

FAILED



NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
Senate Bill 257

AMENDMENT NO. A17
(to be filled in by
Principal Clerk)

S257-ALRa-6 [v.9]

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Amends Title [NO]
Second Edition

Date _____, 2025

Senator Chitlik

moves to amend the bill on page 31, lines 7-8, by inserting the following between those lines:

"PAID FAMILY LEAVE INSURANCE

SECTION 5.12.(a) Effective January 1, 2026, the General Statutes are amended by adding a new Chapter to read:

"Chapter 96A.

"Paid Family Leave Insurance Act.

"§ 96A-1. Short title; definitions.

(a) This Chapter shall be known and may be cited as the "North Carolina Paid Family Leave Insurance Act."

(b) The following definitions apply in this Chapter:

(1) Application year. - The 12-month period beginning on the first day of the calendar week in which an individual files an application for family and medical leave insurance benefits.

(2) Assistant Secretary. - The Assistant Secretary of the Division of Employment Security.

(3) Covered individual. - Any person who does all of the following:

a. Meets the monetary eligibility criteria set forth in G.S. 96-14.1(b) or is self-employed, elects coverage, and meets the requirements of G.S. 96A-13.

b. Meets the administrative requirements outlined in this Chapter and in the rules adopted under this Chapter.

c. Submits an application.

(4) Covered service member. - Either:

a. A member of the Armed Forces, including a member of the National Guard or Reserves, who is (i) undergoing medical treatment, recuperation, or therapy, (ii) otherwise in outpatient status, or (iii) is otherwise on the temporary disability retired list for a serious injury or illness that was incurred by the member in the line 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



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- 1 b. A former member of the Armed Forces, including a former member of
2 the National Guard or Reserves, who is undergoing medical treatment,
3 recuperation, or therapy for a serious injury or illness that was incurred
4 by the member in the line of duty on active duty in the Armed Forces
5 or a serious injury or illness that existed before the beginning of the
6 member's active duty and was aggravated by service in the line of duty
7 on active duty in the Armed Forces and manifested before or after the
8 member was discharged or released from service.
- 9 (5) Division. – The Division of Employment Security of the Department of
10 Commerce.
- 11 (6) Employee. – Any individual employed by an employer.
- 12 (7) Employer. – Any person acting directly or indirectly in the interest of an
13 employer in relation to an employee. As used in this subdivision, "person"
14 means an individual, partnership, association, corporation, business trust,
15 legal representative, or any organized group of persons. For the purposes of
16 this Chapter, it also means the State of North Carolina, any city, town, county,
17 municipality, or any State or local agency or instrumentality of government.
18 The term does not include the government of the United States and any agency
19 of the United States (including the United States Postal Service and Postal
20 Rate Commission).
- 21 (8) Family and medical leave insurance benefits. – The benefits provided under
22 the terms of this Chapter.
- 23 (9) Family member. – Any of the following:
- 24 a. Regardless of age, a biological, adopted, or foster child, stepchild, or
25 legal ward, a child of a domestic partner, a child to whom the employee
26 stands in loco parentis, or a person to whom the employee stood in
27 loco parentis when the person was a minor.
- 28 b. A biological, adoptive, or foster parent, stepparent, or legal guardian
29 of an employee or an employee's spouse or domestic partner or a
30 person who stood in loco parentis when the employee or the
31 employee's spouse or domestic partner was a minor.
- 32 c. A person to whom the employee is legally married under the laws of
33 any state or a domestic partner of an employee as registered under the
34 laws of any state or political subdivision.
- 35 d. A grandparent, grandchild, or sibling (whether a biological, foster,
36 adoptive, or step relationship) of the employee or the employee's
37 spouse or domestic partner.
- 38 e. Any other individual related by blood or whose close association with
39 the employee is the equivalent of a family relationship.
- 40 (10) Health care provider. – Any person licensed under federal or North Carolina
41 law to provide medical or emergency services, including, but not limited to,
42 doctors, nurses and emergency room personnel, or certified midwives.

