



## 2014 Changes to Your Relief Fund

During the 2014 Legislative Session several changes were made to the General Statutes regulating the Firemen's Relief Fund. These changes will affect your reporting requirements and may affect how the Local Firemen's Relief Fund Board handles finances. The changes were a result of a yearlong study by the Program Evaluation Division which resulted in the passage of House Bill 1034. The level of change will be dependent upon several issues, but primarily will be dependent upon the amount of money held within the local fund and the methods in which it is being used locally. Some changes will occur immediately, and some will not take place until July 1, 2015. Here is a summary of changes that effect how you operate your local fund.

### Reporting Changes

- During the next cycle, counties will have until February 1<sup>st</sup> of each year to submit tax values for fire districts. Previously this was due January 1<sup>st</sup>.
- There will be a change in the financial report submitted to NCSFA from each fund October 31<sup>st</sup> of each year. Effectively immediately more detail will be needed on how the fund has been used. These changes will be included on the Firemen's Association Financial Report Form provided on-line, which will have explanations.

### New Allowable Uses

In addition to previous uses of the fund, the following additional uses are now allowed:

- Monthly member dues and assessment for the NC Firemen's and Rescue Workers Pension Fund and workers compensation premiums.
- Annual firefighter physicals required by the NC Department of Labor or recommended by NFPA

### Repeal of Local Laws

If your Relief Fund had a local law provision passed by the General Assembly prior to this year the following applies:

- After July 1<sup>st</sup>, 2014, no money may be moved from the relief fund to any other fund including a supplemental retirement account. This includes any interest earned. Other accounts may remain, but all funds received from this date forward, including interest, must remain in the relief fund account and be reported.
- No local fund, regardless of local law, may be limited to making disbursements solely from interest earned on the local fund.

### New Maximum Balance Beginning July 1<sup>st</sup>, 2015

Beginning July 1<sup>st</sup> of 2015, the new law establishes a maximum fund balance for local funds. This new maximum balance is calculated by the number of members on your NCSFA roster multiplied by \$2,500. For example, if your roster contained 45 members, then your maximum balance will be \$112,500. If your fund exceeds that amount after July 1<sup>st</sup>, 2015 based on your financial report, you would not be eligible for the next State disbursement of checks, and would remain ineligible for additional funds until such time as your fund was below the maximum.

The only exception to this would be if you established a Supplemental Retirement Account approved by NCSFA, in which excess funds were set aside solely for use in a supplemental retirement program for your firefighters. This process would require approval from the NCSFA, regardless of any local law.

***THIS NOTICE IS NOT AN ALL INCLUSIVE DESCRIPTION OF THE RELIEF FUND LAW OR CHANGES MADE BY THE GENERAL ASSEMBLY DURING THE 2014 SESSION. IT IS INTENDED AS A GUIDE TO ASSIST YOU WITH CHANGES THAT MAY EFFECT YOUR LOCAL FUND.***