

EXECUTIVE SUMMARY

Background

The City of Charlotte is dedicated to cultivating an inclusive work environment where employees feel a sense of connectedness and well-being while carrying out their job duties. Human Resource programs are developed and implemented in alignment with the Human Resources philosophy adopted by City Council. The City of Charlotte is dedicated to attracting and retaining qualified, productive, and engaged employees who will deliver efficient and effective services to the Charlotte community.

Recommendations for compensation and benefits are guided by our mission—committed to delivering exceptional service every day—to help employees thrive by creating a work environment that acknowledges and values the distinct and evolving needs of the city’s workforce throughout various career stages.

FY 2027 Guiding Principles:

- The primary form of pay utilized to ensure market competitiveness is base pay. City Council’s approved policy states that market competitiveness for a specific job is determined by the median of actual salaries paid in the relevant recruitment area for jobs of a similar nature.
- Pay will typically be determined by performance and position within a range while considering market conditions.
- Employees may also be rewarded for attaining specific skills which help them and the city provide effective services to the Charlotte community within their job position.
- Benefits plans will provide an appropriate level of income protection against unexpected health, life, and disability risks.
- Health care costs will be managed through various strategies, including strategic vendor selection, for the benefit of employees and the city.
- The cost of benefits will be shared with employees to reflect external market conditions and best practices, while maintaining market competitiveness, to provide an attractive total compensation package.
- Wellness initiatives, inclusive of behavioral health initiatives, will be integrated across Human Resource programs.

Survey of Market Conditions and Market Competitiveness

Market competitiveness is determined through an on-going survey process of the compensation and benefits practices of other employers. Human Resources recently conducted a review of local, regional, and national salary trends, as well as an evaluation of employer benefits practices. Competitive survey data was collected and analyzed from multiple consulting firms representing a significant number of employers. A summary of the average market movement can be found in **Attachment A**.

Survey Findings

- According to PayScale’s 2026 Salary Budget Survey, most organizations (68 percent) predict salary budgets to be similar to last year. For 2026, the anticipated salary increase budget for US Organizations is 3.5 percent, while the Government sector trends higher at 4.0 percent.

- Mercer Consulting's October 2025 U.S. Compensation Planning Survey reports that while 61 percent of employers anticipate the economy will have a moderate to significant impact on compensation decisions in 2026, they are committed to prioritizing skill, talent development, market competitiveness, and compensation adjustments. Total increase budgets are predicted to hold steady at 3.5 percent.
- World at Work's 2025-2026 Salary Budget Survey reports a decline in budgeted salary increases. They predict the budgeted median salary increase for 2026 to be 3.5 percent.

Willis Towers Watson 2025 Salary Budget Planning reports that organizations are carefully considering how they approach budgeting and workforce strategies as they head into 2026. Employers are no longer reacting to economic signals but rather focusing on how to best support broader business goals. The projected compensation budgets are expected to be relatively flat compared to last year. Most organizations plan to increase salaries by 3.5 percent in 2026.

- According to the *International Foundation of Employee Benefits Healthcare Costs Pulse Survey: 2026 Cost Trends*, most medical plan costs will increase for the 2026 plan year. The expected median increase is 10 percent. The primary reasons include catastrophic claims, specialty/costly prescription drugs, utilization due to chronic health conditions, and medical provider costs. Benefit initiatives with the most anticipated impact to costs include cost sharing initiatives, plan design initiatives, purchasing/provider initiatives, utilization control initiatives, administration/data analysis initiatives, and work and wellness initiatives.
- Mercer's *Survey on Health and Benefit Strategies for 2026* report indicates that following a decade of annual cost increases averaging around three percent (except for a pandemic-related blip in the trend in 2021), total health benefit costs per employee jumped by more than five percent in 2023. The trend remained elevated in 2024, with cost rising 4.5 percent on average, and employers expecting cost to rise 5.8 percent on average in 2025. That's after accounting for any cost-reduction measures they planned to implement—employers had estimated that their cost would rise by about eight percent, on average, if they took no action to lower cost.
- According to the *2026 Society for Human Resource Management (SHRM) Benefits Survey*, rising health care costs necessitate strategic redesign: Escalating medical and pharmacy expenses continue to challenge employer budgets and employee affordability. To address these pressures, employers should reassess plan funding strategies, examine vendor performance metrics, and explore innovative cost-containment approaches while preserving competitive coverage options for employees.

Awards and Recognitions

- Wellness Alliance Platinum Well Workplace Award
- City of Charlotte Employee Rental Assistance Program, crisis-oriented housing initiative for employees, assisted 27 employees with stable housing.

FY 2027 COMPENSATION RECOMMENDATIONS

Public Safety Pay Plan

The City of Charlotte's Public Safety Pay Plan, as shown in **Attachment B**, covers all Fire classifications below the rank of Battalion Fire Chief and all Police classifications below the rank of Police Lieutenant. There are two components to the Public Safety Pay Plan; the first is progression through the steps, and the second is market adjustments to the steps. The following recommendations are adopted:

- Effective July 4, 2026, a market adjustment to the Police Pay Plan yields a 10 percent increase across the board at the pay plan members' current Step. The across-the-board action defers all step progressions to Fiscal Year 2028.
- Effective July 4, 2026, a market adjustment to the Fire Fighter Pay Plan yields a 10 percent increase across the board at the pay plan members' current Step. The across-the-board action defers all step progressions to Fiscal Year 2028.
- Effective July 4, 2026, qualifying military service may be combined with a two-year degree to be eligible for a total 10 percent incentive equal to the incentive provided for a four-year degree.