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- 1 (11) Next of kin. – As defined in section 101(17) of the Family and Medical Leave
2 Act, 29 U.S.C. § 2611(17).
- 3 (12) Qualifying exigency leave. – Leave based on a need arising out of a covered
4 individual's family member's active duty service or notice of an impending
5 call or order to active duty in the Armed Forces, including, but not limited to,
6 providing for the care or other needs of the military member's child or other
7 family member, making financial or legal arrangements for the military
8 member, attending counseling, attending military events or ceremonies,
9 spending time with the military member during a rest and recuperation leave
10 or following return from deployment, or making arrangements following the
11 death of the military member.
- 12 (13) Retaliatory personnel action. – Denial of any right guaranteed under this
13 Chapter, including, but not limited to, any threat, discharge, suspension,
14 demotion, reduction of hours, any other adverse action against an employee
15 for the exercise of any right guaranteed herein, or reporting or threatening to
16 report an employee's suspected citizenship or immigration status or the
17 suspected citizenship or immigration status of a family member of the
18 employee to a federal, State, or local agency. Retaliatory personnel actions
19 shall also include interference with or punishment for in any manner
20 participating in or assisting an investigation, proceeding, or hearing under this
21 Chapter.
- 22 (14) Serious health condition. – An illness, injury, impairment, pregnancy,
23 recovery from childbirth, or physical or mental condition that involves
24 inpatient care in a hospital, hospice, or residential medical care facility, or
25 continuing treatment by a health care provider.
- 26 (15) State average weekly wage. – The average weekly insured wage as defined in
27 G.S. 96-1(b)(2).

28 **"§ 96A-2. Eligibility for benefits.**

29 Beginning January 1, 2027, family and medical leave insurance benefits are payable to an
30 individual who:

- 31 (1) Meets the definition of "covered individual" as defined by G.S. 96A-1(b)(3);
32 and
- 33 (2) Meets one of the following requirements:
- 34 a. Because of birth, adoption, or placement through foster care, is caring
35 for a new child within 12 months of the anticipated birth, adoption, or
36 placement of that child, or has a need to be absent from work before
37 an actual placement of a child in order for an adoption or foster care
38 to proceed.
- 39 b. Is caring for a family member with a serious health condition.
- 40 c. Has a serious health condition.
- 41 d. Is caring for a covered service member who is the covered individual's
42 next of kin or other family member.

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1 e. Because of any "qualifying exigency leave" arising out of the fact that
2 the family member of the covered individual is on active duty (or has
3 been notified of an impending call or order to active duty) in the
4 Armed Forces.

5 **"§ 96A-3. Duration of benefits.**

6 (a) The maximum number of weeks during which family and medical leave insurance
7 benefits are payable under G.S. 96A-2(2)c. in an application year is 18 weeks.

8 (b) The maximum number of weeks during which family and medical leave insurance
9 benefits are payable under G.S. 96A-2(2)a., (2)b., or (2)e. in an application year is 12 weeks.

10 (c) The maximum number of weeks during which family and medical leave insurance
11 benefits are payable under G.S. 96A-2(2)d. in an application year is 26 weeks.

12 (d) The first payment of benefits must be made to an individual within two weeks after
13 the claim is filed, and subsequent payments must be made every two weeks thereafter.

14 **"§ 96A-4. Amount of benefits.**

15 (a) The amount of family and medical leave insurance benefits shall be determined as
16 follows:

17 (1) The weekly benefit shall be determined as follows: (i) the portion of the
18 covered individual's average weekly wage that is equal to or less than one
19 hundred percent (100%) of the State average weekly wage shall be replaced
20 at a rate of ninety percent (90%) and (ii) the portion of an employee's or
21 self-employed individual's average weekly wage that is more than one
22 hundred percent (100%) of the State average weekly wage shall be replaced
23 at a rate of fifty percent (50%).

24 (2) The maximum benefit shall be one hundred percent (100%) of the statewide
25 average weekly wage.

26 (3) The minimum weekly benefit shall not be less than one hundred dollars
27 (\$100.00) per week except that if the covered individual's average weekly
28 wage is less than one hundred dollars (\$100.00) per week, the weekly benefit
29 shall be the employee's full wage.

