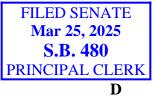
GENERAL ASSEMBLY OF NORTH CAROLINA SESSION 2025



S

SENATE BILL DRS45248-LR-113D

| | e: N | | Family Leave Insurance Act. | (Public) |
|--------------|------------|-----------|---------------------------------------------------------------|-------------------------|
| Sponsors: | Se | enators | Batch, Meyer, and Chitlik (Primary Sponsors). | |
| Referred to | 0: | | | |
| | | | A BILL TO BE ENTITLED | |
| | ΓΟ ΕΝ | | THE NORTH CAROLINA PAID FAMILY LEAVE I | NSURANCE ACT |
| | | | of North Carolina enacts: | NJORANCE ACT. |
| | | • | 1. Effective January 1, 2026, the General Statutes are | amended by adding |
| a new Cha | | | En Enteenve sundary 1, 2020, the General Statutes are | unicided by adding |
| | | reau. | "Chapter 96A. | |
| | | | "Paid Family Leave Insurance Act. | |
| "8 96A-1. | Short | t title: | definitions. | |
| (a) | | | r shall be known and may be cited as the "North Ca | arolina Paid Family |
| Leave Insu | | - | | |
| <u>(b)</u> | | | ng definitions apply in this Chapter: | |
| <u>, - /</u> | (1) | | ication year. – The 12-month period beginning on | the first day of the |
| | <u> </u> | | ndar week in which an individual files an applicat | |
| | | | cal leave insurance benefits. | <u>,</u> |
| | (2) | - | stant Secretary. – The Assistant Secretary of the Divis | ion of Employment |
| | <u></u> | Secu | • | <u> </u> |
| | (3) | | ered individual. – Any person who does all of the foll | owing: |
| | <u></u> | a. | Meets the monetary eligibility criteria set forth in | |
| | | | is self-employed, elects coverage, and meets the | |
| | | | G.S. 96A-13. | * |
| | | <u>b.</u> | Meets the administrative requirements outlined in | this Chapter and in |
| | | | the rules adopted under this Chapter. | * |
| | | <u>c.</u> | Submits an application. | |
| | <u>(4)</u> | Cove | ered service member. – Either: | |
| | | <u>a.</u> | A member of the Armed Forces, including a mem | ber of the National |
| | | | Guard or Reserves, who is (i) undergoing | medical treatment, |
| | | | recuperation, or therapy, (ii) otherwise in outpatie | ent status, or (iii) is |
| | | | otherwise on the temporary disability retired list for | |
| | | | illness that was incurred by the member in the lin | e of duty on active |
| | | | duty in the Armed Forces or a serious injury or | illness that existed |
| | | | before the beginning of the member's active duty | and was aggravated |
| | | | by service in the line of duty on active duty in the | Armed Forces; or |
| | | <u>b.</u> | A former member of the Armed Forces, including | |
| | | | the National Guard or Reserves, who is undergoing | |
| | | | recuperation, or therapy for a serious injury or illne | ss that was incurred |
| | | | by the member in the line of duty on active duty in | |



