

May 26, 2010

**H 2019. ELIMINATE GOLDEN PARACHUTES.** Filed 5/25/10. *TO LIMIT THE AMOUNT OF TRANSITION PACKAGES OR GOLDEN PARACHUTES FOR STATE EMPLOYEES.*

Adds new subsection (c) to GS 126-8.5 as the title indicates. Prohibits paying a salary to a state employee for the employee's most recently held position when the employee is no longer performing the duties of that position. Specifies that the prohibition includes transition periods. This provision is retroactive and also applies to payments that have not yet been made unless there is a legally enforceable contract that requires payment.

Provides an exception to the prohibition if (1) the payment is required as a term of a contract entered into at the time of hire or promotion to the most recently held position, (2) the contract is signed by the appropriate finance officer or a properly designated deputy finance officer for the agency hiring the person, and (3) the contract is approved by the agency head and the Office of State Budget and Management. Provides that if the employing state agency is the University of North Carolina (UNC) or one of its constituent institutions, the contract must be signed by the appropriate finance officer or a properly designated deputy finance officer for UNC or the constituent institution, and approved by the UNC Board of Governors or by the Board of Trustees of the constituent institution as appropriate.

Provides that the proposed subsection does not impair a state employee's rights to receive severance wages, discontinued service retirement, terminal leave payments, vacation leave, bonus leave, or longevity.

Defines *state employee who leaves the position that the employee most recently held* to mean a person who retires, resigns, or voluntarily or involuntarily terminates employment. Also includes a person who continues to work for the state but accepts a lesser position with the state. Defines *transition* to refer to a move by a state employee from the most recently held employment position to a lesser position of employment. Transition also includes "a golden parachute" or a "sabbatical."

Effective July 1, 2010.

**Intro. by Blackwell.**

GS 126