30 (4) For purposes of this section, a covered individual's average weekly wage shall
31 be the average weekly wage during the 12 months preceding submission of
32 the application (or the average weekly wage during the time the covered
33 individual worked, if it was less than 12 months).

34 (b) A covered individual with multiple jobs may elect whether to take leave from one job
35 or multiple jobs.

36 (c) Family and medical leave insurance benefits pursuant to G.S. 96A-2(2)c. shall be
37 reduced by the amount of benefits that a covered individual received under G.S. 96-6. During
38 any period of leave pursuant to G.S. 96A-2(2)c., family and medical leave insurance benefits
39 shall be reduced by the amount of benefits or wage replacement that a covered individual receives
40 under the Workers' Compensation Law of this State, other than for partial disability under the
41 State Workers' Compensation Law, or under other State or federal temporary or permanent
42 disability benefits law. The Assistant Secretary shall adopt regulations to establish additional
43 requirements concerning the coordination of family and medical leave insurance benefits with

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1 workers' compensation benefits for partial disability under the Workers' Compensation Law of
2 this State.

3 **"§ 96A-5. Contributions.**

4 (a) Payroll contributions shall be authorized in order to finance the payment of benefits
5 under the family and medical leave insurance program.

6 (b) Beginning on January 1, 2026, for each employee, an employer shall remit to the Paid
7 Family and Medical Leave Fund (Fund), established under G.S. 96A-16, contributions in the
8 form and manner determined by the Division. Annually, not later than October 1, the Assistant
9 Secretary shall fix the contribution rate for the coming calendar year in the manner described in
10 this subsection. For calendar years 2026 and 2027, the Assistant Secretary shall do so based on
11 sound actuarial principles. For calendar year 2028 and thereafter, the Assistant Secretary shall
12 first certify and publish the following information:

13 (1) The total amount of family and medical leave insurance benefits paid by the
14 Division during the previous fiscal year;

15 (2) The total amount remaining in the Fund at the close of the fiscal year;

16 (3) The total amount equal to one hundred forty percent (140%) of the previous
17 fiscal year's expenditure for family and medical leave insurance benefits paid
18 and for the administration of the family and medical leave insurance program;

19 (4) The amount by which the total amount remaining in the Fund at the close of
20 the previous fiscal year is less than or greater than one hundred forty percent
21 (140%) of the previous fiscal year's expenditure for family and medical leave
22 insurance benefits paid and for the administration of the family and medical
23 leave insurance program; and

24 (5) The amount by which the contribution rate shall be adjusted to ensure that the
25 Fund shall maintain or achieve an annualized amount of not less than one
26 hundred forty percent (140%) of the previous fiscal year's expenditure for
27 family and medical leave insurance benefits paid and for the administration of
28 the family and medical leave insurance program. The contribution rate
29 adjustment, if any, made as the result of the Assistant Secretary's certification
30 and report under this subsection shall supersede the rate previously set forth
31 and shall become effective on January 1 of the following calendar year.

32 (c) A self-employed individual who is electing coverage under G.S. 96A-13 shall be
33 responsible for the employee's share of contributions set forth in subsection (b) of this section on
34 that individual's income from self-employment.

35 (d) An employer shall not deduct more than fifty percent (50%) of the contribution
36 required for an employee by subsection (b) of this section from that employee's wages and shall
37 remit the full contribution required under said subsection to the Fund.

38 **'§ 96A-6. Reduced leave schedule.**

39 (a) A covered individual shall be entitled, at the option of the covered individual, to take
40 paid family and medical leave on an intermittent or reduced leave schedule in which all of the
41 leave authorized under this Chapter is not taken sequentially. Family and medical leave insurance
42 benefits for intermittent or reduced leave schedules shall be prorated.

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1 **(b)** The covered individual shall make a reasonable effort to schedule paid family and
2 medical leave under this section so as not to unduly disrupt the operations of the employer. The
3 covered individual shall provide the employer with prior notice of the schedule on which the
4 covered individual will take the leave, to the extent practicable. Paid family and medical leave
5 taken under this section shall not result in a reduction of the total amount of leave to which an
6 employee is entitled beyond the amount of leave actually taken.

7 **(c)** Nothing in this section shall be construed to entitle a covered individual to more leave
8 than required under G.S. 96A-3.