| | General Assemb | ly Of North Carolina | Session 2025 |
|----------|----------------|----------------------------------------------------|-----------------------------------------|
| 1 | | or a serious injury or illness that | t existed before the beginning of the |
| 2 | | ••• | gravated by service in the line of duty |
| 3 | | on active duty in the Armed Force | es and manifested before or after the |
| 4 | | member was discharged or releas | sed from service. |
| 5 | <u>(5)</u> | Division The Division of Employm | nent Security of the Department of |
| 6 | | Commerce. | |
| 7 | <u>(6)</u> | Employee Any individual employed b | y an employer. |
| 8 | <u>(7)</u> | Employer. – Any person acting directly | y or indirectly in the interest of an |
| 9 | | employer in relation to an employee. A | s used in this subdivision, "person" |
| 10 | | means an individual, partnership, asso | ciation, corporation, business trust, |
| 11 | | legal representative, or any organized gi | |
| 12 | | this Chapter, it also means the State of No | • • |
| 13 | | municipality, or any State or local agend | |
| 14 | | The term does not include the governmen | |
| 15 | | of the United States (including the United States) | ted States Postal Service and Postal |
| 16 | | Rate Commission). | |
| 17 | <u>(8)</u> | Family and medical leave insurance ben | efits. – The benefits provided under |
| 18 | | the terms of this Chapter. | |
| 19 | <u>(9)</u> | Family member. – Any of the following: | - |
| 20 | | | adopted, or foster child, stepchild, or |
| 21 | | | bartner, a child to whom the employee |
| 22 | | | son to whom the employee stood in |
| 23 | | loco parentis when the person wa | |
| 24 25 | | | parent, stepparent, or legal guardian |
| 25 26 | | | e's spouse or domestic partner or a |
| 20 27 | | - | rentis when the employee or the |
| 27 | | employee's spouse or domestic parts | is legally married under the laws of |
| 28 29 | | | f an employee as registered under the |
| 29 30 | | laws of any state or political subc | · · · |
| 31 | | | ibling (whether a biological, foster, |
| 32 | | • • • | of the employee or the employee's |
| 33 | | spouse or domestic partner. | or the employee of the employees |
| 34 | | | lood or whose close association with |
| 35 | | the employee is the equivalent of | |
| 36 | <u>(10)</u> | Health care provider. – Any person licer | |
| 37 | | law to provide medical or emergency se | |
| 38 | | doctors, nurses and emergency room per | - |
| 39 | <u>(11)</u> | Next of kin. – As defined in section 101(| |
| 40 | <u>-</u> | Act, 29 U.S.C. § 2611(17). | |
| 41 | (12) | Qualifying exigency leave. – Leave base | ed on a need arising out of a covered |
| 42 | | individual's family member's active dut | - |
| 43 | | call or order to active duty in the Armed | Forces, including, but not limited to, |
| 44 | | providing for the care or other needs of | the military member's child or other |
| 45 | | family member, making financial or l | egal arrangements for the military |
| 46 | | member, attending counseling, attendi | |
| 47 | | spending time with the military member | |
| 48 | | or following return from deployment, or | making arrangements following the |
| 49 | | death of the military member. | |
| 50 | <u>(13)</u> | Retaliatory personnel action Denial | |
| 51 | | Chapter, including, but not limited to, | , any threat, discharge, suspension, |

| General Assemb | ly Of North Carolina | Session 2025 |
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| | demotion, reduction of hours, any other adverse action | against an employee |
| | for the exercise of any right guaranteed herein, or report | ting or threatening to |
| | report an employee's suspected citizenship or immig | |
| | suspected citizenship or immigration status of a fan | - |
| | employee to a federal, State, or local agency. Retaliator | |
| | shall also include interference with or punishment | |
| | participating in or assisting an investigation, proceeding, | or hearing under this |
| | Chapter. | |
| <u>(14)</u> | Serious health condition An illness, injury, imp | |
| | recovery from childbirth, or physical or mental con | |
| | inpatient care in a hospital, hospice, or residential med | lical care facility, or |
| | continuing treatment by a health care provider. | |
| <u>(15)</u> | State average weekly wage The average weekly insure | ed wage as defined in |
| | <u>G.S. 96-1(b)(2).</u> | |
| | <u>ility for benefits.</u> | |
| | nuary 1, 2027, family and medical leave insurance benef | its are payable to an |
| individual who: | | |
| <u>(1)</u> | Meets the definition of "covered individual" as defined | by G.S. 96A-1(b)(3); |
| | and | |
| <u>(2)</u> | Meets one of the following requirements: | |
| | <u>a.</u> <u>Because of birth, adoption, or placement through</u> | |
| | for a new child within 12 months of the anticipat | • |
| | placement of that child, or has a need to be abse | |
| | an actual placement of a child in order for an ac | loption or foster care |
| | to proceed. | |
| | b. Is caring for a family member with a serious heat | th condition. |
| | c. <u>Has a serious health condition.</u> | |
| | d. Is caring for a covered service member who is the | e covered individual's |
| | next of kin or other family member. | |
| | e. <u>Because of any "qualifying exigency leave" arising</u> | - |
| | the family member of the covered individual is o | |
| | been notified of an impending call or order to | active duty) in the |
| | Armed Forces. | |
| " <u>§ 96A-3. Durat</u> | | |
| | aximum number of weeks during which family and med | |
| | ble under G.S. 96A-2(2)c. in an application year is 18 wee | |
| | aximum number of weeks during which family and mee | |
| | ble under G.S. 96A-2(2)a., (2)b., or (2)e. in an application | |
| | aximum number of weeks during which family and med | |
| | ble under G.S. 96A-2(2)d. in an application year is 26 wee | |
| | rst payment of benefits must be made to an individual wi | |
| | and subsequent payments must be made every two weeks | s thereafter. |
| " <u>§ 96A-4. Amou</u> | | 11 1 1 / 1 1 |
| | mount of family and medical leave insurance benefits sh | all be determined as |
| follows: | | |
| <u>(1)</u> | The weekly benefit shall be determined as follows: (i | |
| | covered individual's average weekly wage that is equa | |
| | hundred percent (100%) of the State average weekly wa | |
| | at a rate of ninety percent (90%) and (ii) the portion | |
| | self-employed individual's average weekly wage that | t is more than one |