General Employee Pay Plan

The Salaried and Hourly Pay Plans cover salaried exempt employees and hourly employees in labor, trades, and administrative positions. Jobs are placed in traditional ranges, with each range having a minimum and maximum. The following recommendations are adopted:

- Effective July 4, 2026, provide an across-the-board pay increase of 1.5 percent for hourly employees on the General Employee pay plan. Any resulting increase amount that will exceed the assigned pay grade maximum will be paid in a lump sum.
- A new minimum pay rate of \$52,000 (\$25.00 per hour) for all non-temporary, full-time general employees, effective July 4, 2026. Any non-temporary, full-time general employee with a pay rate below \$25.00 per hour after the 1.5 percent increase will receive the additional increase necessary to reach the new minimum pay rate.
- Increase the personnel services budget to fund a 2.5 percent merit pool for hourly employees. Merit pay decisions will be determined by employees' performance and their pay rate relative to the competitive rate for the specific job. Merit pay increases, which may be granted as a base pay adjustment and/or lump sum, are awarded effective November 1, 2026. Any resulting increase amount that will exceed the assigned pay grade maximum will be paid in a lump sum.
- Increase the personnel services budget to fund a four percent merit pool for salaried employees. Merit pay decisions will be determined by the employee's performance and their pay rate relative to the competitive rate for the specific job. Merit pay increases, which may be granted as a base pay adjustment and/or lump sum, are awarded on the employee's merit date, which may vary at different times throughout the year. Any resulting increase amount that will exceed the assigned pay grade maximum will be paid in a lump sum.
- Effective July 4, 2026, adopt and begin transitioning a unified salary structure for salaried and hourly employees, as shown in **Attachment C**. The impact of this recommendation establishes consistent pay grades across the organization, supports transparent career progression and internal mobility, is easier to communicate, and provides administrative efficiency. The new pay plan will change the minimum and maximum rates of pay grades to ensure the plan remains competitive in the marketplace.

Mayor and City Council Compensation and Expenses

After a review of Mayor and City Council pay rates, the following adjustment is recommended in FY 2027:

- Align the pay of City Council with the FY 2026 pay of Mecklenburg County Board of Commissioners effective July 4, 2026, before providing a four percent increase similar to general employees in FY 2027. The resulting amounts are reflected in **Attachment D**.

Charlotte Firefighters' Retirement System Disability Regulation

Approval of Amendments to the Charlotte Firefighters' Retirement System Disability Regulations

- The Charlotte Firefighters' Retirement System (CFRS) Board of Trustees requests approval of the attached amendments to the CFRS Disability Regulations to be effective July 1, 2026. These changes provide administrative clarity, modernize outdated provisions, and reduce the operating costs to the System—all without reducing disability benefits for active or retired firefighters or affecting the actuarial liability.
- The CFRS Act requires that changes to the Disability Regulations must be adopted by the CFRS Board and approved by City Council before they may become effective. The Disability Regulations were last amended in 2015. The CFRS Board adopted the attached amendments on January 22, 2026. All changes can be found in **Attachment E** and **Attachment F**.

FY 2027 BENEFITS RECOMMENDATIONS

Funding for Insurance Coverages

The following group insurance coverages are provided and consistent with the Human Resources Philosophy adopted by the City Council: medical (including prescription drug), medical stop-loss insurance, life, dental, employee assistance program, and disability coverage.

Health Coverage

The City of Charlotte’s medical insurance program is self-insured for active employees and non-Medicare retirees. Stop-loss insurance is purchased by the city to cover catastrophic claims that exceed \$500,000 per individual in a calendar year. Third-party claims administrators are retained to provide medical management services and pay medical and prescription drug claims. When budgeting for future costs, the two cost components of the medical insurance plan are the claims projected to be incurred and the administrative fees to be paid to the claim’s administrators. BlueCross BlueShield of North Carolina is the medical claims administrator and CVS Caremark is the prescription drug plan administrator. The City of Charlotte has a fully insured medical and prescription drug plan administered by AmWINS for Medicare-eligible retirees.

The following recommendations are proposed:

Medical Plans

		2026		2027	
		In-Network	Out-of-Network	In-Network	Out-of-Network
Plan A	Deductible-Individual	\$4,000	\$8,000	\$4,350	\$8,700
	Deductible-Family	\$8,000	\$16,000	\$8,700	\$17,400
	Out-of-Pocket Max.-Individual	\$4,000	\$8,000	\$4,350	\$8,700
	Out-of-Pocket Max.-Family	\$8,000	\$16,000	\$8,700	\$17,400
Plan D	Deductible-Individual	\$3,000	\$6,000	\$3,250	\$6,500
	Deductible-Family	\$6,000	\$12,000	\$6,500	\$13,000
	Out-of-Pocket Max.-Individual	\$6,000	\$12,000	\$6,500	\$13,000
	Out-of-Pocket Max.-Family	\$12,000	\$24,000	\$13,000	\$26,000
Plan E	Deductible-Individual	\$1,000	\$2,000	\$1,500	\$3,000
	Deductible-Family	\$2,000	\$4,000	\$3,000	\$6,000
	Out-of-Pocket Max.-Individual	\$4,500	\$9,000	\$5,000	\$10,000
	Out-of-Pocket Max.-Family	\$9,000	\$18,000	\$10,000	\$20,000
HPN	Deductible-Individual	\$6,000	n/a	\$6,500	n/a
	Deductible-Family	\$12,000	n/a	\$13,000	n/a
	Out-of-Pocket Max.-Individual	\$8,000	n/a	\$8,650	n/a
	Out-of-Pocket Max.-Family	\$16,000	n/a	\$17,300	n/a

- The city will be conducting a rebidding process. It is recommended that the City Manager or designee be authorized to either renew the current contract or select a new vendor and execute the contract and further contract amendments with the selected vendor upon completion of the rebidding process.
- Recommend to authorize the City Manager or designee to establish the wellness incentive design within the overall health insurance budget.

Prescription Drug Plan

- Authorize the City Manager or designee to make plan design changes within the overall health insurance budget.

Active Employee Health Plan Premiums

- For coverage effective January 1, 2027, increase weekly health plan premiums by \$1.00 to \$20.00, based on plan and tier.

