

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2005

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HOUSE DRH10152-LR-85 (03/09)

Short Title: Centralize Benefits Under OSP.

(Public)

Sponsors: Representatives Crawford and Holliman (Primary Sponsors).

Referred to:

A BILL TO BE ENTITLED

AN ACT PROVIDING FOR THE CENTRALIZATION OF STATE EMPLOYEE
BENEFITS UNDER THE OFFICE OF STATE PERSONNEL.

The General Assembly of North Carolina enacts:

SECTION 1. Article 2 of Chapter 126 of the General Statutes is amended by
adding a new section to read:

"§ 126-7.3. Flexible benefits program centralized under Office of State Personnel.

(a) Consistent with G.S. 143-34.1 and G.S. 116-17.2, the Office of State Personnel shall provide eligible officers and employees of State agencies, departments, and institutions, and The University of North Carolina, with a program of dependent care assistance, as available under section 129 and related sections of the Internal Revenue Code of 1986, as amended. The Office of State Personnel shall coordinate the annual agreements entered into between State agencies, departments, and institutions, and The University of North Carolina, and the employees who elect to participate in the program to provide for a reduction in salary. With the approval of the Director of the Budget, savings in the employer's share of contributions under the Federal Insurance Contributions Act on account of the reduction in salary may be used to pay some or all of the administrative expenses of the program. The Office of State Personnel may contract with a third party to administer the terms and conditions of a program of dependent care assistance. If the Office of State Personnel selects a contractor, it may do so only after a thorough and competitive procurement process.

(b) Consistent with G.S. 143-34.1 and G.S. 116-17.2, and notwithstanding any other provisions of law relating to the salaries of officers and employees of State agencies, departments, and institutions, and The University of North Carolina, the Office of State Personnel shall provide a plan of flexible compensation to eligible officers and employees for benefits available under section 125 and related sections of the Internal Revenue Code of 1986 as amended. In providing a plan of flexible

1 compensation, the Office of State Personnel shall coordinate the annual agreements
2 entered into between employees and State agencies, departments, and institutions, and
3 The University of North Carolina. With the approval of the Director of the Budget,
4 savings in the employer's share of contributions under the Federal Insurance
5 Contributions Act on account of the reduction in salary may be used to pay some or all
6 of the administrative expenses of the program. The Office of State Personnel may
7 contract with a third party to administer the terms and conditions of a plan of flexible
8 compensation as provided by this section. If the Office of State Personnel selects a
9 contractor, it may do so only after a thorough and competitive procurement process.

10 (c) The Office of State Personnel shall coordinate the establishment of a
11 centralized supplemental benefits committee to offer benefit options on a statewide
12 basis to State agencies, departments, and institutions, and The University of North
13 Carolina. The committee shall review plan options, prepare requests for proposals, and
14 select plan providers only upon a thorough and completely competitive procurement
15 process. Terms of contracts shall follow Purchase and Contract guidelines in Article 23
16 of Chapter 143 of the General Statutes. State agencies, departments, and institutions,
17 and The University of North Carolina may elect to offer certain benefit options as
18 provided under G.S. 58-31-60.

19 The Centralized Supplemental Benefits Committee shall be composed of
20 representatives from State agencies, departments, and institutions, and The University
21 of North Carolina. The Director of the Office of State Personnel shall appoint
22 committee members. Members shall serve three-year terms on a rotating basis as
23 established by the initial appointment."

24 **SECTION 2.** G.S. 126-5 is amended by adding a new subsection to read:

25 "(c9) G.S. 126-7.3 shall apply to all State employees, including employees in the
26 executive, judicial, and legislative branches and employees of The University of North
27 Carolina and its constituent institutions."

28 **SECTION 3.** This act becomes effective July 1, 2005.