| | General Assem | oly Of North Carolina | Session 2025 |
|----------|------------------------|----------------------------------------------------|------------------------------------|
| 1 | | hundred percent (100%) of the State average | weekly wage shall be replaced |
| 2 | | at a rate of fifty percent (50%). | • • • |
| 3 | (2) | The maximum benefit shall be one hundred p | percent (100%) of the statewide |
| 4 | | average weekly wage. | |
| 5 | (3) | The minimum weekly benefit shall not be | less than one hundred dollars |
| 6 | | (\$100.00) per week except that if the cover | |
| 7 | | wage is less than one hundred dollars (\$100.0 | 0) per week, the weekly benefit |
| 8 | | shall be the employee's full wage. | |
| 9 | <u>(4)</u> | For purposes of this section, a covered individ | ual's average weekly wage shall |
| 10 | | be the average weekly wage during the 12 m | |
| 11 | | the application (or the average weekly wag | e during the time the covered |
| 12 | | individual worked, if it was less than 12 mont | :hs). |
| 13 | (b) A cov | vered individual with multiple jobs may elect wh | ether to take leave from one job |
| 14 | or multiple jobs. | | - |
| 15 | (c) Fami | y and medical leave insurance benefits pursua | ant to G.S. 96A-2(2)c. shall be |
| 16 | reduced by the a | mount of benefits that a covered individual real | ceived under G.S. 96-6. During |
| 17 | any period of le | ave pursuant to G.S. 96A-2(2)c., family and m | nedical leave insurance benefits |
| 18 | shall be reduced | by the amount of benefits or wage replacement th | nat a covered individual receives |
| 19 | under the Worke | ers' Compensation Law of this State, other than | for partial disability under the |
| 20 | State Workers' | Compensation Law, or under other State or fe | ederal temporary or permanent |
| 21 | disability benefit | ts law. The Assistant Secretary shall adopt reg | ulations to establish additional |
| 22 | requirements con | ncerning the coordination of family and medica | al leave insurance benefits with |
| 23 | workers' comper | sation benefits for partial disability under the V | Workers' Compensation Law of |
| 24 | this State. | | |
| 25 | " <u>§ 96A-5. Cont</u> | ributions. | |
| 26 | (a) Payro | Il contributions shall be authorized in order to | finance the payment of benefits |
| 27 | under the family | and medical leave insurance program. | |
| 28 | | ning on January 1, 2026, for each employee, an | 1 · · · |
| 29 | | lical Leave Fund (Fund), established under G. | |
| 30 | form and manne | r determined by the Division. Annually, not late | er than October 1, the Assistant |
| 31 | | x the contribution rate for the coming calendar | • |
| 32 | | For calendar years 2026 and 2027, the Assistant | • |
| 33 | - | principles. For calendar year 2028 and thereafter | er, the Assistant Secretary shall |
| 34 | first certify and p | bublish the following information: | |
| 35 | <u>(1)</u> | The total amount of family and medical leave | e insurance benefits paid by the |
| 36 | | Division during the previous fiscal year; | |
| 37 | <u>(2)</u> | The total amount remaining in the Fund at the | - |
| 38 | <u>(3)</u> | The total amount equal to one hundred forty | • • • • • |
| 39 | | fiscal year's expenditure for family and medic | • · · · |
| 40 | | and for the administration of the family and m | |
| 41 | <u>(4)</u> | The amount by which the total amount remain | |
| 42 | | the previous fiscal year is less than or greater | • • |
| 43 | | (140%) of the previous fiscal year's expenditu | • |
| 44 | | insurance benefits paid and for the administra | ation of the family and medical |
| 45 | | leave insurance program; and | |
| 46 | <u>(5)</u> | The amount by which the contribution rate sha | |
| 47 | | Fund shall maintain or achieve an annualize | |
| 48 | | hundred forty percent (140%) of the previou | • • |
| 49 50 | | family and medical leave insurance benefits pa | |
| 50 | | the family and medical leave insurance p | |
| 51 | | adjustment, if any, made as the result of the A | ssistant Secretary's certification |