	Plan Year 2026	Plan Year 2027	Weekly Increase
Plan A – Employee Only	\$12	\$13	\$1
Plan A – Employee + Spouse	\$80	\$87	\$7
Plan A – Employee + Child(ren)	\$50	\$55	\$5
Plan A – Employee + Family	\$95	\$103	\$8
Plan D – Employee Only	\$18	\$20	\$2
Plan D – Employee + Spouse	\$90	\$98	\$8
Plan D – Employee + Child(ren)	\$57	\$62	\$5
Plan D – Employee + Family	\$122	\$132	\$10
Plan E – Employee Only	\$43	\$47	\$4
Plan E – Employee + Spouse	\$179	\$194	\$15
Plan E – Employee + Child(ren)	\$129	\$140	\$11
Plan E – Employee + Family	\$247	\$267	\$20
HPN Plan – Employee Only	\$10	\$11	\$1
HPN Plan – Employee + Spouse	\$64	\$70	\$6
HPN Plan – Employee + Child(ren)	\$40	\$44	\$4
HPN Plan – Employee + Family	\$76	\$83	\$7

Note: Rates listed are wellness rates for Plan D, E, and HPN.

Non-Medicare Retiree Health Plan Premiums

- Effective, January 1, 2027, maintain the same monthly health plan premiums currently in Plan Year 2026 for all plans and tiers for retirees with 20 years of service. For all others, establish premiums based on the existing cost-sharing strategy previously approved by City Council.

Medicare-Eligible Retiree Health Plan

- This plan is fully insured and currently administered by AmWINS. Since these plans are fully insured, it is recommended that the City Manager or designee be authorized to approve plan options, vendors, rates, and plan design changes to the medical and prescription drug plans upon receipt of renewal rates from the administrator of the Medicare-eligible retiree coverage.

Stop Loss Insurance

- The City of Charlotte currently contracts with BlueCross BlueShield of North Carolina for stop-loss insurance to provide protection against catastrophic or unpredictable medical claims. The city will be conducting a rebidding process for stop-loss insurance. It is recommended that the City Manager or designee be authorized to either renew the current contract or select a new vendor, execute the contract and contract amendments with the selected vendor, and set the plan design upon completion of the rebidding process.

Life Insurance

- Update the Basic Term Life and Accidental Death and Dismemberment insurance benefit available to the Mayor and City Council from \$50,000 to two times the base annual earnings to align with the employee policy.

Dental Insurance

- The city will be conducting a renewal and/or rebidding process. It is recommended that the City Manager or designee be authorized to either renew the current contract or select a new vendor(s), execute the contract and contract amendments, and make plan design changes upon completion of the rebidding process.

Flexible Spending Accounts and Health Savings Accounts

- The city will be conducting a rebidding process. It is recommended that the City Manager or designee be authorized to either renew the current contract or select a new vendor(s) and execute the contract and further contract amendments with the selected vendor(s) upon completion of the rebidding process.

Short-Term Disability, Long-Term Disability and Family Medical Leave Administrator

- The city will be conducting a rebidding process for these services. It is recommended that the City Manager or his designee be authorized to establish the plan design, either renew the current contract or select a new vendor(s) and execute the contract(s) and further contract amendments with the selected vendor(s) upon completion of the rebidding process.

Voluntary Benefits

- The city will be conducting a rebidding process. It is recommended that the City Manager or designee be authorized to either renew the current contract or select a new vendor(s), execute the contract and contract amendments, and make plan design changes upon completion of the rebidding process.

Wellness

- The city is reviewing wellness solutions for financial wellness, behavioral health, food insecurity, and group exercise. It is recommended that the City Manager or his designee be authorized to select a vendor(s) and execute the contract and contract amendments upon completion of the bidding process.

Deferred Compensation

- The city will be conducting a bid process for consulting services. It is recommended that the City Manager or designee be authorized to select a vendor(s) and execute the contract(s) and contract amendments with the selected vendor(s) upon completion of the bidding process.
- The city will be conducting a process to review 457 plan administration options. It is recommended that the City Manager or his designee be authorized to either renew the current contracts or select a new vendor(s) and execute the contract and further contract amendments with the selected vendor(s) upon completion of the process.

Attachments

Attachment A Market Movement Summary

Summary of actual market movement for fiscal years 2023 through 2026, 2027 projected market movement, and the five-year market movement average.

Attachment B FY 2027 Public Safety Pay Plan Structure Effective July 4, 2026

New minimum, maximum, and step rates in the Public Safety Pay Plan for FY 2027.

Attachment C FY 2027 General Employee Market Based Pay Plan Structure

One unified pay plan for salaried and hourly employees for FY 2027 with new minimum and maximum rates.

Attachment D FY 2027 Mayor and City Council Compensation

FY 2027 Mayor and City Council Compensation.

Attachment E Disability Administration - Charlotte Firefighters' Retirement System

Attachment F Amendments to the Charlotte Firefighters' Retirement System Disability Regulations

Market Movement Summary (Average Percent Change)

Source	2023 Actual Market Movement	2024 Actual Market Movement	2025 Actual Market Movement	2026 Estimated Market Movement	2027 Projected Market Movement	5 Year Average Market Movement
National Statistics Provided by Payscale, Willis Towers Watson, Mercer	3.9	4.2	4.2	3.8	3.5	3.9
National Municipalities	4.4	4.3	4.4	3.5	3.6	4.0
Charlotte Area Municipalities	6.4	4.7	5.3	4.5	5.8	5.5
Large North Carolina Municipalities	3.8	3.9	4.0	5.2	4.0	4.2
Large Charlotte Employers (private sector)	3.3	4.0	4.0	Unknown	Unknown	3.7

Source	FY 2023 Budget	FY 2024 Budget	FY 2025 Budget	FY 2026 Budget	FY 2027 Proposed	5 Year Average
City of Charlotte Hourly	8.0	6.0	5.0	4.0	4.0	5.4
City of Charlotte Salaried	3.0	4.0	4.0	3.0	4.0	3.5

Compensation and Benefits

FY 2027 Public Safety Pay Plan Effective July 4, 2026

FY 2027 STEP RATES IN THE PUBLIC SAFETY PAY PLAN

Pay rates shown are weekly and annual rates

POLICE DEPARTMENT

Initial increase at the end of recruit school and completion of field training (app 8 mos), then annually.

