

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2003

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SENATE DRS55148-LB-206 (03/25)

Short Title: UNC Flexible Benefits Clarification.

(Public)

Sponsors: Senator Clodfelter.

Referred to:

A BILL TO BE ENTITLED

AN ACT TO CLARIFY EMPLOYEE FLEXIBLE COMPENSATION PLANS OF
THE UNIVERSITY OF NORTH CAROLINA.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 116-17.2 reads as rewritten:

"§ 116-17.2. Flexible Compensation Plan.

Notwithstanding any other provisions of law relating to the salaries of employees of The University of North Carolina, the Board of Governors of The University of North Carolina is authorized to provide a plan or plans of flexible compensation to eligible employees of The University of North Carolina and its constituent institutions for benefits available under Section 125 and related sections of the Internal Revenue Code of 1986 as amended. This plan shall not include those benefits provided to employees under Articles 1, 3, and 6 of Chapter 135 of the General Statutes nor any vacation leave, sick leave, or any other leave that may be carried forward from year to year by employees as a form of deferred ~~compensation.~~ compensation, except that these plans may include health care benefits or health insurance for the dependents of employees. In providing a plan of flexible compensation, the Board of Governors may authorize constituent institutions to enter into agreements with their employees for reductions in the salaries of employees electing to participate in the plan of flexible compensation provided by this section. 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. Should the Board of Governors decide to contract with a third party to administer the terms and conditions of a plan of flexible compensation as provided by this section, it may select such a contractor only upon a ~~thorough and completely~~ publicly advertised competitive procurement process."

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