| | General Assembly Of North CarolinaSession 2025 |
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| 1 | and report under this subsection shall supersede the rate previously set forth |
| 2 | and shall become effective on January 1 of the following calendar year. |
| 3 | (c) <u>A self-employed individual who is electing coverage under G.S. 96A-13 shall be</u> |
| 4 | responsible for the employee's share of contributions set forth in subsection (b) of this section on |
| 5 | that individual's income from self-employment. |
| 6 | (d) An employer shall not deduct more than fifty percent (50%) of the contribution |
| 7 | required for an employee by subsection (b) of this section from that employee's wages and shall |
| 3 | remit the full contribution required under said subsection to the Fund. |
|) | "§ 96A-6. Reduced leave schedule. |
|) | (a) A covered individual shall be entitled, at the option of the covered individual, to take |
| | paid family and medical leave on an intermittent or reduced leave schedule in which all of the |
| r | leave authorized under this Chapter is not taken sequentially. Family and medical leave insurance |
| | benefits for intermittent or reduced leave schedules shall be prorated. |
| | (b) The covered individual shall make a reasonable effort to schedule paid family and |
| | medical leave under this section so as not to unduly disrupt the operations of the employer. The |
| | covered individual shall provide the employer with prior notice of the schedule on which the |
| | covered individual will take the leave, to the extent practicable. Paid family and medical leave |
| | taken under this section shall not result in a reduction of the total amount of leave to which an |
| | employee is entitled beyond the amount of leave actually taken. |
| | (c) Nothing in this section shall be construed to entitle a covered individual to more leave |
| | than required under G.S. 96A-3. |
| | "§ 96A-7. Leave and employment protection. |
| | (a) <u>Any covered individual who exercises his or her right to family and medical leave</u> |
| | insurance benefits shall, upon the expiration of that leave, be entitled to be restored by the |
| | employer to the position held by the covered individual when the leave commenced, or to a |
| | position with equivalent seniority, status, employment benefits, pay, and other terms and |
| | conditions of employment, including fringe benefits and service credits that the covered |
| | individual had been entitled to at the commencement of leave. |
| | (b) During any leave taken pursuant to G.S. 96A-2, the employer shall maintain any |
| | health care benefits the covered individual had prior to taking such leave for the duration of the |
| | leave as if the covered individual had continued in employment continuously from the date he or |
| | she commenced the leave until the date the family and medical leave insurance benefits |
| | terminate; provided, however, that the covered individual shall continue to pay the covered |
| | individual's share of the cost of health benefits as required prior to the commencement of the |
| | leave. |
| | (c) Any employer who violates this section or G.S. 96A-8 shall be liable to any eligible |
| | employee affected as follows: |
| | (1) For damages equal to the amount of (i) any wages, salary, employment |
| | benefits, or other compensation denied or lost to such employee by reason of |
| | the violation, (ii) in a case in which wages, salary, employment benefits, or |
| | other compensation have not been denied or lost to the employee, any actual |
| | monetary losses sustained by the employee as a direct result of the violation, |
| | such as the cost of providing care, up to a sum equal to 12 weeks of wages or |
| | salary for the employee, (iii) the interest on the amount described in clause (i) |
| | of this subdivision calculated at the prevailing rate, and (iv) an additional |
| | amount as liquidated damages equal to the sum of the amount described in |
| | clause (i) of this subdivision and the interest described in clause (ii) of this |
| | subdivision, except that if an employer who has violated this section or |
| | G.S. 96A-8 proves to the satisfaction of the court that the act or omission |
|) | which violated the section was in good faith and that the employer had |
| l | reasonable grounds for believing that the act or omission was not a violation, |