	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	SPO I	SPO II	SPO III	SPO IV
POLICE OFFICER 3102	-	5.0%	5.0%	10.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
	\$1,259.20	\$1,322.00	\$1,388.00	\$1,526.80	\$1,603.20	\$1,683.20	\$1,767.20	\$1,855.60	\$1,948.40	\$2,046.00
	\$65,478	\$68,744	\$72,176	\$79,394	\$83,366	\$87,526	\$91,894	\$96,491	\$101,317	\$106,392
POLICE SERGEANT 3110	-	5.0%	5.0%	2.5%	<p style="text-align: center;">Police Incentives</p> <hr/> 2nd Language, Training Officer 5% 2 Yr degree or Qualifying Military Service 5% (Sergeant not eligible) 4 Yr degree or 2 Yr degree and Qualifying Military Service 10% (Sergeant not eligible)					
	\$2,251.60	\$2,364.40	\$2,482.80	\$2,544.80						
	\$117,083	\$122,949	\$129,106	\$132,330						

FIRE DEPARTMENT

FIREFIGHTER I 3006	Step 1 -	Step 2 5.0%	Step 3 5.0%	Step 4 5.0%	Step 5 5.0%	<p style="text-align: center;">Fire Incentives</p> <hr/> 2nd Language, Haz-Mat, Search & Rescue, Dive, Aircraft Rescue 5% 2 Yr degree or Qualifying Military Service 5% (Captain not eligible) 4 Yr degree or 2 Yr degree and Qualifying Military Service 10% (Captain not eligible)					
	\$1,199.63	\$1,259.62	\$1,322.61	\$1,388.75	\$1,458.19						
	\$62,381	\$65,500	\$68,776	\$72,215	\$75,826						
FIREFIGHTER II 3008		Step 1 -	Step 2 5.0%	Step 3 5.0%	Step 4 5.0%	Step 5 5.0%	Step 6 5.0%	Step 7 5.0%	Step 8 5.0%		
		\$1,259.62	\$1,322.61	\$1,388.75	\$1,458.19	\$1,531.10	\$1,607.66	\$1,688.05	\$1,772.46		
		\$65,500	\$68,776	\$72,215	\$75,826	\$79,617	\$83,598	\$87,779	\$92,168		
FF ENGINEER 3011					Step 1 -	Step 2 5.0%	Step 3 5.0%	Step 4 5.0%	Step 5 5.0%	Step 6 5.0%	Step 7 5.0%
					\$1,458.19	\$1,531.10	\$1,607.66	\$1,688.05	\$1,772.46	\$1,861.09	\$1,954.15
					\$75,826	\$79,617	\$83,598	\$87,779	\$92,168	\$96,777	\$101,616
FIRE CAPTAIN 3016	Step 1 -	Step 2 5.0%	Step 3 2.5%	Step 4 2.5%	<p style="text-align: center;">Fire Incentives</p> <hr/> 2nd Language, Haz-Mat, Search & Rescue, Dive, Aircraft Rescue 5% 2 Yr degree or Qualifying Military Service 5% (Captain not eligible) 4 Yr degree or 2 Yr degree and Qualifying Military Service 10% (Captain not eligible)						
	\$2,252.24	\$2,364.86	\$2,423.99	\$2,484.59							
	\$117,116	\$122,973	\$126,047	\$129,199							

**FY 2027 General Employee Market Based Pay Plan
Effective July 4, 2026**

Grade	Minimum	Midpoint	Maximum
Grade 1		\$52,500	\$63,000
Grade 2		\$55,100	\$66,100
Grade 3		\$57,900	\$69,500
Grade 4		\$60,800	\$73,000
Grade 5		\$63,800	\$76,600
Grade 6	\$53,600	\$67,000	\$80,400
Grade 7	\$56,300	\$70,400	\$84,500
Grade 8	\$59,100	\$73,900	\$88,700
Grade 9	\$59,300	\$79,100	\$98,900
Grade 10	\$63,500	\$84,600	\$105,800
Grade 11	\$67,900	\$90,500	\$113,100
Grade 12	\$72,600	\$96,800	\$121,000
Grade 13	\$77,700	\$103,600	\$129,500
Grade 14	\$83,200	\$110,900	\$138,600
Grade 15	\$85,400	\$122,000	\$158,600
Grade 16	\$93,900	\$134,200	\$174,500
Grade 17	\$103,300	\$147,600	\$191,900
Grade 18	\$113,700	\$162,400	\$211,100
Grade 19	\$125,000	\$178,600	\$232,200
Grade 20	\$137,600	\$196,500	\$255,500
Grade 21	\$151,300	\$216,200	\$281,100
Grade 22	\$166,500	\$237,800	\$309,100
Grade 23	\$183,100	\$261,600	\$340,100
Grade 24	\$201,500	\$287,800	\$374,100
Grade 25	\$221,600	\$316,600	\$411,600
Grade 26	\$243,800	\$348,300	\$452,800

The City of Charlotte’s minimum pay for non-temporary, full-time general employees is \$25.00 per hour or \$52,000 per year; the range minimum represents current market data.