9 **"§ 96A-7. Leave and employment protection.**

10 **(a)** Any covered individual who exercises his or her right to family and medical leave
11 insurance benefits shall, upon the expiration of that leave, be entitled to be restored by the
12 employer to the position held by the covered individual when the leave commenced, or to a
13 position with equivalent seniority, status, employment benefits, pay, and other terms and
14 conditions of employment, including fringe benefits and service credits that the covered
15 individual had been entitled to at the commencement of leave.

16 **(b)** During any leave taken pursuant to G.S. 96A-2, the employer shall maintain any
17 health care benefits the covered individual had prior to taking such leave for the duration of the
18 leave as if the covered individual had continued in employment continuously from the date he or
19 she commenced the leave until the date the family and medical leave insurance benefits
20 terminate; provided, however, that the covered individual shall continue to pay the covered
21 individual's share of the cost of health benefits as required prior to the commencement of the
22 leave.

23 **(c)** Any employer who violates this section or G.S. 96A-8 shall be liable to any eligible
24 employee affected as follows:

25 **(1)** For damages equal to the amount of (i) any wages, salary, employment
26 benefits, or other compensation denied or lost to such employee by reason of
27 the violation, (ii) in a case in which wages, salary, employment benefits, or
28 other compensation have not been denied or lost to the employee, any actual
29 monetary losses sustained by the employee as a direct result of the violation,
30 such as the cost of providing care, up to a sum equal to 12 weeks of wages or
31 salary for the employee, (iii) the interest on the amount described in clause (i)
32 of this subdivision calculated at the prevailing rate, and (iv) an additional
33 amount as liquidated damages equal to the sum of the amount described in
34 clause (i) of this subdivision and the interest described in clause (ii) of this
35 subdivision, except that if an employer who has violated this section or
36 G.S. 96A-8 proves to the satisfaction of the court that the act or omission
37 which violated the section was in good faith and that the employer had
38 reasonable grounds for believing that the act or omission was not a violation,
39 the court may, in the discretion of the court, reduce the amount of the liability
40 to the amount and interest determined under clauses (i) and (ii) of this
41 subdivision, respectively.

42 **(2)** For such equitable relief as may be appropriate, including employment,
43 reinstatement, and promotion.

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1 (d) An action to recover the damages or equitable relief prescribed in subsection (c) of
2 this section may be maintained against any employer (including a public agency) in any federal
3 or State court of competent jurisdiction by any one or more employees for and on behalf of the
4 employees or the employees and other employees similarly situated.

5 (e) The court in such an action shall, in addition to any judgment awarded to the plaintiff,
6 allow a reasonable attorney's fee, reasonable expert witness fees, and other costs of the action to
7 be paid by the defendant.

8 (f) Except as provided by subsection (g) of this section, an action may be brought under
9 this section not later than two years after the date of the last event constituting the alleged
10 violation for which the action is brought.

11 (g) In the case of an action brought for a willful violation of this section or G.S. 96A-8,
12 the action may be brought within three years of the date of the last event constituting the alleged
13 violation for which such action is brought.

14 **"§ 96A-8. Retaliatory personnel actions prohibited.**

15 (a) It shall be unlawful for an employer or any other person to interfere with, restrain,
16 deny the exercise of, or the attempt to exercise any right protected under this Chapter.

17 (b) An employer, temporary help company, employment agency, employee organization,
18 or other person shall not take retaliatory personnel action or otherwise discriminate against a
19 person because he or she exercised rights protected under this Chapter. Such rights include, but
20 are not limited to, the right to request, file for, apply for, or use benefits provided for under this
21 Chapter; to take leave from work under this Chapter; communicate to the employer or any other
22 person or entity an intent to file a claim, a complaint with the Division or courts, or an appeal; or
23 has testified or is about to testify or has assisted in any investigation, hearing, or proceeding under
24 this Chapter, at any time, including during the period in which the person receives family and
25 medical leave insurance benefits under this Chapter; inform any person about any employer's
26 alleged violation of this Chapter; and the right to inform any person of his or her rights under this
27 Chapter.

