The North Carolina
Firemen’s Relief Fund

1996

North Carolina State
Firemen’s Association

Office of Secretary
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Art. 84. Fund Derived from Fire Insurance Companies

58.84-1. Insurance companies to report premiums collected. Every insurance company, corporation, or association doing business in any town or city in North Carolina that has, or may hereafter have, a regularly organized fire department under the control of the mayor and city council or other governing body of said town or city, and which has in serviceable condition for fire duty apparatus and equipment amounting in value to one thousand dollars ($1,000) or more, and which enforces the fire laws to the satisfaction of the Insurance Commissioner, shall return to the Insurance Commissioner of the State of North Carolina a just and true account of all premiums collected and received from all fire and lightning insurance business done within the limits of such towns and cities during the year ending December 31, or such portion thereof as it may have transacted such business in such towns and cities. Such companies, corporations, or associations shall make said returns within 60 days from and after the thirty-first day of December of each year. (1907, c. 831, s. 1; 1919, c. 180; C.S., s. 6063; 1929, c. 286; 1989, c. 485, s. 63.)

58.84-5. Definitions. As used in Articles 84 through 88 of this Chapter, the words "city," "cities," "town" or "towns" shall also include and mean sanitary districts, school districts, rural fire districts and any other political subdivisions of the State having an organized fire department.

Whenever the clerk of any city or town is required to perform any act pursuant to Articles 84 through 88 of this Chapter, clerk shall mean the person so designated by the governing body or committee where there is no clerk. (1951, c. 1032, s. 1.)

58.84-10. Tax on receipts for premiums. Every insurance company, corporation, or association as aforesaid shall, within 75 days from December 31 of each year, deliver and pay to the State Insurance Commissioner the sum of fifty cents (50¢) out of and from every one hundred dollars ($100.00), and at that rate, upon the amount of all premiums written on fire and lightning policies covering property situated within the limits of such towns and cities during the year ending December 31, or for such portion of each year as said company, corporation, or association shall have done business in said towns and cities. (1907, c. 831, s. 2; C.S., s. 6064; 1989, c. 485, s. 63.)

58.84-15. Insurance Commissioner to investigate returns and collect tax. Every such company, corporation, or association shall make accurate returns of all business done, on fire and lightning insurance, covering property situated within the limits of such towns and cities; and in case of any fraud, misrepresentation, or mistake of any returns, as provided for in this Article, be apparent, it shall be the duty of the Insurance Commissioner to investigate such returns and collect the amount which he shall find to be due. (1907, c. 831, s. 3; C.S., s. 6065; 1989, c. 485, s. 63.)

58.84-20. Penalty for failure to report and pay tax. Every insurance company, association, or corporation aforesaid which shall knowingly or willfully fail or neglect to report or pay over any of the moneys due on premiums as aforesaid, at the times and in the manner specified in this Article, or shall be found upon examination to have made a false return of business done by it, shall, after notice and opportunity for a hearing, for each offense forfeit and pay to the Commissioner of Insurance, the sum of one thousand dollars ($1,000.00) for the use and benefit of the fire department of such town or city, to be recovered in a civil action in the name of the town or city. (1907, c. 831, s. 4; C.S., s. 6066; 1989, c. 485, s. 63.)

58.84-25. Disbursement of funds by Insurance Commissioner. The Insurance Commissioner shall deduct the sum of three percent (3%) from the money so collected from the insurance companies, corporations, or associations, as aforesaid, and pay the same over to the treasurer of the State Firemen's Association for general purposes. The Insurance Commissioner shall deduct the sum of two percent (2%) from the money so collected from the insurance companies, corporations, or associations, as aforesaid, and retain the same in the budget of the Department of Insurance for the purpose of administering the disbursement of funds by the board of trustees in accordance with the provisions of G.S. 58.84-35. The remainder of the money so collected from the insurance companies, corporations, or associations, as aforesaid, doing business in the towns and cities in the State having or that may hereafter have organized fire departments as provided in this Article, said Insurance Commissioner shall pay to the treasurer of each town or city to be held by him as a separate and distinct fund, and he shall immediately pay the same to the treasurer of the local board of trustees upon his election and qualification, for the use and benefit of the firemen's relief fund, to be composed of live members, two of whom shall be elected by the members of the local fire department or departments who are qualified as beneficiaries of such fund, two of whom shall be elected by the mayor and board of aldermen or other local governing body, and one of whom shall be named by the Commissioner of Insurance. Their selection and term of office shall be as follows:

(1) The members of the fire department shall hold an election each January to elect their representatives to above
board. In January 1950, the firemen shall elect one member to serve for two years and one member to serve for one year, then each year in January thereafter, they shall elect only one member and his term of office shall be for two years.