**FY 2027 Mayor and City Council Annual Compensation
Effective July 4, 2026**

	Salary	Expense Allowance	Auto Allowance	Technology Allowance	Total Compensation
Mayor	\$57,054	\$11,229	\$5,952	\$6,002	\$80,237
Council Member	\$45,644	\$11,229	\$5,473	\$6,002	\$68,348

Disability Administration - Charlotte Firefighters' Retirement System

Disability Administration				
CFRS				
	In Line of Duty (current)	In Line of Duty (proposed)	Not in Line of Duty (current)	Not in Line of Duty (proposed)
Eligibility (Act)	<ul style="list-style-type: none"> • Immediate upon date of hire • Applied for and received Workers' Comp 	No change (removed Grandfathering for those hired prior to 1990)	<ul style="list-style-type: none"> • 10 yrs service • Applied for and granted Accident and Sickness benefits 	No change (removed Grandfathering for those hired prior to 1990)
Definitions (Regs)	<ul style="list-style-type: none"> • Partial - Unable to perform the substantial and material duties of his/her classification, but able to engage in other gainful employment as reasonably expected. • Temporary - Unable to perform the substantial and material duties; intended to be the original finding with a subsequent re-examination. • Total and Permanent - Unable to perform the substantial and material duties of any classification. 	<u>Change:</u> <ul style="list-style-type: none"> • Partial - Unable to perform the substantial and material duties of his/her classification, and has a whole body impairment rating between 10% and 50%. • Temporary - (removed) • Permanent - Unable to perform the substantial and material duties of his/her classification and has a whole body impairment greater than 50%. (total & permanent removed) 	<ul style="list-style-type: none"> • Partial - Unable to perform the substantial and material duties of his/her classification, but able to engage in other gainful employment as reasonably expected. • Temporary - Unable to perform the substantial and material duties; intended to be the original finding with a subsequent re-examination. • Total and Permanent - Unable to perform the substantial and material duties of any classification. 	<u>Change:</u> <ul style="list-style-type: none"> • Partial - Unable to perform the substantial and material duties of his/her classification, and has a whole body impairment rating between 10% and 65%. • Temporary - (removed) • Permanent - Unable to perform the substantial and material duties of his/her classification, and has a whole body impairment rating > 65%. (total & permanent removed)

Disability Administration				
CFRS				
Formula (Act)	Greater of: <ul style="list-style-type: none"> • Accrued benefit (2.6% x FAS x service); OR • Disability formula (78% x FAS); OR • Act Minimum (\$902.75) 	No Change	Greater of: <ul style="list-style-type: none"> • Accrued benefit (2.6% x FAS x service); OR • Disability formula (39% x FAS x up to 10 yrs, plus 1.95% x FAS x service >10 yrs); OR • Act Minimum (\$902.75) 	No Change
Disability Retirement and Benefit Modification (Act/Regs)	At Temporary Hearing <ul style="list-style-type: none"> • Receives 100% benefit for 6 months – 3years. At Subsequent Hearing <ul style="list-style-type: none"> • Partial 10%-80% with doubled rating (% rated applied to benefit) • Total Disability (100%) At Service Retirement receives greater of: <ul style="list-style-type: none"> • Accrued Benefit, • Disability Benefit, OR • Act Minimum (\$902.75) 	<u>Change:</u> Temporary Hearing removed One hearing: <ul style="list-style-type: none"> • Partial 10%-50% with doubled rating (% rated applied to benefit) • Permanent-rating over 50% At Service Retirement (No Change)	At Temporary Hearing <ul style="list-style-type: none"> • Receives 100% benefit for 6 months – 3years. At Subsequent Hearing <ul style="list-style-type: none"> • Partial 10%-80% • Total Disability (>80%) At Service Retirement receives greater of: <ul style="list-style-type: none"> • Accrued Benefit, • Disability Benefit, OR • Act Minimum (\$902.75) 	<u>Change:</u> Temporary Hearing removed One hearing: <ul style="list-style-type: none"> • Partial 10%-65% (% rated applied to benefit) • Permanent-rating over 65% At Service Retirement (No Change)
Optional Forms of Payment available (Act)	Basic, 50% J&S	No Change	Basic, 50% J&S	No Change
Tax Coding (IRS)	Disability- Fully taxable (since contributed pretax)	No Change	Disability- Fully Taxable (since contributed pretax)	No Change
Subject to Offset (Act)	Yes, Coordination of Benefits. Section 22.	No Change	Yes, Coordination of Benefits. Section 22.	No Change

Disability Administration				
CFRS				
Process				
Forms	To Administrator: <ul style="list-style-type: none"> Retirement Application W/C or STD verification (provided by city) Medical Records Job description (on file-provided by city) 	Change: <ul style="list-style-type: none"> Medical records submitted within 30 days of application; failure to submit requires new application. 	To Administrator: <ul style="list-style-type: none"> Retirement Application W/C or STD verification (provided by city) Medical Records Job description (on file-provided by city) 	Change: <ul style="list-style-type: none"> Medical records submitted within 30 days of application; failure to submit requires new application.
Assessment	Personnel and medical record assessment of applicant by Medical Board and Administrator	No Change	Personnel and medical record assessment of applicant by Medical Board and Administrator	No Change
Approval	In a quasi-judicial hearing by Board of Trustees based on Medical Board's assessment & recommendation, and testimony of applicant, Administrator, and any witnesses.	No Change	In a quasi-judicial hearing by Board of Trustees based on Medical Board's assessment & recommendation, and testimony of applicant, Administrator, and any witnesses.	No Change
Re-Exam	Not to exceed one re-examination per year (post 1980 hires - Not in Line/post 1990 hires In Line) <ul style="list-style-type: none"> Re-examination Hearing 	Change: <ul style="list-style-type: none"> No change to re-exam not to exceed one per year. Re-exam hearing only if change impacts benefit. If no change, report to the Board at next avail regular Board meeting. 	Not to exceed one re-examination per year (post 1980 hires - Not in Line/post 1990 hires In Line)	Change: <ul style="list-style-type: none"> No change to re-exam not to exceed one per year. Re-exam hearing only if change impacts benefit. If no change, report to the Board at next avail regular Board meeting.

