



NORTH CAROLINA GENERAL ASSEMBLY  
AMENDMENT  
Senate Bill 323

ADOPTE

AMENDMENT NO. 1  
(to be filled in by  
Principal Clerk)

S323-AME-59 [v.3]

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Comm. Sub. [YES]  
Amends Title [NO]  
Third Edition

Date 4/20, 2011

Representative T. Moore

1 moves to amend the bill on page 1, lines 11-24, by deleting those lines and substituting the  
2 following:

3  
4 "SECTION 1.1.(a) General Fund Appropriation. – Notwithstanding  
5 G.S. 143C-5-2, there is appropriated from the General Fund to the Reserve for the State Health  
6 Plan in the Office of State Budget and Management the sum of eleven million seven hundred  
7 twenty-five thousand five hundred eighty-seven dollars (\$11,725,587) for the 2011-2012 fiscal  
8 year and the sum of one hundred nine million four hundred eighty thousand one hundred  
9 fifty-eight dollars (\$109,480,158) for the 2012-2013 fiscal year. These funds shall be used to  
10 cover health care and administrative costs to the Plan in the 2011-2013 fiscal biennium.

11 SECTION 1.1.(b) Highway Fund Appropriation. – Notwithstanding  
12 G.S. 143C-5-2, there is appropriated from the Highway Fund to the Reserve for the State  
13 Health Plan in the Office of State Budget and Management the sum of five hundred forty-seven  
14 thousand one hundred ninety-four dollars (\$547,194) for the 2011-2012 fiscal year and the sum  
15 of five million one hundred nine thousand seventy-four dollars (\$5,109,074) for the 2012-2013  
16 fiscal year. These funds shall be used to cover health care and administrative costs to the Plan  
17 in the 2011-2013 fiscal biennium."; and

18  
19 on page 1, line 30, through page 2, line 15, by deleting those lines and substituting the  
20 following:

21  
22 "SECTION 1.2.(a) Partially Contributory Coverage. – The State Health Plan for  
23 Teachers and State Employees shall charge no premium for the Basic Plan for noncontributory  
24 coverage under G.S. 135-45.2(a), as show below, and may charge for the Standard Plan up to  
25 the following monthly premium rates for partially contributory coverage under  
26 G.S. 135-45.2(a1), as enacted by Section 1.6 of this act, for the 2011-2012 and 2012-2013  
27 fiscal years:

	FY 2011-2012		FY 2012-2013	
	Basic	Standard	Basic	Standard
28				
29				
30				
31				
32	Employee Contribution			
33	Non-Medicare Eligible or	\$0.00	\$21.76	\$0.00
				\$22.95



\* S 3 2 3 - A M E - 5 9 - V - 3 \*

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1	Medicare Secondary				
2	Medicare Primary	\$0.00	\$16.57	\$0.00	\$17.47
3					
4	Retiree Contribution				
5	Non-Medicare Eligible	\$0.00	\$21.76	\$0.00	\$22.95
6	Medicare Eligible	\$0.00	\$16.57	\$0.00	\$17.47
7					

8           **SECTION 1.2.(b)** Contributory Coverage. – Premium rates for contributory  
9 coverage established in accordance with G.S. 135-44.6 may be increased by up to five and  
10 forty-three hundredths percent (5.43%) for contributory coverage for the 2011-2012 fiscal year  
11 and may be increased by up to an additional five and forty-three hundredths percent (5.43%)  
12 over the premium rate for contributory coverage for the 2012-2013 fiscal year."; and

13  
14 on page 4, lines 12-13, by deleting those lines and substituting the following:

15  
16 **"IMPLEMENT PARTIALLY CONTRIBUTORY COVERAGE OPTION TO PROVIDE**  
17 **COVERAGE UNDER THE STANDARD PLAN FOR EMPLOYEES AND**  
18 **RETIREEES";** and

19  
20 on page 4, line 18, through page 6, line 30, by deleting those lines and substituting the  
21 following:

22  
23 **"SECTION 1.6.(b)** G.S. 135-45.2 reads as rewritten:

24 **§ 135-45.2. Eligibility.**

25 (a) Noncontributory Coverage. – The following persons are eligible for coverage under  
26 the Plan, on a noncontributory basis, subject to the provisions of G.S. 135-45.4:

- 27 (1) All permanent full-time employees of an employing unit who meet the  
28 following conditions:
  - 29 a. Paid from general or special State funds, or
  - 30 b. Paid from non-State funds and in a group for which his or her  
31 employing unit has agreed to provide coverage.
- 32 Employees of State agencies, departments, institutions, boards, and  
33 commissions not otherwise covered by the Plan who are employed in  
34 permanent job positions on a recurring basis and who work 30 or more hours  
35 per week for nine or more months per calendar year are covered by the  
36 provisions of this subdivision.
- 37 (2) Permanent hourly employees as defined in G.S. 126-5(c4) who work at least  
38 one-half of the workdays of each pay period.
- 39 (3) Retired teachers, State employees, members of the General Assembly, and  
40 retired State law enforcement officers who retired under the Law  
41 Enforcement Officers' Retirement System prior to January 1, 1985. Except  
42 as otherwise provided in this subdivision, on and after January 1, 1988, a  
43 retiring employee or retiree must have completed at least five years of