| | General Assembly Of North Carolina Sessi | on 2025 |
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| 1 | the court may, in the discretion of the court, reduce the amount of the | <u>liability</u> |
| 2 | to the amount and interest determined under clauses (i) and (ii) | of this |
| 3 | subdivision, respectively. | |
| 4 | (2) For such equitable relief as may be appropriate, including empl | oyment, |
| 5 | reinstatement, and promotion. | |
| 6 | (d) An action to recover the damages or equitable relief prescribed in subsection | |
| 7 | this section may be maintained against any employer (including a public agency) in any | |
| 8 9 | or State court of competent jurisdiction by any one or more employees for and on beha employees or the employees and other employees similarly situated. | lf of the |
| 10 | (e) The court in such an action shall, in addition to any judgment awarded to the p | olaintiff, |
| 11 | allow a reasonable attorney's fee, reasonable expert witness fees, and other costs of the a | action to |
| 12 | be paid by the defendant. | |
| 13 | (f) Except as provided by subsection (g) of this section, an action may be brough | ht under |
| 14 | this section not later than two years after the date of the last event constituting the | alleged |
| 15 | violation for which the action is brought. | |
| 16 | (g) In the case of an action brought for a willful violation of this section or G.S. | <u>. 96A-8,</u> |
| 17 | the action may be brought within three years of the date of the last event constituting the | alleged |
| 18 | violation for which such action is brought. | |
| 19 | " <u>§ 96A-8. Retaliatory personnel actions prohibited.</u> | |
| 20 | (a) It shall be unlawful for an employer or any other person to interfere with, | restrain, |
| 21 | deny the exercise of, or the attempt to exercise any right protected under this Chapter. | |
| 22 | (b) <u>An employer, temporary help company, employment agency, employee organ</u> | |
| 23 | or other person shall not take retaliatory personnel action or otherwise discriminate a | |
| 24 | person because he or she exercised rights protected under this Chapter. Such rights incl | |
| 25 | are not limited to, the right to request, file for, apply for, or use benefits provided for un | |
| 26 | Chapter; to take leave from work under this Chapter; communicate to the employer or a | |
| 27 | person or entity an intent to file a claim, a complaint with the Division or courts, or an ap | |
| 28 29 | has testified or is about to testify or has assisted in any investigation, hearing, or proceeding this Chapter at any time including during the period in which the person receives for | - |
| 29 30 | this Chapter, at any time, including during the period in which the person receives fan medical leave insurance benefits under this Chapter; inform any person about any em | |
| 31 | alleged violation of this Chapter; and the right to inform any person of his or her rights under | |
| 32 | Chapter. | |
| 33 | (c) It shall be unlawful for an employer's absence control policy to count paid far | nilv and |
| 34 | medical leave taken under this Chapter as an absence that may lead to or result in dis | - |
| 35 | discharge, demotion, suspension, or any other adverse action. | <u>, , , , , , , , , , , , , , , , , , , </u> |
| 36 | (d) Protections of this section shall apply to any person who mistakenly, but in go | od faith. |
| 37 | alleges violations of this Chapter. | <u> </u> |
| 38 | (e) This section shall be enforced as provided in subsections (c) through | (g) of |
| 39 | G.S. 96A-7. | |
| 40 | "§ 96A-9. Coordination of benefits. | |
| 41 | (a) Leave taken with wage replacement under this Chapter that also qualifies | as leave |
| 42 | under the Family and Medical Leave Act shall run concurrently with leave taken un | nder the |
| 43 | Family and Medical Leave Act. | |
| 44 | (b) An employer may require that payment made pursuant to this Chapter b | e made |
| 45 | concurrently or otherwise coordinated with payment made or leave allowed under the t | |
| 46 | disability or family care leave under a collective bargaining agreement or employer pol- | icy. The |
| 47 | employer must give employees written notice of this requirement. | |
| 48 | (c) <u>This Chapter does not diminish an employer's obligation to comply with an</u> | y of the |
| 49 50 | following that provide more generous leave: | |
| 50 | (1) <u>A collective bargaining agreement;</u> | |
| 51 | (2) <u>An employer policy; or</u> | |