Compensation and Benefits

Attachment E

Disability Administration				
CFRS				
Eligibility Ends	<ul style="list-style-type: none"> • Refusal to return to work as a result of a finding by the Board of Trustees • Failure to present him/herself to the State of NC Division of Vocational Rehabilitation Services • Refusal of re-examination • No longer disabled • Meets requirement for service retirement • Death 	<p><u>Change:</u></p> <ul style="list-style-type: none"> • Removed requirement for NC Div of VR 	<ul style="list-style-type: none"> • Refusal to return to work as a result of a finding by the Board of Trustees • Failure to present him/herself to the State of NC Division of Vocational Rehabilitation Services • Refusal of re-examination • No longer disabled • Meets requirement for service retirement • Death 	<p><u>Change:</u></p> <ul style="list-style-type: none"> • Removed requirement for NC Div of VR

Charlotte Firefighters' Retirement System Disability Regulation

SECTION 1 - GENERAL

The Board of Trustees for the Charlotte Firefighters' Retirement System (the "Board") functions as an administrative agency and is charged with administering the provisions of the Charlotte Firefighters' Retirement System (CFRS) Act which, among other things, provides retirement, disability and survivor benefits for the uniformed employees of the Charlotte Fire Department in compliance with the provisions of the CFRS Act. This regulation sets forth the rules applicable for Members who retire on or after <adoption date> for the administration of any "Application for Disability Retirement In the Line of Duty" or any "Application for Disability Retirement Not In the Line of Duty" filed pursuant to the provisions of Section 19 or Section 20, respectively, of the CFRS Act.

SECTION 2 - DEFINITIONS

Disability shall mean either Partial Disability or Permanent Disability as defined below.

- A. Partial Disability means that a Member is unable to perform the substantial and material duties of his or her job classification in the Charlotte Fire Department but is able to engage in other gainful occupation in which he or she might reasonably be expected to engage, with due regard to his or her education, training and/or experience:
 - i. By reason of an injury, accident or occupational disease arising out of and in the course of his or her actual performance of duty with the Charlotte Fire Department, and has a whole-body impairment rating between 10% and 50%.
 - ii. By reason of an injury, accident or disease that did not arise out of and in the course of his or her actual performance of duty with the Charlotte Fire Department and has a whole-body impairment rating between 10% and 65%.
- B. Permanent Disability means that a Member is unable to perform the substantial and material duties of his or her job classification in the Charlotte Fire Department:
 - i. By reason of an injury, accident or occupational disease arising out of and in the course of his or her actual performance of duty in employment with the Charlotte Fire Department, and has a whole-body impairment greater than 50%; or
 - ii. By reason of an injury, accident or disease that did not arise out of and in the course of his or her actual performance of duty in employment with the Charlotte Fire Department and has a whole-body impairment rating greater than 65%.

SECTION 3 - EXCLUSIONS

- A. Disability shall not include the following:
 - i. Injuries, accidents and/or diseases resulting from or attributed to gross negligence of a Member;
 - ii. Occupational injuries, accidents and/or diseases resulting from or attributed to a Member's habitual failure to follow Charlotte Fire Department (CFD) Operational and/or Safety procedures; habitual failure is defined as 4 offenses in the 5 years prior to the debilitating incident;
 - iii. Injuries, accidents, and/or diseases resulting from and/or attributed to a Member's participation in war, declared or undeclared, or any act of war. Notwithstanding the foregoing, disability includes (i) injuries, accidents, and/or diseases resulting from and/or attributed to Members serving active duty with the United States military or its reserves, or (ii) Members who in the course of normal work duties and responsibilities respond to emergency calls resulting from any act of war.
 - iv. Injuries, accidents and/or diseases resulting from and/or attributed to a Member's active participation in a riot;
 - v. Injuries, accidents and/or diseases resulting from and/or attributed to a Member's intentionally self-inflicted injuries; or
- B. Injuries, accidents and/or diseases resulting from and/or attributed to a Member's participation in committing or attempting to commit a crime under state or federal law.

SECTION 4 - DISABILITY RETIREMENT

- A. A Member who has applied for disability retirement in the line of duty, pursuant to Section 19 of the CFRS Act:
- i. May be retired by the Board of Trustees with a Partial Disability, as defined in Section 2 of this regulation, provided that, after a medical examination of the Member, by or under the direction of the Medical Board, the Medical Board certifies to the Board in writing that the Member is unable to perform the substantial and material duties of his or her job classification in the Charlotte Fire Department due to an injury, accident or occupational disease arising out of and in the course of his or her actual performance of duty with the Charlotte Fire Department and has a total body impairment rating between 10% and 50%.
 - ii. A Member who has applied for disability retirement in the line of duty, pursuant to Section 19 of the CFRS Act, may be retired by the Board of Trustees with a Permanent Disability, as defined in Section 2 of this regulation, provided that, after a medical examination of the Member, by or under the direction of the Medical Board, the Medical Board certifies to the Board in writing that the Member is unable to perform the substantial and material duties of his or her job classification in the Charlotte Fire Department due to an injury, accident or occupational disease arising out of and in the course of his or her actual performance of duty with the Charlotte Fire Department and has a total body impairment rating greater than 50%.
- B. A Member who has applied for disability retirement not in the line of duty pursuant to Section 20 of the CFRS Act:
- i. May be retired with a Partial Disability, as defined in Section 2 of this regulation, provided that, after a medical examination of the Member, by or under the direction of the Medical Board, the Medical Board certifies to the Board in writing that the Member is unable to perform the substantial and material duties of his or her job classification in the Charlotte Fire Department by reason of an injury, accident or disease that did not arise out of and in the course of his or her actual performance of duty with the Charlotte Fire Department and has a total body impairment rating between 10% and 65%.
 - ii. May be retired with a Permanent Disability, as defined in Section 2 of this regulation, provided that, after a medical examination of the Member, by or under the direction of the Medical Board, the Medical Board certifies to the Board in writing that the Member is unable to perform the substantial and material duties of his or her job classification in the Charlotte Fire Department by reason of an injury, accident or disease that did not arise out of and in the course of his or her actual performance of duty with the Charlotte Fire Department and has a total body impairment rating greater than 65%.