(2) The mayor and board of aldermen or other local governing body shall appoint, in January 1950, two representatives to above board, one to hold office for two years and one to hold office for one year, and each year in January thereafter they shall appoint only one representative and his term of office shall be for two years.

(3) The Commissioner of Insurance shall appoint one representative to serve as trustee and he shall serve at the pleasure of the Commissioner.

All of the above trustees shall hold office for their elected or appointed time, or until their successors are elected or appointed, and shall serve without pay for their services. They shall immediately after election and appointment organize by electing from their members a chairman and a secretary and treasurer, which two last positions may be held by the same person. The treasurer of said board of trustees shall give a good and sufficient surety bond in a sum equal to the amount of moneys in his hand, to be approved by the Commissioner of Insurance. The cost of this bond may be deducted by the Insurance Commissioner from the receipts collected pursuant to G.S. 58.84.10 before distribution is made to local relief funds. If the chief or chiefs of the local fire departments are not named on the board of trustees as above provided, then they shall serve as ex officio members without privilege of voting on matters before the board. (1907, c. 831, s. 6; 1919, c. 180; C.S., s. 6068; Ex. Sess. 1921, c. 55; 1923, c. 22; 1925, c. 41; 1945, c. 74, s. 1; 1949, c. 1054; 1973, c. 1365; 1985, c. 666, s. 64; 1987, c. 174, ss. 1, 5.)

58.84-35. Disbursement of funds by trustees. The board of trustees shall have entire control of the funds derived from the provisions of this Article, and shall disburse the funds only for the following purposes:

(1) To safeguard any fireman in active service from financial loss, occasioned by sickness contracted or injury received while in the performance of his duties as a fireman.

(2) To provide a reasonable support for those actually dependent upon the services of any fireman who may lose his life in the fire service of his town, city, or State, either by accident or from disease contracted or injury received by reason of such service. The amount is to be determined according to the earning capacity of the deceased.

(2.1) To provide assistance, upon approval by the Secretary of the State Firemen's Association, to a destitute member fireman who has served honorably for at least five years.

(3) Repealed by Session Laws 1985, c. 666, s. 61.

(4) To provide for the payment of any fireman's assessment in the Firemen's Fraternal Insurance Fund of the State of North Carolina if the board of trustees finds as a fact that said fireman is unable to pay the said assessment by reason of disability.

(5) To provide for benefits of supplemental retirement, workers compensation, and other insurance and pension protection for firemen otherwise qualifying for benefits from the Firemen's Relief Fund as set forth in Article 85 of this Chapter.

(6) To provide for educational benefits to firemen and their dependents who otherwise qualify for benefits from the Firemen's Relief Fund as set forth in Article 85 of this Chapter.

Notwithstanding any other provisions of law, no expenditures shall be made pursuant to subsections (5) and (6) of this section unless the State Firemen's Association has certified that such expenditures will not render the Fund actuarially unsound for the purposes of providing the benefits set forth in subsections (1), (2) and (4) of this section. If, for any reason, funds made available for subsections (5) and (6) of this section shall be insufficient to pay in full any benefits, the benefits pursuant to subsections (5) and (6) shall be reduced pro rata for as long as the amount of insufficient funds exists. No claim shall accrue with respect to any amount by which a benefit under subsections (5) and (6) shall have been reduced. (1907, c. 831, s. 6; 1919, c. 180; C.S., s. 6069; Ex. Sess. 1921, c. 55; 1923, c. 22; 1925, c. 41; 1945, c. 74, s. 2; 1985, c. 666, s. 61; 1987, c. 174, ss. 2, 3.)

