

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2009

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HOUSE DRH10720-LN-148 (03/24)

Short Title: State Health Plan/Employee-Only Premium.

(Public)

Sponsors: Representative Haire.

Referred to:

A BILL TO BE ENTITLED

AN ACT TO REQUIRE STATE EMPLOYEES HIRED ON AND AFTER OCTOBER 1, 2009, AND CERTAIN RETIREES, TO PAY A PREMIUM FOR COVERAGE UNDER THE STATE HEALTH PLAN FOR TEACHERS AND STATE EMPLOYEES.

The General Assembly of North Carolina enacts:

**SECTION 1.(a)** G.S. 135-45.2 reads as rewritten:

"§ 135-45.2. Eligibility.

(a) Noncontributory Coverage. – ~~The~~ Except as otherwise provided in subsection (a) of this section, the following persons are eligible for coverage under the Plan, on a noncontributory basis, subject to the provisions of G.S. 135-45.4:

(1) All permanent full-time employees of an employing unit who meet the following conditions:

a. Paid from general or special State funds, or

b. Paid from non-State funds and in a group for which his or her employing unit has agreed to provide ~~coverage~~ coverage; and

c. Are permanent full-time employees of an employing unit as of September 30, 2009.

Employees of State agencies, departments, institutions, boards, and commissions not otherwise covered by the Plan who are employed in permanent job positions on a recurring basis and who work 30 or more hours per week for nine or more months per calendar year are covered by the provisions of this subdivision.

(2) Permanent hourly employees as defined in G.S. 126-5(c4) who work at least one-half of the workdays of each pay period.

(3) Retired teachers, State employees, members of the General Assembly, and retired State law enforcement officers who retired under the Law Enforcement Officers' Retirement System prior to January 1, 1985. Except as otherwise provided in this subdivision, on and after January 1, 1988, a retiring employee or retiree must have completed at least five years of contributory retirement service with an employing unit prior to retirement from any State-supported retirement system in order to be eligible for group benefits under this Part as a retired employee or retiree. For employees first hired on and after October 1, 2006, and members of the General Assembly first taking office on and after February 1, 2007, future coverage as retired employees and retired members of the General Assembly is subject to a



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1 requirement that the future retiree have 20 or more years of retirement  
2 service credit in order to be covered by the provisions of this subdivision.

3 (4) Surviving spouses of:

4 a. Deceased retired employees, provided the death of the former plan  
5 member occurred prior to October 1, 1986; and

6 b. Deceased teachers, State employees, and members of the General  
7 Assembly who are receiving a survivor's alternate benefit under any  
8 of the State-supported retirement programs, provided the death of the  
9 former plan member occurred prior to October 1, 1986.

10 (5) Employees of the General Assembly, not otherwise covered by this section,  
11 as determined by the Legislative Services Commission, except for legislative  
12 interns and pages.

13 (6) Members of the General Assembly.

14 (7) Notwithstanding the provisions of subsection (e) of this section, employees  
15 on official leave of absence while completing a full-time program in school  
16 administration in an approved program as a Principal Fellow in accordance  
17 with Article 5C of Chapter 116 of the General Statutes.

18 (8) Notwithstanding the provisions of G.S. G.S. 135-45.12 employees formerly  
19 covered by the provisions of this section, other than retired employees, who  
20 have been employed for 12 or more months by an employing unit and whose  
21 jobs are eliminated because of a reduction, in total or in part, in the funds  
22 used to support the job or its responsibilities, provided the employees were  
23 covered by the Plan at the time of separation from service resulting from a  
24 job elimination. Employees covered by this subsection shall be covered for a  
25 period of up to 12 months following a separation from service because of a  
26 job elimination.

27 (9) Any member enrolled pursuant to subdivision (1) or (2) of this subsection  
28 who is on approved leave of absence with pay or receiving workers'  
29 compensation.

30 (10) Employees on approved Family and Medical Leave."

31 **SECTION 1.(b)** G.S. 135-45.2 is amended by adding the following new subsection

32 to read:

33 "(a1) Employees Hired on and After October 1, 2009. – Employees as described under  
34 subsection (a) of this section who were hired on and after October 1, 2009, and local  
35 government employees who were hired on and after October 1, 2009, and are covered under the  
36 Plan on and after that date. A State and local government retiree who:

37 (1) Was employed as a State employee on and after October 1, 2009, and  
38 covered under the Plan as a retiree of State government immediately  
39 preceding the date of that employee's retirement; or

40 (2) Was employed as a local government employee on and after October 1,  
41 2009, and covered under the Plan as a retiree of that local government  
42 immediately preceding the date of that employee's retirement,

43 shall pay a premium contribution in the amount enacted by the General Assembly."

44 **SECTION 1.(c)** State employees and retirees covered under G.S. 135-45.2(a1), as  
45 enacted by this act, shall pay a premium for coverage under the State Health Plan for Teachers  
46 and State Employees. The premium amount shall be based upon the State employee's gross  
47 annual salary or the State or local retiree's gross annual pension payment and shall be  
48 established by the General Assembly. If the State employee's or State or local retiree's spouse  
49 is covered under the Plan and the spouse is a permanent full-time State employee or a State or  
50 local retiree, the spouse's gross State salary or State or local gross pension payment, as  
51 applicable, shall be included for purposes of establishing the premium amount. Premium

1 amounts under G.S. 135-45.2(a1), as enacted by this act, for State employees and retirees are as  
2 follows:

- 3 (1) Ten dollars (\$10.00) per month for State employees and State or local  
4 retirees whose State gross annual salary or State or local gross annual  
5 pension payment, combined with a covered spouse's State gross annual  
6 salary or State or local gross annual pension payment is less than fifty  
7 thousand dollars (\$50,000) per year.
- 8 (2) Fifteen dollars (\$15.00) per month for State employees and State or local  
9 retirees whose State gross annual salary or State or local gross annual  
10 pension payment, combined with a covered spouse's State gross annual  
11 salary or State or local gross annual pension income is between fifty  
12 thousand dollars (\$50,000) and one hundred thousand dollars (\$100,000) per  
13 year, inclusive.
- 14 (3) Twenty dollars (\$20.00) per month for State employees and State or local  
15 retirees whose State gross annual salary or State gross annual pension  
16 income, combined with a covered spouse's State gross salary or State  
17 pension gross income is one hundred thousand dollars (\$100,000) per year or  
18 more.

19 Each State employee or retiree subject to G.S. 135-45.2(a1), as enacted by this act,  
20 shall provide sufficient information to the Plan to verify the employee's or retiree's applicable  
21 salary or pension payment for purposes of applying the appropriate premium payment.

22 **SECTION 2.** This act is effective when it becomes law.