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1 contributory retirement service with an employing unit prior to retirement  
2 from any State-supported retirement system in order to be eligible for group  
3 benefits under this Part as a retired employee or retiree. For employees first  
4 hired on ~~and~~ or after October 1, 2006, and members of the General  
5 Assembly first taking office on ~~and~~ or after February 1, 2007, future  
6 coverage as retired employees and retired members of the General Assembly  
7 is subject to a requirement that the future retiree have 20 or more years of  
8 retirement service credit in order to be covered by the provisions of this  
9 subdivision.

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

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1 (a1) Partially Contributory Coverage. – The following persons are eligible for coverage  
2 under the Plan, on a partially contributory basis, subject to the provisions of G.S. 135-45.4:

3 (1) All permanent full-time employees of an employing unit who meet either of  
4 the following conditions:

5 a. Paid from general or special State funds.

6 b. Paid from non-State funds and in a group for which his or her  
7 employing unit has agreed to provide coverage.

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

13 (2) Permanent hourly employees who work at least one-half of the workdays of  
14 each pay period.

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

28 (4) Surviving spouses of:

29 a. Deceased retired employees, provided the death of the former plan  
30 member occurred prior to October 1, 1986; and

31 b. Deceased teachers, State employees, and members of the General  
32 Assembly who are receiving a survivor's alternate benefit under any  
33 of the State-supported retirement programs, provided the death of the  
34 former plan member occurred prior to October 1, 1986.

35 (5) Employees of the General Assembly, not otherwise covered by this section,  
36 as determined by the Legislative Services Commission, except for legislative  
37 interns and pages.

38 (6) Members of the General Assembly.

39 (7) Notwithstanding the provisions of subsection (e) of this section, employees  
40 on official leave of absence while completing a full-time program in school  
41 administration in an approved program as a Principal Fellow in accordance  
42 with Article 5C of Chapter 116 of the General Statutes.

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- 1           (8) Notwithstanding the provisions of G.S. 135-45.12, employees formerly  
2 covered by the provisions of this subsection, other than retired employees,  
3 who have been employed for 12 or more months by an employing unit, or  
4 who have completed a contract term of employment of 10 or 11 months and  
5 whose employing unit is a local school administrative unit, and whose jobs  
6 are eliminated because of a reduction, in total or in part, in the funds used to  
7 support the job or its responsibilities, provided the employees were covered  
8 by the Plan at the time of separation from service resulting from a job  
9 elimination. Employees covered by this subsection shall be covered for a  
10 period of up to 12 months following a separation from service because of a  
11 job elimination. An employee formerly covered by the provisions of this  
12 subsection shall not be eligible for coverage under this subdivision if the  
13 employee is provided health benefit coverage on a noncontributory basis by  
14 a subsequent employer.  
15           (9) Any member enrolled pursuant to subdivision (1) or (2) of this subsection  
16 who is on approved leave of absence with pay or receiving workers'  
17 compensation.  
18           (10) Employees on approved Family and Medical Leave."; and  
19

20 on page 7, line 16-30, by deleting those lines and substituting the following:  
21

- 22           "(6) All permanent part-time employees (designated as half-time or more) of an  
23 employing unit who ~~meets~~ meet the conditions outlined in ~~subdivision~~  
24 sub-subdivision (a)(1)a. above, or sub-subdivision (a1)(1)a. of this section  
25 and who are not covered by the provisions of G.S. 135-45.2(a)(1).  
26 subdivision (a)(1) or subdivision (a1)(1) of this section.  
27           (7) The spouses and eligible dependent children of enrolled teachers, State  
28 employees, retirees, former members of the General Assembly, former  
29 employees covered by the provisions of ~~G.S. 135-45.2(a)(8),~~ subdivision  
30 (a)(8) or subdivision (a1)(8) of this section, Disability Income Plan  
31 beneficiaries, enrolled continuation members, and members of the General  
32 Assembly. Spouses of surviving dependents are not eligible, nor are  
33 dependent children if they were not covered at the time of the member's  
34 death. Surviving spouses may cover their dependent children provided the  
35 children were enrolled at the time of the member's death or enroll within 90  
36 days of the member's death."; and  
37  
38

39 on page 9, line 41, by deleting the words "~~noncontributory partially contributory~~" and  
40 substituting the words "noncontributory or partially contributory"; and  
41

42 on page 12, lines 23-34, by deleting those lines and substituting the following:  
43

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1           **"SECTION 1.8.(d)** Effective July 1, 2011, the maximum annual employer  
2 contributions, payable monthly, by the State for each covered employee or retiree for the  
3 2011-2012 fiscal year to the State Health Plan for Teachers and State Employees are: (i)  
4 Medicare-eligible employees and retirees – three thousand seven hundred seventy-six dollars  
5 (\$3,776) and (ii) non-Medicare-eligible employees and retirees – four thousand nine hundred  
6 sixty-two dollars (\$4,962).