| | General Assembly Of North Carolina | Session 2025 |
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| 1 | (3) Any law. | |
| 2 | (d) An individual's right to leave under this Chapter may not be dimi | nished by a collective |
| 3 | bargaining agreement entered into or renewed, or an employer policy adoption | - |
| 4 | the effective date of this Chapter. Any agreement by an individual to waive | his or her rights under |
| 5 | this Chapter is void as against public policy. | - |
| 6 | (e) Notwithstanding this subsection, under no circumstances sh | <u>nall an employee be</u> |
| 7 | required to use or exhaust any accrued vacation leave, sick leave, or other | paid time off prior to |
| 8 | or while receiving family and medical leave insurance under this Cl | hapter. However, an |
| 9 | individual may choose to use any accrued vacation leave, sick leave, or oth | er paid time off while |
| 10 | receiving family or medical leave insurance benefits under this Chapter, | unless the aggregate |
| 11 | amount a covered individual would receive would exceed the covered | individual's average |
| 12 | weekly earnings. Nothing in this subsection requires an employee to rece | eive or use additional |
| 13 | paid time off as described in this section. | |
| 14 | " <u>§ 96A-10. Notice.</u> | |
| 15 | (a) Each employer shall provide written notice to each employ | |
| 16 | annually thereafter. An employer shall also provide written notice to an | ± • |
| 17 | employee requests leave under this Chapter or when the employer acquir | |
| 18 | employee's leave may be for a qualifying reason under G.S. 96A-2. Such n | |
| 19 | the employee's right to family and medical leave insurance benefits under | |
| 20 | terms under which it may be used, (ii) the amount of family and medical lea | |
| 21 | (iii) the procedure for filing a claim for benefits, (iv) the right to job pr | |
| 22 | continuation under G.S. 96A-7, (v) that discrimination and retaliatory pers | |
| 23 | a person for requesting, applying for, or using family and medical leave | |
| 24 | prohibited under G.S. 96A-8, and (vi) that the employee has a right to | |
| 25 26 | violations of this Chapter. An employer shall also display and maintain a po | |
| 26 27 | place accessible to employees at the employer's place of business that com | |
| 27 | required by this section in English, Spanish, and any language that is the physical section (50%) of the amployer's workforce, provided that | |
| 28 29 | by at least five percent (5%) of the employer's workforce, provided that provided by the Division. The Assistant Secretary may adopt regulations t | |
| 29 30 | requirements concerning the means by which employers shall provide such | |
| 31 | (b) Employees shall provide notice to their employers as soon as | |
| 32 | intention to take leave under this Chapter. | <u>s practicable of their</u> |
| 33 | "§ 96A-11. Enforcement. | |
| 34 | (a) The Assistant Secretary shall establish a system for appeals in t | the case of a denial of |
| 35 | family and medical leave insurance benefits. In establishing such system, the | |
| 36 | may utilize any and all procedures and appeals mechanisms established un | |
| 37 | (b) Judicial review of any decision with respect to family and me | |
| 38 | benefits shall be permitted in a court of competent jurisdiction after a par | |
| 39 | has exhausted all administrative remedies established by the Assistant Sec | |
| 40 | (c) The Assistant Secretary shall implement procedures to ensure | |
| 41 | information related to any claims filed or appeals taken to the maximum | |
| 42 | applicable laws. | <u> </u> |
| 43 | "§ 96A-12. Erroneous payments and disqualification for benefits. | |
| 44 | (a) <u>A covered individual is disqualified from family and medical lea</u> | ave insurance benefits |
| 45 | for one year if the individual is determined by the Assistant Secretary to h | nave willfully made a |
| 46 | false statement or misrepresentation regarding a material fact or willful | lly failed to report a |
| 47 | material fact to obtain benefits under this Chapter. | |
| 48 | (b) If family and medical leave insurance benefits are paid erroned | |
| 49 | willful misrepresentation, or if a claim for family and medical leave insuran | |
| 50 | after benefits are paid, the Division may seek repayment of benefits fro | om the recipient. The |