58.84-40. Trustees to keep account and file certified reports. (a) Each local board of trustees shall keep a correct account of all moneys received and disbursed by them. On a form prescribed by the North Carolina State Firemen's Association, each local board shall certify to the Department of Insurance by January 1 of each year on a form prescribed by the Department, the local units which have complied with the requirements of subsection (a) of this section.

(b) In turn, the State Firemen's Association shall certify to the Department of Insurance by January 1 of each year on a form prescribed by the Department, the local units which have complied with the requirements of subsection (a) of this section.

(c) In the event that any board of trustees in any of the towns and cities benefited by this Article shall neglect or fail to perform their duties, or shall willfully misappropriate the funds entrusted in their care by obligating or disbursing such funds for any purpose other than those set forth in G.S. 58.84-35, then the Insurance Commissioner shall withhold any and all further payments to such board of trustees, or their successors, until the matter has been fully investigated by an official of the State Firemen's Association, and adjusted to the satisfaction of the Insurance Commissioner.

(d) In the event that any local relief fund provided for in this Article becomes impaired, then the Firemen's Relief
AN ACT TO AMEND ARTICLE 1 OF CHAPTER 118 OF THE GENERAL STATUTES RELATING TO THE FIREMEN'S RELIEF FUND OF THE CITY OF DURHAM.

The General Assembly of North Carolina do enact:

Section 1. G. S. 118-7 is hereby amended by adding at the end of said Section a proviso which shall read as follows:

"Provided, that the board of trustees duly appointed under § 118-6, General Statutes of North Carolina, shall be required to pay over to the Board of Trustees of the Durham Firemen's Supplemental Retirement System on July 1st of each year all sums entrusted to said trustees in excess of the sum of twenty thousand dollars ($20,000.00)."

Sec. 2. All laws and clauses of laws in conflict with this Act are hereby repealed.

Sec. 3. This Act shall become effective upon its ratification.

In the General Assembly read three times
and ratified, this the 5th day of April, 1951.

S/ H. P. Taylor
President of the Senate.

S/ W. Frank Taylor
Speaker of the House of Representatives.

Examined and found correct,

S/ R. P. Bender
For Committee.
To all to whom these presents shall come, Greeting:

I, Chad Eure, Secretary of State of the State of North Carolina, do hereby certify the following and heretofore attached (Two (2) sheets) to be a true copy of the original of which is now on file and a matter of record in this office.

In Witness Whereof, I have hereunto set my hand and affixed my official seal.

Done in Office, at Raleigh, this 8th day of March in the year of our Lord 1955.

[Signature]
Secretary of State
AN ACT TO AMEND CHAPTER 576 OF THE SESSION LAWS OF 1951 RELATING TO THE DURHAM FIREFIGHTERS' SUPPLEMENTAL RETIREMENT SYSTEM.

The General Assembly of North Carolina do enact:

Section 1. Section 2 (c) of Chapter 576 of the Session Laws of 1951 is hereby amended by striking out of the second paragraph of said Section 2 (c) the sentence reading "they shall take office on the third Tuesday in May", and substituting in lieu thereof the following:

"The said members of said Board of Trustees shall qualify by taking the oath of office not later than the first regular quarterly meeting of said Board after the third Tuesday in May."

Sec. 2. Section 2 (g) of said Chapter 576 of the Session Laws of 1951 is hereby amended by striking out of the first sentence of said subsection (g) the following words, "within 10 days after his appointment", and substituting in lieu thereof the following:

"Before taking part in any meetings or engaging in the consideration of any business or affairs of said Board of Trustees, and in all events not later than the first regular quarterly meeting of said Board after the third Tuesday in May,".

Sec. 3. Section 2 (p) of said Chapter 576 of the Session Laws of 1951 is hereby amended by striking out the last sentence of said subsection (p) and rewriting the same to read as follows:
2.
S. B. No. 119.

"The books of the system shall be audited by a certified public accountant each two years and also when a new treasurer is elected, and said report of such audit shall be presented at the second regular quarterly meeting of the year in which the audit is made or to any special meeting which may be called for that purpose."

Sec. 4. All laws and clauses of laws in conflict with this Act are hereby repealed.