7           **SECTION 1.8.(e)** Effective July 1, 2012, the maximum annual employer  
8 contributions, payable monthly, by the State for each covered employee or retiree for the  
9 2012-2013 fiscal year to the State Health Plan for Teachers and State Employees are: (i)  
10 Medicare-eligible employees and retirees – three thousand nine hundred eighty-one dollars  
11 (\$3,981) and (ii) non-Medicare-eligible employees and retirees – five thousand two hundred  
12 thirty-two dollars (\$5,232)."; and

13  
14 on page 31, line 1, through page 32, line 26, by deleting those lines and substituting the  
15 following:

16  
17           "(a) Noncontributory Coverage. – The following persons are eligible for coverage under  
18 the Plan, on a noncontributory basis, subject to the provisions of ~~G.S. 135-45.4:~~  
19 G.S. 135-48.43:

- 20           (1) All permanent full-time employees of an employing unit who meet the  
21 following conditions:  
22           a. Paid from general or special State funds, or  
23           b. Paid from non-State funds and in a group for which his or her  
24           employing unit has agreed to provide coverage.  
25           Employees of State agencies, departments, institutions, boards, and  
26           commissions not otherwise covered by the Plan who are employed in  
27           permanent job positions on a recurring basis and who work 30 or more hours  
28           per week for nine or more months per calendar year are covered by the  
29           provisions of this subdivision.  
30           (2) Permanent hourly employees as defined in G.S. 126-5(c4) who work at least  
31           one-half of the workdays of each pay period.  
32           (3) Retired teachers, State employees, members of the General Assembly, and  
33           retired State law enforcement officers who retired under the Law  
34           Enforcement Officers' Retirement System prior to January 1, 1985. Except  
35           as otherwise provided in this subdivision, on and after January 1, 1988, a  
36           retiring employee or retiree must have completed at least five years of  
37           contributory retirement service with an employing unit prior to retirement  
38           from any State-supported retirement system in order to be eligible for group  
39           benefits under this Part as a retired employee or retiree. For employees first  
40           hired on or after October 1, 2006, and members of the General Assembly  
41           first taking office on or after February 1, 2007, future coverage as retired  
42           employees and retired members of the General Assembly is subject to a

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1 requirement that the future retiree have 20 or more years of retirement  
2 service credit in order to be covered by the provisions of this subdivision.

3 (4) Surviving spouses of:

4 a. Deceased retired employees, provided the death of the former plan  
5 member occurred prior to October 1, 1986; and

6 b. Deceased teachers, State employees, and members of the General  
7 Assembly who are receiving a survivor's alternate benefit under any  
8 of the State-supported retirement programs, provided the death of the  
9 former plan member occurred prior to October 1, 1986.

10 (5) Employees of the General Assembly, not otherwise covered by this section,  
11 as determined by the Legislative Services Commission, except for legislative  
12 interns and pages.

13 (6) Members of the General Assembly.

14 (7) Notwithstanding the provisions of subsection (e) of this section, employees  
15 on official leave of absence while completing a full-time program in school  
16 administration in an approved program as a Principal Fellow in accordance  
17 with Article 5C of Chapter 116 of the General Statutes.

18 (8) Notwithstanding the provisions of G.S. 135-45.12 employees formerly  
19 covered by the provisions of this section, other than retired employees, who  
20 have been employed for 12 or more months by an employing unit, or who  
21 have completed a contract term of employment of 10 or 11 months and  
22 whose employing unit is a local school administrative unit, and whose jobs  
23 are eliminated because of a reduction, in total or in part, in the funds used to  
24 support the job or its responsibilities, provided the employees were covered  
25 by the Plan at the time of separation from service resulting from a job  
26 elimination. Employees covered by this subsection shall be covered for a  
27 period of up to 12 months following a separation from service because of a  
28 job elimination. An employee formerly covered by the provisions of this  
29 section shall not be eligible for coverage under this subdivision if the  
30 employee is provided health benefit coverage on a non-contributory basis by  
31 a subsequent employer.

32 (9) Any member enrolled pursuant to subdivision (1) or (2) of this subsection  
33 who is on approved leave of absence with pay or receiving workers'  
34 compensation.

