

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2017

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HOUSE BILL 569  
PROPOSED COMMITTEE SUBSTITUTE H569-PCS10302-RB-8

Short Title: Pretax Supplemental Benefits.

(Public)

Sponsors:

Referred to:

April 6, 2017

1 A BILL TO BE ENTITLED  
2 AN ACT TO ALLOW PRODUCTS SELECTED BY THE EMPLOYEE INSURANCE  
3 COMMITTEES TO BE OFFERED ON A PRETAX BASIS.

4 The General Assembly of North Carolina enacts:

5 **SECTION 1.** G.S. 58-31-60(c) reads as rewritten:

6 "(c) Payroll Deduction Slots. – Each payroll unit shall be entitled to not less than four  
7 payroll deduction slots to be used for payment of insurance premiums for products selected by  
8 the Employee Insurance Committee and offered to the employees of the payroll unit. The  
9 Employee Insurance Committee shall select only one company per payroll deduction slot. The  
10 products selected by the Employee Insurance Committee may be offered on a pretax basis if the  
11 products qualify as a cafeteria plan under section 125 of the Code. For purposes of this  
12 subsection, the term "Code" has the same meaning as defined in G.S. 105-228.90. The  
13 Company selected by the Employee Insurance Committee shall be permitted to sell through  
14 payroll deduction only the products specifically approved by the Employee Insurance  
15 Committee. The assignment by the Employee Insurance Committee of a payroll deduction slot  
16 shall be for a period of not less than two years unless the insurance company shall be in  
17 violation of the terms of the written agreement specified in this subsection. The insurance  
18 company awarded a payroll deduction slot shall, pursuant to a written agreement setting out the  
19 rights and duties of the insurance company, be afforded an adequate opportunity to solicit  
20 employees of the payroll unit by making such employees aware that a representative of the  
21 company will be available at a specified time and at a location convenient to the employees.

22 Notwithstanding any other provision of the General Statutes, once an employee has selected  
23 an insurance product for payroll deduction, that product may not be removed from payroll  
24 deduction for that employee without his or her specific written consent.

25 When an employee retires from State employment and payroll deduction under this section  
26 is no longer available, the insurance company may not terminate life insurance products  
27 purchased under the payroll deduction plan without the retiree's specific written consent solely  
28 because the premium is no longer deducted from payroll."

29 **SECTION 2.** This act is effective when it becomes law and applies to products or  
30 services as regulated herein that will be funded by payroll deductions beginning on or after  
31 January 1, 2018.



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