Sec. 5. This Act shall be in fullforce and effect from and after its ratification.

In the General Assembly read three times and ratified, this the 25th day of February, 1955.

L. E. Barnhardt
President of the Senate.

Larry I. Moore, Jr.
Speaker of the House of Representatives.

Examined and found correct,

H. M. Moore
For Committee.
To all to whom these presents shall come, Greeting:

I, Chad Eure, Secretary of State of the State of North Carolina, do hereby certify the following and hereto attached (THREE (3) sheets) to be a true copy of HOUSE BILL NO. 647, GENERAL ASSEMBLY OF 1965, the original of which is now on file and a matter of record in this office.

In Witness Whereof, I have hereunto set my hand and affixed my official seal.

Done in Office, at Raleigh, this 29th day of June in the year of our Lord 1965.

[Signature]
Secretary of State
AN ACT TO AMEND CHAPTER 576 OF THE 1951 SESSION LAWS OF NORTH CAROLINA RELATING TO THE CREATION AND ESTABLISHMENT OF THE DURHAM FIREMEN'S SUPPLEMENTAL RETIREMENT SYSTEM FOR THE CLASSIFIED FIREMEN EMPLOYEES OF THE FIRE DEPARTMENT OF THE CITY OF DURHAM.

The General Assembly of North Carolina do enact:

Section 1. Subsection (e) of Section 2 of Chapter 576 of the Session Laws of 1951 is hereby amended by striking out the period at the end of said subsection and adding the following:

"or certificates of deposit or savings bonds of any financial institution chartered by the United States Government or by the State of North Carolina, not exceeding the amount guaranteed by the Federal Depositors Insurance Corporation or Federal Savings and Loan Insurance Corporation."

Sec. 2. Section 5 of Chapter 576 of the Session Laws of 1951 is hereby amended by adding the
following paragraph at the end of said Section 5:

"At the revaluation of the fund in the year 1966, the Board of Trustees is authorized and empowered to engage the services of an actuary to make a study of a revised plan approved by said Board of Trustees for said fund in order to determine the feasibility of making supplemental benefits payable to any member of the Durham City Fire Department who has retired and is then living or who may retire in the future from the local governmental employees' retirement system as established by Article 3 of Chapter 128 of the General Statutes. The fund shall be liable for the reasonable compensation to said actuary for making said study."

Sec. 3. All laws and clauses of laws in conflict with this Act are hereby repealed.

Sec. 4. This Act shall be in full force and effect from and after its ratification.

In the General Assembly read three times and ratified, this the 5th day of May, 1965.
3.
H. E. No. 647.

Robert W. Scott
President of the Senate.

H. P. Taylor, Jr.
Speaker of the House of Representatives.

Examined and found correct,

R. H. Jernigan, Jr.
For Committee.
shall not be subject to income taxes.

(e) The board of trustees may purchase with funds received under and by virtue of their office, bonds of the City of Durham, Durham County, State of North Carolina, United States Government, or certificate of deposit of paid shares of Building and Loan Association not exceeding the amount guaranteed by the Federal Government.

(f) Compensation of Trustees. The members of the Board of Trustees of the Durham Firemen's Supplemental Retirement System shall serve without compensation, but they shall be reimbursed for all necessary expenses incurred through service upon said board.

(g) Each trustee shall, within 10 days after his appointment, take an oath of office before the mayor that, so far as it devolves upon him, he will diligently and honestly administer the affairs of said board and that he will not knowingly violate or willingly permit to be violated any of the pro-
visions of law applicable to the retirement system.

Such oath shall be subscribed to by the member making
it, and certified by the officer by whom it is taken,
and immediately filed in the office of the city clerk.

(h) Meetings. The board of trustees shall
hold regular quarterly meetings at such time and
place as the board may determine. In addition there-
to, the chairman or vice-chairman of the board of
trustees may call special meetings and upon request
of two members of the board of trustees in writing,
shall call a special meeting of the board of trustees.
When so called, the secretary shall give notice in
person or by special delivery mail to all members of
the board at least 212 hours prior to such meeting,
specifying the purpose of such meeting and time and
place. The business of the special meeting shall be
limited to the purpose as set forth in the notice.

