

GENERAL ASSEMBLY OF NORTH CAROLINA



Session 2009

Legislative Actuarial Note

RETIREMENT

BILL NUMBER: Senate Bill 133 (Second Edition)

SHORT TITLE: Registers of Deeds' Pension.

SPONSOR(S): Senator Rand

FUNDS AFFECTED: Fees collected by each register of deeds and submitted to the Department of Treasurer.

SYSTEM OR PROGRAM AFFECTED: Register of Deeds' Supplemental Pension Fund.

EFFECTIVE DATE: When it become law

BILL SUMMARY: Amends the Register of Deeds Supplemental Pension Fund by adding in the amount received from a retirement allowance under the maximum allowance from the Local Governmental Employees' Retirement System or an equivalent locally sponsored plan to determine the limit on a monthly pension amount awarded under this subsection. The change in the bill will not apply to those retirees or active members who are serving as of the effective date of the bill.

ESTIMATED IMPACT ON COUNTIES: The Fund's actuary, Buck Consultants, and the General Assembly's actuary, Hartman & Associate, estimates the required contribution rate will remain at zero and there is no unfunded actuarial liability as a result of this bill.

ASSUMPTIONS AND METHODOLOGY: Register of Deeds Supplemental Pension Fund.
The cost estimates of the System's Actuary are based on the employee data, actuarial assumptions and actuarial methods used to prepare the December 31, 2007 actuarial valuation of the fund. The data included 100 active register of deeds and 78 retired members in receipt of annual pensions totaling \$1,357,220. Significant actuarial assumptions used include (a) an investment return rate of 7.25%, (b) the 1994 Group Annuity Mortality Tables for deaths after retirement set forward three years for males and set forward two years for females. The actuarial cost method used was the entry age normal cost method. The Fund has assets of \$35.4 million as of December 31, 2007 and had a funded ratio of 199%. Detailed information concerning these assumptions and methods are shown in the actuary's report, which is available upon request from Stanley Moore.

SOURCES OF DATA: Buck Consultants
Hartman & Associates, LLC

TECHNICAL CONSIDERATIONS: None

FISCAL RESEARCH DIVISION: (919) 733-4910. The above information is provided in accordance with North Carolina General Statute 120-114 and applicable rules of the North Carolina Senate and House of Representatives.

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APPROVED BY: Marilyn Chism, Director
Fiscal Research Division

DATE: May 6, 2009



Signed Copy Located in the NCGA Principal Clerk's Offices