35 (10) Employees on approved Family and Medical Leave.

36 (b) Partially Contributory Coverage. – The following persons are eligible for coverage  
37 under the Plan, on a partially contributory basis, subject to the provisions of ~~G.S. 135-45.4:~~  
38 G.S. 135-48.43:

39 (1) All permanent full-time employees of an employing unit who meet either of  
40 the following conditions:

41 a. Paid from general or special State funds.

42 b. Paid from non-State funds and in a group for which his or her  
43 employing unit has agreed to provide coverage.

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- 1 Employees of State agencies, departments, institutions, boards, and  
2 commissions not otherwise covered by the Plan who are employed in  
3 permanent job positions on a recurring basis and who work 30 or more hours  
4 per week for nine or more months per calendar year are covered by the  
5 provisions of this subdivision.
- 6 (2) Permanent hourly employees who work at least one-half of the workdays of  
7 each pay period.
- 8 (3) Retired teachers, State employees, members of the General Assembly, and  
9 retired State law enforcement officers who retired under the Law  
10 Enforcement Officers' Retirement System prior to January 1, 1985. Except  
11 as otherwise provided in this subdivision, on and after January 1, 1988, a  
12 retiring employee or retiree must have completed at least five years of  
13 contributory retirement service with an employing unit prior to retirement  
14 from any State-supported retirement system in order to be eligible for group  
15 benefits under this Part as a retired employee or retiree. For employees first  
16 hired on or after October 1, 2006, and members of the General Assembly  
17 first taking office on or after February 1, 2007, future coverage as retired  
18 employees and retired members of the General Assembly is subject to a  
19 requirement that the future retiree have 20 or more years of retirement  
20 service credit in order to be covered by the provisions of this subdivision.
- 21 (4) Surviving spouses of:
- 22 a. Deceased retired employees, provided the death of the former plan  
23 member occurred prior to October 1, 1986; and
- 24 b. Deceased teachers, State employees, and members of the General  
25 Assembly who are receiving a survivor's alternate benefit under any  
26 of the State-supported retirement programs, provided the death of the  
27 former plan member occurred prior to October 1, 1986.
- 28 (5) Employees of the General Assembly, not otherwise covered by this section,  
29 as determined by the Legislative Services Commission, except for legislative  
30 interns and pages.
- 31 (6) Members of the General Assembly.
- 32 (7) Notwithstanding the provisions of subsection (e) of this section, employees  
33 on official leave of absence while completing a full-time program in school  
34 administration in an approved program as a Principal Fellow in accordance  
35 with Article 5C of Chapter 116 of the General Statutes.
- 36 (8) Notwithstanding the provisions of ~~G.S. 135-45.12~~, G.S. 135-48.44,  
37 employees formerly covered by the provisions of this subsection, other than  
38 retired employees, who have been employed for 12 or more months by an  
39 employing unit, or who have completed a contract term of employment of 10  
40 or 11 months and whose employing unit is a local school administrative unit,  
41 and whose jobs are eliminated because of a reduction, in total or in part, in  
42 the funds used to support the job or its responsibilities, provided the  
43 employees were covered by the Plan at the time of separation from service



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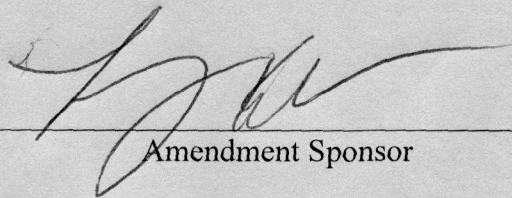
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1 resulting from a job elimination. Employees covered by this subsection shall  
2 be covered for a period of up to 12 months following a separation from  
3 service because of a job elimination. An employee formerly covered by the  
4 provisions of this subsection shall not be eligible for coverage under this  
5 subdivision if the employee is provided health benefit coverage on a  
6 noncontributory basis by a subsequent employer.  
7 (9) Any member enrolled pursuant to subdivision (1) or (2) of this subsection  
8 who is on approved leave of absence with pay or receiving workers'  
9 compensation.  
10 (10) Employees on approved Family and Medical Leave."; and  
11  
12 on page 33, lines 17-18, by deleting the words "~~former subdivision (a)(8) or subdivision (a1)(7)~~  
13 ~~(b)(7)~~" and substituting the words "subdivision (a)(8) or subdivision ~~(a1)(8)~~ (b)(8)"; and  
14  
15 on page 35, line 10, by inserting after the word "contributory" the words "or partially  
16 contributory".

ADOPTED

SIGNED \_\_\_\_\_



Amendment Sponsor

SIGNED \_\_\_\_\_

Committee Chair if Senate Committee Amendment

ADOPTED 116-1 EV

FAILED \_\_\_\_\_

TABLED \_\_\_\_\_

APR 20 2011