SECTION 5 - PREHEARING REQUIREMENTS

- A. A Member who has applied for a disability retirement pursuant to Section 19 or Section 20 of the CFRS Act shall be responsible for submitting to the Administrator all medical evidence and documentation related to the injury, accident, or disease that he or she wishes to have evaluated by the Medical Board prior to the medical examination or reexamination by the Medical Board but no later than thirty (30) calendar days after the application date. The Administrator shall have authority to extend this time period for good cause shown by the Member. For any medical services incurred after the application date but before the hearing date, the Member may submit documentation to the Board at least five (5) business days prior to the hearing.
- B. Upon receipt of medical records related to the injury, accident, or disease submitted by the Member, the Administrator shall arrange for a medical examination of the Member by or under the direction of the Medical Board. The Administrator shall provide all submitted medical records to the Medical Board prior to the examination/re-examination.
- C. After such medical examination of the Member, the Medical Board shall provide a written medical report to the Administrator certifying that:
- i. The Member does or does not have a Permanent Disability, as defined in Section 2, that prevents the Member from performing the substantial and material duties of his or her job classification with the Charlotte Fire Department by reason of an injury, accident or disease. For a Permanent Disability, the Medical Board must certify a whole-body impairment rating greater than 50% for an In-Line-of-Duty Disability, or greater than 65% for a Not-In-Line-of-Duty Disability; or

Attachment F

- ii. The Member does or does not have a Partial Disability that prevents the Member from performing the substantial and material duties of his or her job classification with the Charlotte Fire Department by reason of an injury, accident, or disease. For a Partial Disability, the Medical Board must certify a whole-body impairment rating between 10% and 50% for an In-Line-of-Duty Disability, or between 10% and 65% for a Not-In-Line-of-Duty Disability.
- D. Within fifteen (15) business days of receipt of the Medical Board's medical report as specified in subdivision C of this section, the Administrator shall provide a copy of such medical report to the Member. Within ten (10) business days of providing the medical report to the Member, the Administrator shall make a written request to the Chairperson of the Board of Trustees (Chairperson) for a Board Hearing pursuant to the provisions of Section 6 of this regulation.
- E. A member of the Medical Board, preferably the examining physician on the application, shall appear at the Board Hearing to respond to any questions of a medical nature or to render any medical opinion necessary to clarify the medical report.
- F. The determination by the Board of Trustees that a Member is not entitled to disability retirement benefits under this section shall not prohibit such Member from filing another "Application for Disability Retirement In the Line of Duty" or "Application for Disability Retirement Not In the Line of Duty" at a later date, provided the application is based on additional or different facts bearing on the question of his or her disability.

SECTION 6 - HEARINGS BEFORE THE BOARD OF TRUSTEES

- A. Board hearings pursuant to these regulations shall be conducted in closed session pursuant to N.C.G.S. § 143-318.11. The Chairperson shall preside over all hearings and shall explain the Board's rules regarding hearings to all parties.
- B. The Chairperson shall schedule the hearing not less than thirty (30) days nor more than sixty (60) days from the date of receipt of the Administrator's request and shall notify the Member, the Administrator, and any party in interest by any delivery means that provides proof of receipt of the scheduled hearing date. Should the Administrator or Member desire a hearing date other than that set by the Board within the time period set forth above, the Member or Administrator shall file a written request for a change of hearing date setting forth the reasons for such request.
- C. The Chairperson is empowered to approve or disapprove such requests; provided such requests are received by the Chairperson at least seven (7) days prior to the date set for the hearing. For good cause, the Chairperson may set a hearing date other than that prescribed above and may continue the hearing from time to time. The determination of good cause shall be the decision of the Chairperson.
- D. The Chairperson shall have the power to administer oaths. The Member or the Administrator, as well as the Board, shall have the power to compel the production of documents and other evidence. The Member, Administrator, and Board shall be responsible for attaining witnesses and ensuring their presence at the hearing. The Member shall be responsible for any costs incurred by the Member or any of the Member's witness's attendance at the hearing.
- E. The Board is not a court but has adopted certain due process considerations, which shall be adhered to. During the hearing, the Chairperson functions as a presiding authority over all matters of conduct, procedure, and the admissibility of evidence. The Administrator and the Member shall have the right to present relevant evidence to the Board regarding whether or not the Member has a Permanent Disability or Partial Disability as defined in Section 2 of these regulations. The Board is entitled to resolve disputed questions of fact and apply rules and regulations to its findings of fact much in the manner of a court.
- F. The Member may be present at all evidentiary portions of the hearing, may retain counsel to represent him or her at the hearing, may call witnesses, may present documentary or real evidence, and may cross-examine those witnesses produced by any other party. The North Carolina Rules of Evidence, generally, shall be applied by the Board but its provisions shall be liberally construed. Technical objections are discouraged.
- G. All witnesses before the Board shall be sworn or shall affirm. In all cases concerning an application for disability retirement benefits, the Member shall have the burden of proof, except as provided by law. In cases concerning the termination or reduction of disability benefits, the Administrator shall have the burden of proof. The Administrator shall present evidence showing the jurisdiction of the Board, unless otherwise stipulated. Typically, the order of questioning of a witness shall be direct examination and cross-examination by the parties, followed by questions that may be asked by the Board.
- H. At the conclusion of all evidence, the parties will be allowed to make closing arguments before the Board retires to deliberate. The Chairperson may set time limits on closing arguments. After the evidentiary portion of the hearing is concluded, the Board will consider the evidence and will make findings of fact together with a statement of the action taken by the Board based on its findings of fact.
- I. The decision of the Board, at the discretion of the Board, shall be rendered at the close of the hearing or within seven (7) business days following the close of the hearing. Regardless, the Member and Administrator shall be served with a copy of the decision in person or by any delivery method that provides proof of receipt.