(i) Voting Rights. Each trustee shall be
titled to one vote. Three affirmative votes shall
be necessary for a decision by the trustees at any
meeting of said board and the chairman shall only vote in case of a tie.

(j) The chairman shall preside at all meetings and in his absence the vice-chairman shall preside.

(k) Officers. The Chairman, Vice-Chairman, Secretary and the Treasurer of the Durham Firemen's Supplemental Retirement System shall be elected by the board of trustees from the membership of the board at the first organizational meeting and thereafter at the first regular quarterly meeting in each year.

(l) Rules and Regulations. Subject to the limitations of this Act, the board of trustees shall, from time to time, establish rules and regulations for the administration of the funds created by this Act and for the transaction of its business. The board of trustees shall also, from time to time, in its discretion, adopt rules and regulations to prevent injustices and inequalities which might
(m) Evaluation. The secretary shall keep in convenient form, at a place designated by the trustees, such data as shall be necessary for evaluating the system and for checking the expense of the system.

(n) Record of Proceedings. Annual Report. The board of trustees shall keep a record of all of its proceedings which shall be open to public inspection. It shall publish at the end of each fiscal year a report showing the fiscal transactions of the system for the preceding year, the amount of the accumulated cash of the system, and the last balance sheet showing the financial condition of the system, including the valuation of the assets and liabilities of the retirement system. A copy of such annual report shall be provided for each of the fire stations of the City of Durham. The term "fiscal year", as used in this Act, shall be defined to mean a period of time from July 1st to June 30th, inclusive.

(o) Legal Adviser. The attorney or attorneys for the City of Durham shall be the legal adviser or advisers of the board of trustees.

(p) Custodian of Funds. Disbursements.

Bond of Treasurer. The treasurer shall handle all funds. The treasurer shall furnish such bond as shall be required by the board of trustees. He shall be custodian of all funds paid into the Durham Firemen's Supplemental Retirement System and shall deposit said funds in a bank or banks designated by the board of trustees. The premium for said bond shall be paid out of the funds of the system. All payments from such funds shall be made by him only upon voucher signed by two persons designated by the board of trustees. (The books of the system shall be audited each two years and when a new treasurer is elected by a certified public accountant, and said report shall be presented at the first regular quarterly meeting of each year.

(q) Trustee Member Disqualified. In the
event any uniformed member shall make application for benefits under this Act, and shall at such time be serving as a member of the board of trustees, he shall first disqualify himself and his vacancy shall be filled before the board of trustees receives such application.

(b) "Liabilities of Trustees. No member of the board of trustees shall be personally liable by reason of his service as a trustee for any acts performed by him as a trustee, except for malfeasance in office.

Sec. 3. There is hereby created and established in the Durham Firemen's Supplemental Retirement System a fund to be known as the "supplemental retirement fund" and hereinafter referred to as the "fund". The fund shall consist of all moneys and funds paid into the system from the Firemen's Relief Fund of the City of Durham from time to time and as provided by law; all gifts of money, property of all kinds and description, proceeds from property
of all kinds and description, all moneys, funds or property transferred to the fund by will, devise, bequest or by other means provided by law for the transfer or devolution of property, donations and gifts made by the firemen of the City of Durham, investments, earnings on investments, interest, dividends and any other funds or property that may accrue to the fund, and the board of trustees is authorized to accept gifts, devises and bequests, and any property or funds that may in anywise be transferred in operation of law. The moneys and property of the fund may be invested by the board of trustees as heretofore provided in this Act. Refunds may be made from the fund to anyone entitled thereto by reason of clerical mistake or any clerical error or inadvertence. The fund shall be liable for the payment of the supplemental benefits hereinafter referred to and defined. Any donations made to the Durham City Fire Department in excess of the amount of one hundred dollars ($100.00) may be given and
transferred to the fund by a majority vote of the members of the Durham City Fire Department. The fund shall be liable for all reasonable and necessary expenses of administration as shall be determined by the board of trustees.