General Assembly Of North Carolina Session 2025 1 Assistant Secretary shall exercise his or her discretion to waive, in whole or in part, the amount 2 of any such payments where the recovery would be against equity and good conscience. 3 "§ 96A-13. Elective coverage. A self-employed person, including a sole proprietor, partner, or joint venturer, may 4 (a) 5 elect coverage under this Chapter for an initial period of not less than three years. The 6 self-employed person must file a notice of election in writing with the Assistant Secretary as 7 required by the Division. The election becomes effective on the date of filing the notice. As a 8 condition of election, the self-employed person must agree to supply any information concerning 9 income that the Division deems necessary. 10 A self-employed person who has elected coverage may withdraw from coverage (b) within 30 days after the end of the three-year period of coverage, or at such other times as the 11 12 Assistant Secretary may prescribe by rule, by filing written notice with the Assistant Secretary, such withdrawal to take effect not sooner than 30 days after filing the notice. 13 14 **"§ 96A-14. Family and medical leave insurance program.** The Division shall establish and administer a family and medical leave insurance 15 (a) program and begin collecting contributions as specified in this Chapter. By January 1, 2027, the 16 17 Division shall start receiving claims from and paying family and medical leave insurance benefits 18 to covered individuals. 19 The Division shall establish reasonable procedures and forms for filing claims for (b) 20 benefits under this Chapter and shall specify what supporting documentation is necessary to 21 support a claim for benefits, including any documentation required from a health care provider 22 for proof of a serious health condition. 23 The Division shall notify the employer within five business days of a claim being (c) 24 filed pursuant to this Chapter. 25 The Division shall use information sharing and integration technology to facilitate the (d) 26 disclosure of relevant information or records, so long as an individual consents to the disclosure 27 as required under State law. 28 Information contained in the files and records pertaining to an individual under this (e) 29 Chapter are confidential and not open to public inspection other than to public employees in the 30 performance of their official duties. However, the individual or an authorized representative of 31 an individual may review the records or receive specific information from the records upon the 32 presentation of the individual's signed authorization. 33 The Department of Commerce shall adopt rules as necessary to implement this (f) 34 Chapter. 35 "§ 96A-15. Federal income tax. 36 If the Internal Revenue Service determines that family and medical leave insurance benefits 37 under this Chapter are subject to federal income tax, the Division must advise an individual filing 38 a new claim for family and medical leave insurance benefits, at the time of filing such claim, that 39 the Internal Revenue Service has determined that benefits are subject to federal income tax and 40 that requirements exist pertaining to estimated tax payments. "§ 96A-16. Family and medical leave insurance account fund; establishment and 41 42 investment. 43 The Paid Family and Medical Leave Fund (Fund) is created in the custody of the (a) 44 Division. Expenditures from the Fund may be used only for the purposes of the family and 45 medical leave insurance benefits program. Only the Assistant Secretary of the Division or the 46 Assistant Secretary's designee may authorize expenditures from the Fund. 47 Whenever, in the judgment of the Division, there shall be in the Fund an amount of (b) 48 funds in excess of that amount deemed by the Division to be sufficient to meet the current 49 expenditures properly payable therefrom, the Division shall have full power to invest, reinvest,

51 prescribed by North Carolina law.

General Assembly Of North Carolina

| 1 | " <u>§ 96A-17. Reports.</u> |
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| 2 | Beginning January 1, 2028, the Division shall report to the General Assembly by April 1 of |
| 3 | each year on projected and actual program participation by purpose listed in G.S. 96A-2, gender |
| 4 | of beneficiary, premium rates, fund balances, outreach efforts, and, for leaves taken under |
| 5 | G.S. 96A-2, family members for whom leave was taken to provide care. The reports shall be |
| 6 | made publicly available immediately following submission to the General Assembly. |
| 7 | " <u>§ 96A-18. Public education.</u> |
| 8 | The Division shall conduct a public education campaign to inform workers and employers |
| 9 | regarding the availability of family and medical leave insurance benefits. Outreach information |
| 10 | shall be available in English, Spanish, French, German, Vietnamese, Chinese, Arabic, Korean, |
| 11 | Tagalog, Hindi, Gujarati, Russian, Hmong, and other languages spoken by more than five percent |
| 12 | (5%) of the State's population. |
| 13 | " <u>§ 96A-19. Sharing technology.</u> |
| 14 | The Division is encouraged to use State data collection and technology to the extent possible |
| 15 | and to integrate the program with existing State policies. |
| 16 | " <u>§ 96A-20. Severability.</u> |
| 17 | If any provision of this Chapter or its application to any person or circumstance is held |
| 18 | invalid, the remainder of the Chapter or the application of the provision to other persons or |
| 19 | circumstances is not affected." |
| 20 | SECTION 2. All rules necessary for implementation of this act shall be adopted by |
| 21 | October 1, 2025. |
| 22 | SECTION 3. Except as otherwise provided, this act is effective when it becomes |
| 72 | low |

23 law.