

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2019**

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**HOUSE BILL 1218
Committee Substitute Favorable 6/3/20
PROPOSED SENATE COMMITTEE SUBSTITUTE H1218-PCS30597-MC-29**

Short Title: Salary-Related Contribs./Debt Service Funds. (Public)

Sponsors:

Referred to:

May 27, 2020

A BILL TO BE ENTITLED

AN ACT TO MAKE ADJUSTMENTS TO THE STATE EMPLOYER SALARY-RELATED CONTRIBUTIONS AND APPROPRIATING FUNDS FOR THE STATE'S DEBT SERVICE OBLIGATIONS.

The General Assembly of North Carolina enacts:

SECTION 1.(a) Section 3.15(c) of S.L. 2019-209 reads as rewritten:

"SECTION 3.15.(c) Effective July 1, 2020, the State's employer contribution rates budgeted for retirement and related benefits as a percentage of covered salaries for the 2020-2021 fiscal year for teachers and State employees, State law enforcement officers (LEOs), the University and Community Colleges Optional Retirement Programs (ORPs), the Consolidated Judicial Retirement System (CJRS), and the Legislative Retirement System (LRS) are as set forth below:

	Teachers and State Employees	State LEOs	ORPs	CJRS	LRS
Retirement	14.36% <u>14.78%</u>	14.36% <u>14.78%</u>	6.84%	36.00% <u>36.44%</u>	29.00% <u>27.30%</u>
Disability	0.10% <u>0.09%</u>	0.10% <u>0.09%</u>	0.10% <u>0.09%</u>	0.00%	0.00%
Death	0.16%	0.16%	0.00%	0.00%	0.00%
Retiree Health	6.82% <u>6.68%</u>	6.82% <u>6.68%</u>	6.82% <u>6.68%</u>	6.82% <u>6.68%</u>	6.82% <u>6.68%</u>
NC 401(k)	0.00%	5.00%	0.00%	0.00%	0.00%

Total Contribution

Rate ~~21.44%~~21.71% ~~26.44%~~26.71% ~~13.76%~~13.61% ~~42.82%~~43.12% ~~35.82%~~33.98%

...."

SECTION 1.(b) If House Bill 1136, 2020 Regular Session, becomes law, then subsection (a) of this section is repealed.

SECTION 1.(c) If House Bill 1136, 2020 Regular Session, becomes law, then Section 3.15(c) of S.L. 2019-209, as amended by Section 2(a) of House Bill 1136, 2020 Regular Session, reads as rewritten:

"SECTION 3.15.(c) Effective July 1, 2020, the State's employer contribution rates budgeted for retirement and related benefits as a percentage of covered salaries for the 2020-2021 fiscal year for teachers and State employees, State law enforcement officers (LEOs), the University and Community Colleges Optional Retirement Programs (ORPs), the Consolidated Judicial Retirement System (CJRS), and the Legislative Retirement System (LRS) are as set forth below:

	Teachers and State Employees	State LEOs	ORPs	CJRS	LRS
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	Employees									
1										
2	Retirement	14.36%	14.78%	14.36%	14.78%	6.84%	36.00%	36.44%	29.00%	27.30%
3	Disability	0.10%	0.09%	0.10%	0.09%	0.10%	0.09%	0.00%		0.00%
4	Death	0.13%		0.13%		0.00%	0.00%	0.00%		0.00%
5	Retiree Health	6.82%	6.68%	6.82%	6.68%	6.82%	6.68%	6.82%	6.68%	6.82%
6	NC 401(k)	0.00%		5.00%		0.00%	0.00%	0.00%		0.00%
7										
8	Total Contribution									
9	Rate	21.41%	21.68%	26.41%	26.68%	13.76%	13.61%	42.82%	43.12%	35.82%
10										33.98%

10"

11 **SECTION 1.(d)** Section 3.15(e) of S.L. 2019-209 reads as rewritten:

12 "SECTION 3.15.(e) Effective July 1, 2020, the maximum annual employer contributions,
 13 payable monthly, by the State for each covered employee or retiree for the 2020-2021 fiscal year
 14 to the State Health Plan for Teachers and State Employees are (i) for Medicare-eligible
 15 employees and retirees, five thousand ~~one hundred sixty five dollars (\$5,165)~~ sixty-one dollars
 16 (\$5,061) and (ii) for non-Medicare-eligible employees and retirees, six thousand ~~six hundred~~
 17 ~~forty seven dollars (\$6,647)~~ five hundred twelve dollars (\$6,512)."

18 **SECTION 2.** No later than August 15, 2020, the Office of State Budget and
 19 Management shall adjust the appropriations for State retirement and State Health Plan
 20 contributions of all applicable agencies, departments, or institutions to reflect the changes
 21 implemented in Section 1 of this act, representing a decrease in General Fund net appropriations
 22 totaling five million forty-eight thousand seven hundred ten dollars (\$5,048,710) in recurring
 23 funds for the 2020-2021 fiscal year.

24 **SECTION 3.** From the funds made available pursuant to Section 1 and Section 2 of
 25 this act, there is appropriated from the General Fund the sum of five million forty-eight thousand
 26 seven hundred ten dollars (\$5,048,710) in recurring funds for the 2020-2021 fiscal year for the
 27 purpose of meeting the State's General Fund debt service obligations. It is the intent of the
 28 General Assembly to restore employer contribution rates for Retiree Health and to the State
 29 Health Plan to the amounts in S.L. 2019-209, as originally enacted on August 3, 2019, in the
 30 event the federal government provides additional relief funds or additional flexibility on existing
 31 relief funds that can be used to support the General Fund.

32 **SECTION 4.(a)** Departmental receipts, as defined in G.S. 143C-1-1, are
 33 appropriated for the 2020-2021 fiscal year up to the amounts needed to implement the provisions
 34 in this act for the 2020-2021 fiscal year.

35 **SECTION 4.(b)** The provisions of the State Budget Act, Chapter 143C of the
 36 General Statutes, are reenacted and shall remain in full force and effect and are incorporated in
 37 this act by reference.

38 **SECTION 4.(c)** Except where expressly repealed or amended by this act, the
 39 provisions of any other legislation enacted during the 2019 Regular Session of the General
 40 Assembly expressly appropriating funds to an agency, a department, or an institution covered
 41 under this act shall remain in effect.

42 **SECTION 5.** This act becomes effective July 1, 2020.