

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2019

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HOUSE BILL 1218
Committee Substitute Favorable 6/3/20

Short Title: Salary-Related Contribs./Debt Service Funds.

(Public)

Sponsors:

Referred to:

May 27, 2020

A BILL TO BE ENTITLED

AN ACT TO MAKE ADJUSTMENTS TO THE STATE EMPLOYER SALARY-RELATED CONTRIBUTIONS AND APPROPRIATING FUNDS FOR THE STATE'S DEBT SERVICE OBLIGATIONS.

The General Assembly of North Carolina enacts:

SECTION 1.(a) Section 3.15(c) of S.L. 2019-209 reads as rewritten:

"SECTION 3.15.(c) Effective July 1, 2020, the State's employer contribution rates budgeted for retirement and related benefits as a percentage of covered salaries for the 2020-2021 fiscal year for teachers and State employees, State law enforcement officers (LEOs), the University and Community Colleges Optional Retirement Programs (ORPs), the Consolidated Judicial Retirement System (CJRS), and the Legislative Retirement System (LRS) are as set forth below:

	Teachers and State Employees	State LEOs	ORPs	CJRS	LRS
Retirement	14.36% <u>14.78%</u>	14.36% <u>14.78%</u>	6.84%	36.00% <u>36.44%</u>	29.00% <u>27.30%</u>
Disability	0.10% <u>0.09%</u>	0.10% <u>0.09%</u>	0.10% <u>0.09%</u>	0.00%	0.00%
Death	0.16%	0.16%	0.00%	0.00%	0.00%
Retiree Health	6.82% <u>6.68%</u>	6.82% <u>6.68%</u>	6.82% <u>6.68%</u>	6.82% <u>6.68%</u>	6.82% <u>6.68%</u>
NC 401(k)	0.00%	5.00%	0.00%	0.00%	0.00%

Total Contribution

Rate 21.44%21.71% 26.44%26.71% 13.76%13.61% 42.82%43.12% 35.82%33.98%"

SECTION 1.(b) If House Bill 1136, 2020 Regular Session, becomes law, then subsection (a) of this section is repealed.

SECTION 1.(c) If House Bill 1136, 2020 Regular Session, becomes law, then Section 3.15(c) of S.L. 2019-209, as amended by Section 2(a) of House Bill 1136, 2020 Regular Session, reads as rewritten:

"SECTION 3.15.(c) Effective July 1, 2020, the State's employer contribution rates budgeted for retirement and related benefits as a percentage of covered salaries for the 2020-2021 fiscal year for teachers and State employees, State law enforcement officers (LEOs), the University and Community Colleges Optional Retirement Programs (ORPs), the Consolidated Judicial Retirement System (CJRS), and the Legislative Retirement System (LRS) are as set forth below:

	Teachers and State Employees	State LEOs	ORPs	CJRS	LRS
Retirement	14.36% <u>14.78%</u>	14.36% <u>14.78%</u>	6.84%	36.00% <u>36.44%</u>	29.00% <u>27.30%</u>



1	Disability	0.10% 0.09%	0.10% 0.09%	0.10% 0.09%	0.00%	0.00%
2	Death	0.13%	0.13%	0.00%	0.00%	0.00%
3	Retiree Health	6.82% <u>6.68%</u>	6.82% <u>6.68%</u>	6.82% <u>6.68%</u>	6.82% <u>6.68%</u>	6.82% <u>6.68%</u>
4	NC 401(k)	0.00%	5.00%	0.00%	0.00%	0.00%

5

6 **Total Contribution**

7 **Rate** ~~21.41%~~21.68%~~26.41%~~26.68%~~13.76%~~13.61%~~42.82%~~43.12%~~35.82%~~33.98%"

8

SECTION 1.(d) Section 3.15(e) of S.L. 2019-209 reads as rewritten:

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10 **"SECTION 3.15.(e)** Effective July 1, 2020, the maximum annual employer contributions,
 11 payable monthly, by the State for each covered employee or retiree for the 2020-2021 fiscal year
 12 to the State Health Plan for Teachers and State Employees are (i) for Medicare-eligible
 13 employees and retirees, five thousand ~~one hundred sixty five dollars (\$5,165)~~sixty-one dollars
 14 (\$5,061) and (ii) for non-Medicare-eligible employees and retirees, six thousand ~~six hundred~~
 15 ~~forty seven dollars (\$6,647)~~five hundred twelve dollars (\$6,512)."

16 **SECTION 2.** No later than August 15, 2020, the Office of State Budget and
 17 Management shall adjust the appropriations for State retirement and State Health Plan
 18 contributions of all applicable agencies, departments, or institutions to reflect the changes
 19 implemented in Section 1 of this act, representing a decrease in General Fund net appropriations
 20 totaling five million forty-eight thousand seven hundred ten dollars (\$5,048,710) in recurring
 21 funds for the 2020-2021 fiscal year.

22 **SECTION 3.** From the funds made available pursuant to Section 1 and Section 2 of
 23 this act, there is appropriated from the General Fund the sum of five million forty-eight thousand
 24 seven hundred ten dollars (\$5,048,710) in recurring funds for the 2020-2021 fiscal year for the
 25 purpose of meeting the State's General Fund debt service obligations.

26 **SECTION 4.(a)** Departmental receipts, as defined in G.S. 143C-1-1, are
 27 appropriated for the 2020-2021 fiscal year up to the amounts needed to implement the provisions
 28 in this act for the 2020-2021 fiscal year.

29 **SECTION 4.(b)** The provisions of the State Budget Act, Chapter 143C of the
 30 General Statutes, are reenacted and shall remain in full force and effect and are incorporated in
 31 this act by reference.

32 **SECTION 4.(c)** Except where expressly repealed or amended by this act, the
 33 provisions of any other legislation enacted during the 2019 Regular Session of the General
 34 Assembly expressly appropriating funds to an agency, a department, or an institution covered
 35 under this act shall remain in effect.

SECTION 5. This act becomes effective July 1, 2020.