947 Session Laws as rewritten by Chapter 506 reads as rewritten:

"Sec. 57. **Laws Inconsistent Repealed.** All laws and clauses of law pertaining to the Charlotte ~~Firemen's~~Firefighters' Retirement System that are in conflict with the provisions of this act are hereby revoked."

Sec. 23. This act shall apply to the City of Charlotte only.

Sec. 24. None of the provisions of this act shall create an additional liability for the Charlotte Firefighters' Retirement System unless sufficient assets are available to pay for the liability.

Sec. 25. This act is effective upon ratification.

In the General Assembly read three times and ratified this the 30th day of June, 1988.