Sec. 4. Eligibility for Supplemental Benefits. For the purposes of this Section, "retirement benefit" shall be defined as the retirement allowance payable to a member of the Durham City Fire Department who retires from the local governmental employees' retirement system as established by Article 3 of Chapter 128 of the General Statutes and as said retirement allowance is computed by virtue of Sub-§ 128-27 of the General Statutes, as amended, excluding any optional allowance provided for in said Section. "Supplemental benefit", as used in this Section, shall be defined to mean any sum of money payable by the fund to eligible firemen of the Durham City Fire Department and which, when added to the retirement allowance herein
defined, shall produce a total sum of one hundred dollars ($100.00) per month, or twelve hundred dollars ($1,200.00) per annum, except as hereinafter provided in cases of revaluation of the fund. All firemen of the Durham City Fire Department who retire from the local governmental employees' retirement system, including disability retirement as provided in said system, and who receive upon retirement from said system a retirement allowance of less than one hundred dollars ($100.00) per month, or twelve hundred dollars ($1,200.00) per annum, shall be entitled to a supplemental benefit paid from the fund which, when added to the retirement allowance above defined, shall cause such fireman to receive the sum of one hundred dollars ($100.00) per month, or twelve hundred dollars ($1,200.00) per annum, the term "month" to be considered and defined according to the plan of payment of the retirement allowance of the local governmental employees' retirement system. The supplemental benefit herein provided shall also be available to the
members of the Durham City Fire Department who have already retired from the local governmental employees' retirement system upon the same terms and conditions as the same shall be made available to those firemen who shall hereafter retire except the supplemental benefit payable to firemen who have already retired shall not be retroactive but shall be prospective, beginning as of the effective date of this Section.

All firemen who have retired from the local governmental employees' retirement system or who may hereafter retire and whose retirement allowance, as herein defined, shall be in the amount of twelve hundred dollars ($1,200.00) per annum, or in excess thereof, shall not be eligible for a supplemental benefit except as hereinafter provided. The supplemental benefit herein provided shall be payable to each fireman for life, subject to any revision made by the local governmental employees' retirement system which may render such fireman ineligible by reason of increased retirement allowance. Should
any fireman die subsequent to the payment of a supple-
mental benefit for any preceding month and prior to
the payment of any supplemental benefit in the month
in which such fireman dies, then such supplemental
benefit for that month shall be paid to the deceased
fireman's personal representative. The board of trus-
tees shall have the authority and power to promulgate
rules and regulations to the end that the supplemental
benefit herein provided may be properly administered
and carried out and for the purpose of achieving the
objectives herein sought.

Sec. 5. Revaluation of Fund. Under such
rules and regulations as the board of trustees may
promulgate and adopt, the board of trustees shall
revalue the fund at the end of each five year period,
and for the purpose of revaluation, a year shall be
defined as a fiscal year. If, in the opinion of the
board of trustees, and with the approval of a compe-
tent actuary, the fund has increased to such an
extent that its solvency will not be impaired, supple-
mental benefits may be paid to other groups of fire-
men, including those retired and who may retire in
the future whose retirement allowance under the local
governmental employees' retirement system exceeds
the sum of one hundred dollars ($100.00) per month
or twelve hundred dollars ($1,200.00) per annum.
The board of trustees, with the approval of the actuary,
shall be the judge of the retirement allowance limi-
tation in excess of twelve hundred dollars ($1,200.00)
per annum within which retirement allowance range
supplemental benefits shall be paid to those firemen
whose retirement allowances exceed twelve hundred
dollars ($1,200.00) per annum. In no case shall
supplemental benefits be paid to those firemen whose
retirement allowance exceeds one hundred dollars
($100.00) in such an amount as to impair the solvency
of the fund.

Sec. 6. The provisions of § 1 of this Act
shall not become effective as to the payment of any
supplemental benefits thereunder until on and after
July 1st, 1951.

Sec. 7. All laws and clauses of laws in conflict with this Act are hereby repealed.

Sec. 8. This Act shall become effective upon its ratification.

In the General Assembly read three times and ratified, this the 5th day of April, 1951.

s/ H. P. Taylor

President of the Senate.

s/ W. Frank Taylor

Speaker of the House of Representatives.

Examine and found correct,

s/ R. P. Bender

For Committee.