

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2025

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SENATE BILL DRS35212-TCa-2

Short Title: Wellness Break Act.

(Public)

Sponsors: Senators Theodros and Chitlik (Primary Sponsors).

Referred to:

1 A BILL TO BE ENTITLED  
2 AN ACT TO ESTABLISH A SABBATICAL PROGRAM FOR LONG-TERM EMPLOYEES  
3 IN NORTH CAROLINA, PROMOTING HEALTH, REJUVENATION, AND PERSONAL  
4 WELL-BEING.

5 The General Assembly of North Carolina enacts:

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7 **PART I. PUBLIC EMPLOYEE SABBATICAL LEAVE**

8 **SECTION 1.(a)** Article 2 of Chapter 126 of the General Statutes is amended by  
9 adding a new section to read:

10 "**§ 126-8.7. Paid sabbatical leave.**

11 (a) Definitions. – The following definitions apply in this section:

12 (1) Long-term employee. – A career State employee who has been continuously  
13 employed in the same position for the immediate three years.

14 (2) Sabbatical leave. – A period of paid leave for health improvement,  
15 skill-building, and personal enrichment of between four to six weeks.

16 (b) Sabbatical Leave. – The State Human Resources Commission shall adopt rules and  
17 policies for sabbatical leave that include at least the following requirements:

18 (1) The long-term employee shall not have been granted a sabbatical leave in the  
19 prior three years.

20 (2) The long-term employee shall submit an application to the employer for  
21 sabbatical leave that outlines the intended use of their sabbatical leave,  
22 including a focus on health, wellness, personal development, or skill  
23 enhancement.

24 (3) The long-term employee shall agree to return to the same position at the end  
25 of the sabbatical leave for a period of one year.

26 (4) The employer shall grant the requested sabbatical leave unless the employer  
27 determines that the grant would prevent the employer from providing essential  
28 services.

29 (5) The employer shall continue to provide the employee benefits and an amount  
30 equal to seventy percent (70%) of the employee's salary during the sabbatical  
31 leave.

32 (6) The employer shall allow the employee to return to the same position at the  
33 end of the sabbatical leave.

34 (7) The employer shall not penalize or discriminate against a long-term employee  
35 that takes a sabbatical leave.

36 (c) Requirements. – The sabbatical leave authorized by this section:



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- 1           (1) Is available without exhaustion of the employee's sick and vacation leave and  
2           is awarded in addition to any other leave authorized by State or federal law.  
3           (2) Has no cash value upon termination from employment.  
4           (3) May not be used for calculating an employee's retirement benefits.

5           (d) A long-term employee that fails to return to the same position or remain employed by  
6 the employer for one year shall be liable for repayment of one-half of the cost of all salary and  
7 benefits received during the sabbatical leave. This provision shall not apply if the failure to return  
8 is due to the death or permanent disability of the employee.

9           (e) Notwithstanding any other provision of this Chapter, this section applies to all State  
10 employees, public school employees, and community college employees.

11           (f) All State employers, local boards of education, and local community college boards  
12 of trustees shall report information requested by the State Human Resources Commission on use  
13 of sabbatical leave, including rate of use and other measurable outcomes, including measures of  
14 employees' well-being and retention. The State Human Resources Commission shall report to  
15 the General Assembly annually by July 1 on the reported use and measurable outcomes of  
16 sabbatical leave, and any recommendations to improve program effectiveness and sustainability."

17           **SECTION 1.(b)** Article 5 of Chapter 153A of the General Statutes is amended by  
18 adding a new section to read:

19 **"§ 153A-99.2. Paid sabbatical leave.**

20           Each county shall establish a policy to provide paid sabbatical leave to its employees that  
21 includes, at a minimum, the requirements of G.S. 126-8.7. Each county shall upon request report  
22 information requested by the State Human Resources Commission on use of sabbatical leave."

23           **SECTION 1.(c)** Article 7 of Chapter 160A of the General Statutes is amended by  
24 adding a new section to read:

25 **"§ 160A-169.2. Paid sabbatical leave.**

26           Each city shall establish a policy to provide paid sabbatical leave to its employees that  
27 includes, at a minimum, the requirements of G.S. 126-8.7. Each city shall upon request report  
28 information requested by the State Human Resources Commission on use of sabbatical leave."

29           **SECTION 1.(d)** The State Human Resources Commission shall adopt rules as  
30 required by G.S. 126-8.7, as enacted by this section, no later than June 1, 2026. All State  
31 agencies, counties, and cities shall comply with the requirements of G.S. 126-8.7, 153A-99.2,  
32 and 160A-169.2, respectively, as enacted by this act, no later than July 1, 2026. The State Human  
33 Resources Commission shall submit the first report required by G.S. 126-8.7, as enacted by this  
34 act, no later than July 1, 2027.