SECTION 7 - GENERAL POWERS OF THE BOARD

- A. After considering all the evidence, the Board is authorized to issue an order:
 - i. Upholding the determination of the Medical Board; or
 - ii. Modifying the determination of the Medical Board; or
 - iii. Referral of medical evidence for review and redetermination of the Medical Board; or
 - iv. Rejecting the determination of the Medical Board and imposing such other disposition of the matter as is deemed just and proper under the provisions of this Section; or
 - v. Suspending or terminating benefits when it determines that the Retiree has not adhered to the requirements set forth in these regulations.
- B. The Board may, among other things, determine that the medical condition of the Member does not exist or no longer exists.
- C. The Board shall have the authority, pursuant to Section 9 of these regulations, to arrange for the reexamination of a Member who has retired pursuant to Section 19 or 20 of the CFRS Act.

SECTION 8 - APPEAL

The Member, the Administrator, or any person filing on his or her behalf, may appeal from any order of the Board to the Superior Court of Mecklenburg County by giving notice of appeal, in writing, to the Superior Court within ten (10) business days from the entry of the order. Assignments of error must be filed with the court and served upon the Board within thirty (30) business days after the entry of the order. The appeal to the Superior Court would be upon the record of the proceedings before the Board at its hearing and shall be in the nature of a petition for certiorari.

SECTION 9- REEXAMINATION

- A. After the Board has approved a Member's retirement pursuant to Section 19 or 20 of the Act, the Administrator shall have the authority and may require such Retiree, who does not meet the requirements for a service retirement pursuant to Section 15 of the CFRS Act, to undergo a medical reexamination at any time not to exceed one reexamination per year, by or under the direction of the Medical Board. If the Administrator requires a Retiree's reexamination, the Retiree shall be responsible for submitting to the Administrator all new medical evidence and documentation related to his or her Partial Disability or Permanent Disability as provided in Section 5A of these regulations. After the Medical Board's reexamination, the Medical Board shall provide a written medical report to the Administrator certifying that:
 - i. The Partial Disability or Permanent Disability for which the Retiree was retired no longer exists; or
 - ii. The Partial Disability or Permanent Disability for which the Retiree was retired still exists and the Retiree is still unable to perform the substantial and material duties of his or her job classification of the Charlotte Fire Department. If the Medical Board determines that the Partial Disability or Permanent Disability has improved sufficiently to warrant a change to the percentage of whole-body impairment, as defined in Section 2 of this regulation, the Board may consider that change.
- B. Within fifteen (15) business days of receipt of the Medical Board's report, as specified in subdivision A of this section, the Administrator shall provide a copy of such medical report to the Retiree. If the report documents a change in the Partial Disability or Permanent Disability of the Retiree that would potentially change the amount of the Retiree's disability retirement benefit, within ten (10) business days of providing the medical report to the Retiree, the Administrator shall request a Board Hearing pursuant to the provisions of Section 6 of this regulation. If the report shows no change to the Partial Disability or Permanent Disability of the Retiree that would change the amount of the Retiree's disability retirement benefit, the Administrator shall report the Medical Board's findings at the next regular Board meeting for ratification.
- C. If a Retiree does not comply with the requirements of Section 5A for submittal of medical records or the reexamination by the Medical Board pursuant to Section 5B, the Retiree's benefits may be suspended until such time that the Retiree complies. The Retiree will receive any suspended benefits once the medical records are provided and/or the reexamination by the Medical Board is completed.
- D. Refusal by a Retiree to submit to a medical reexamination pursuant to this section shall cause all retirement benefits to cease forthwith and such person shall be entitled to:
 - i. Apply for reimbursement of the balance, if any, of his or her contributions to the CFRS in the same manner and in all respects as in Section 10 of the CFRS Act; or
 - ii. If the Retiree had five or more years of Membership Service Credit as a Member of the CFRS, defer his or her Accrued Benefit in the same manner and in all respects as in Section 11 of the CFRS Act.

SECTION 10- REINSTATEMENT

- A. If a Retiree returns to work with the Charlotte Fire Department as an eligible Member of the CFRS, as defined in the CFRS Act, the pension benefit shall cease upon reinstatement of employment.
 - i. Where a reinstated Member serves at least five years after his reinstatement before retirement, his or her total Accrued Benefit upon retirement shall be computed in accordance with the CFRS Act in effect on the date he or she reaches five years of service.
 - ii. Where a reinstated Member serves less than five years after his or her reinstatement before retirement, his or her total accrued benefit will be the Accrued Benefit earned at Disability Retirement date. For the service earned after the reinstatement date, the Member shall be eligible for a Return of Contributions as per Sections 10 and 11 of the Act, as applicable.

SECTION 11 - OTHER

- A. Disability Retirement Benefits: A Retiree who is retired pursuant to Section 19 or Section 20 of the CFRS Act shall receive the disability retirement benefits specified in either Section 19(c) or Section 20(c) of the Act, as appropriate, except:
 - i. A Retiree who has a Partial Disability as defined in Section 2A of these regulations and retires pursuant to Section 19 of the CFRS Act shall receive a percentage of the disability retirement benefits provided by Section 19(c) of the Act in an amount equal to twice the percentage of disability rating provided in the Board's Order. If twice the percentage of disability rating is greater than 50%, the Retiree will be considered to have a Permanent Disability and shall receive the full benefit determined pursuant to Section 19(c) of the CFRS Act.
 - ii. A Retiree who has a Partial Disability as defined in Section 2A of these regulations and retires pursuant to Section 20 of the CFRS Act shall receive a percentage of the disability retirement benefits provided by Section 20(c) of the CFRS Act equal to the whole-body impairment rating between 10% and 65% approved by the Board. For a whole-body impairment rating greater than 65%, the Retiree will be considered to have a Permanent Disability and shall receive the full benefit determined pursuant to Section 20(c) of the CFRS Act.
 - iii. When a Retiree receiving disability retirement benefits meets the age and Membership Service Credit requirements for a service retirement pursuant to Section 15 of the CFRS Act, the Retiree shall receive the greater of his or her disability retirement benefit or his or her Accrued Benefit as defined by the CFRS Act determined as of the last date of active employment with the Charlotte Fire Department