

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2009

H

1

HOUSE BILL 1247

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

Sponsors: Representatives Haire; Bryant and Stewart.

Referred to: Insurance, if favorable, Appropriations.

April 9, 2009

1 A BILL TO BE ENTITLED
2 AN ACT TO REQUIRE STATE EMPLOYEES HIRED ON AND AFTER OCTOBER 1,
3 2009, AND CERTAIN RETIREES, TO PAY A PREMIUM FOR COVERAGE UNDER
4 THE STATE HEALTH PLAN FOR TEACHERS AND STATE EMPLOYEES.

5 The General Assembly of North Carolina enacts:

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

7 "**§ 135-45.2. Eligibility.**

8 (a) Noncontributory Coverage. – ~~The~~ Except as otherwise provided in subsection (a1)
9 of this section, the following persons are eligible for coverage under the Plan, on a
10 noncontributory basis, subject to the provisions of G.S. 135-45.4:

- 11 (1) All permanent full-time employees of an employing unit who meet the
12 following conditions:
13 a. Paid from general or special State funds, or
14 b. Paid from non-State funds and in a group for which his or her
15 employing unit has agreed to provide ~~coverage~~ coverage; and
16 c. Are permanent full-time employees of an employing unit as of
17 September 30, 2009.

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

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

- 25 (3) Retired teachers, State employees, members of the General Assembly, and
26 retired State law enforcement officers who retired under the Law
27 Enforcement Officers' Retirement System prior to January 1, 1985. Except
28 as otherwise provided in this subdivision, on and after January 1, 1988, a
29 retiring employee or retiree must have completed at least five years of
30 contributory retirement service with an employing unit prior to retirement
31 from any State-supported retirement system in order to be eligible for group
32 benefits under this Part as a retired employee or retiree. For employees first
33 hired on and after October 1, 2006, and members of the General Assembly
34 first taking office on and after February 1, 2007, future coverage as retired
35 employees and retired members of the General Assembly is subject to a
36 requirement that the future retiree have 20 or more years of retirement
37 service credit in order to be covered by the provisions of this subdivision.



* H 1 2 4 7 - V - 1 *

- 1 (4) Surviving spouses of:
2 a. Deceased retired employees, provided the death of the former plan
3 member occurred prior to October 1, 1986; and
4 b. Deceased teachers, State employees, and members of the General
5 Assembly who are receiving a survivor's alternate benefit under any
6 of the State-supported retirement programs, provided the death of the
7 former plan member occurred prior to October 1, 1986.
- 8 (5) Employees of the General Assembly, not otherwise covered by this section,
9 as determined by the Legislative Services Commission, except for legislative
10 interns and pages.
- 11 (6) Members of the General Assembly.
- 12 (7) Notwithstanding the provisions of subsection (e) of this section, employees
13 on official leave of absence while completing a full-time program in school
14 administration in an approved program as a Principal Fellow in accordance
15 with Article 5C of Chapter 116 of the General Statutes.
- 16 (8) Notwithstanding the provisions of G.S. G.S. 135-45.12 employees formerly
17 covered by the provisions of this section, other than retired employees, who
18 have been employed for 12 or more months by an employing unit and whose
19 jobs are eliminated because of a reduction, in total or in part, in the funds
20 used to support the job or its responsibilities, provided the employees were
21 covered by the Plan at the time of separation from service resulting from a
22 job elimination. Employees covered by this subsection shall be covered for a
23 period of up to 12 months following a separation from service because of a
24 job elimination.
- 25 (9) Any member enrolled pursuant to subdivision (1) or (2) of this subsection
26 who is on approved leave of absence with pay or receiving workers'
27 compensation.
- 28 (10) Employees on approved Family and Medical Leave."

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

30 to read:

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

- 35 (1) Was employed as a State employee on and after October 1, 2009, and
36 covered under the Plan as a retiree of State government immediately
37 preceding the date of that employee's retirement; or
38 (2) Was employed as a local government employee on and after October 1,
39 2009, and covered under the Plan as a retiree of that local government
40 immediately preceding the date of that employee's retirement,
41 shall pay a premium contribution in the amount enacted by the General Assembly."

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

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

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

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