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36 **PART II. PRIVATE SECTOR SABBATICAL LEAVE**

37           **SECTION 2.1.(a)** Article 3B of Chapter 105 of the General Statutes is amended by  
38 adding a new section to read:

39 **"§ 105-129.20. Credit for paid sabbatical leave for employees.**

40           (a) Credit. – A business that provides paid sabbatical leave for employees during the  
41 taxable year is allowed a credit to offset its costs in providing paid sabbatical leave for its eligible  
42 employees. For the purposes of this subsection, a taxpayer provides paid sabbatical leave if that  
43 leave meets at least the requirements of the model policy established by the NCWorks  
44 Commission as provided in G.S. 143B-438.14A.

45           The credit is equal to a dollar amount per eligible employee provided paid sabbatical leave  
46 by the employer of up to twenty-five percent (25%) of the salary and benefits paid to the  
47 employee during the sabbatical, not to exceed five thousand dollars (\$5,000) per employee.

48           (b) Allocation. – If the taxpayer is an individual who is a nonresident or a part-year  
49 resident, the taxpayer must reduce the amount of the credit by multiplying it by the fraction  
50 calculated under G.S. 105-153.4(b) or (c), as appropriate. If the taxpayer is not an individual and  
51 is required to apportion its multistate business income to this State, the taxpayer must reduce the

1 amount of the credit by multiplying it by the apportionment fraction used to apportion its  
2 apportionable income to this State."

3 **SECTION 2.1.(b)** This section is effective for taxes imposed for taxable years  
4 beginning on or after July 1, 2026.

5 **SECTION 2.2.(a)** Part 3B of Article 10 of Chapter 143B of the General Statutes is  
6 amended by adding a new section to read:

7 **"§ 143B-438.14A. Paid sabbatical leave.**

8 (a) Definitions. – The following definitions apply in this section:

9 (1) Long-term employee. – An employee who has been continuously employed  
10 by the same employer in the same position for the immediate three years.

11 (2) Sabbatical leave. – A period of paid leave for health improvement,  
12 skill-building, and personal enrichment of between four to six weeks.

13 (b) The NCWorks Commission shall do the following:

14 (1) Develop model policies for sabbatical leave for private sector employers, in  
15 consultation with the State Human Resources Commission, that include at a  
16 minimum the requirements of G.S. 126-8.7.

17 (2) Provide the following information to (i) all State agencies that contract or  
18 engage in public-private partnerships with non-State entities and (ii) the  
19 NCWorks Commission website for private sector employers:

20 a. Model sabbatical leave policies.

21 b. Research supporting sabbatical leave as a tool for enhanced  
22 productivity, workforce sustainability, and retention of long-term  
23 workers in private sector employment.

24 c. Identified grants, tax credits, or other funding sources that can be used  
25 to offset the cost of sabbatical leave.

26 (3) Recognize private sector employers that provide sabbatical leave as  
27 "Workforce Wellness Leaders."

28 (4) Establish and award matching grants to State businesses employing fewer than  
29 100 employees to offset the costs of sabbatical leave. Grants shall provide no  
30 greater than fifty percent (50%) of the costs of the salary and benefits provided  
31 by the employer to an employee for sabbatical leave.

32 (c) A State agency shall strongly encourage all non-State entities that the State agency  
33 contracts or partners with to implement sabbatical leave policies in accordance with the model  
34 policies developed by the NCWorks Commission.

35 (d) The NCWorks Commission shall survey private sector employers annually on use of  
36 sabbatical leave, including rate of use and other measurable outcomes, including measures of  
37 employees' well-being and retention. The NCWorks Commission shall report to the General  
38 Assembly annually by July 1 on the reported use and measurable outcomes of sabbatical leave,  
39 and any recommendations to improve program effectiveness and sustainability."

40 **SECTION 2.2.(b)** The NCWorks Commission shall develop and publish model  
41 policies no later than June 1, 2026, and shall comply with the remaining requirements established  
42 by G.S. 143B-438.14A, as enacted by this section, no later than July 1, 2026. The NCWorks  
43 Commission shall submit the first report required by G.S. 143B-438.14A, as enacted by this  
44 section, no later than July 1, 2027.

45 **PART III. APPROPRIATIONS**

46 **SECTION 3.(a)** There is appropriated from the General Fund to the Department of  
47 Administration, State Human Resources Commission, the sum of ten million dollars  
48 (\$10,000,000) in recurring funds for the 2026-2027 fiscal year to provide funds to State agencies  
49 and local governments to offset costs associated with sabbatical leave.  
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1           **SECTION 3.(b)** There is appropriated from the General Fund to the Department of  
2 Commerce the sum of ten million dollars (\$10,000,000) in recurring funds for the 2026-2027  
3 fiscal year for the NCWorks Commission to establish and provide grants to businesses in the  
4 State employing 100 or fewer employees that provide sabbatical leave in accordance with  
5 G.S. 143B-438.14A, as enacted by this act.

6           **SECTION 3.(c)** This section is effective July 1, 2026.

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8 **PART IV. EFFECTIVE DATE**

9           **SECTION 4.** Except as otherwise provided, this act is effective when it becomes  
10 law.