28 (c) It shall be unlawful for an employer's absence control policy to count paid family and
29 medical leave taken under this Chapter as an absence that may lead to or result in discipline,
30 discharge, demotion, suspension, or any other adverse action.

31 (d) Protections of this section shall apply to any person who mistakenly, but in good faith,
32 alleges violations of this Chapter.

33 (e) This section shall be enforced as provided in subsections (c) through (g) of
34 G.S. 96A-7.

35 **"§ 96A-9. Coordination of benefits.**

36 (a) Leave taken with wage replacement under this Chapter that also qualifies as leave
37 under the Family and Medical Leave Act shall run concurrently with leave taken under the
38 Family and Medical Leave Act.

39 (b) An employer may require that payment made pursuant to this Chapter be made
40 concurrently or otherwise coordinated with payment made or leave allowed under the terms of
41 disability or family care leave under a collective bargaining agreement or employer policy. The
42 employer must give employees written notice of this requirement.

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1 (c) This Chapter does not diminish an employer's obligation to comply with any of the
2 following that provide more generous leave:

3 (1) A collective bargaining agreement;

4 (2) An employer policy; or

5 (3) Any law.

6 (d) An individual's right to leave under this Chapter may not be diminished by a collective
7 bargaining agreement entered into or renewed, or an employer policy adopted or retained, after
8 the effective date of this Chapter. Any agreement by an individual to waive his or her rights under
9 this Chapter is void as against public policy.

10 (e) Notwithstanding this subsection, under no circumstances shall an employee be
11 required to use or exhaust any accrued vacation leave, sick leave, or other paid time off prior to
12 or while receiving family and medical leave insurance under this Chapter. However, an
13 individual may choose to use any accrued vacation leave, sick leave, or other paid time off while
14 receiving family or medical leave insurance benefits under this Chapter, unless the aggregate
15 amount a covered individual would receive would exceed the covered individual's average
16 weekly earnings. Nothing in this subsection requires an employee to receive or use additional
17 paid time off as described in this section.

18 **"§ 96A-10. Notice.**

19 (a) Each employer shall provide written notice to each employee upon hiring and
20 annually thereafter. An employer shall also provide written notice to an employee when the
21 employee requests leave under this Chapter or when the employer acquires knowledge that an
22 employee's leave may be for a qualifying reason under G.S. 96A-2. Such notice shall include (i)
23 the employee's right to family and medical leave insurance benefits under this Chapter and the
24 terms under which it may be used, (ii) the amount of family and medical leave insurance benefits,
25 (iii) the procedure for filing a claim for benefits, (iv) the right to job protection and benefits
26 continuation under G.S. 96A-7, (v) that discrimination and retaliatory personnel actions against
27 a person for requesting, applying for, or using family and medical leave insurance benefits is
28 prohibited under G.S. 96A-8, and (vi) that the employee has a right to file a complaint for
29 violations of this Chapter. An employer shall also display and maintain a poster in a conspicuous
30 place accessible to employees at the employer's place of business that contains the information
31 required by this section in English, Spanish, and any language that is the first language spoken
32 by at least five percent (5%) of the employer's workforce, provided that such notice has been
33 provided by the Division. The Assistant Secretary may adopt regulations to establish additional
34 requirements concerning the means by which employers shall provide such notice.

35 (b) Employees shall provide notice to their employers as soon as practicable of their
36 intention to take leave under this Chapter.

37 **"§ 96A-11. Enforcement.**

38 (a) The Assistant Secretary shall establish a system for appeals in the case of a denial of
39 family and medical leave insurance benefits. In establishing such system, the Assistant Secretary
40 may utilize any and all procedures and appeals mechanisms established under G.S. 96-15.

41 (b) Judicial review of any decision with respect to family and medical leave insurance
42 benefits shall be permitted in a court of competent jurisdiction after a party aggrieved thereby
43 has exhausted all administrative remedies established by the Assistant Secretary.

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1 (c) The Assistant Secretary shall implement procedures to ensure confidentiality of all
2 information related to any claims filed or appeals taken to the maximum extent permitted by
3 applicable laws.

4 **"§ 96A-12. Erroneous payments and disqualification for benefits.**

5 (a) A covered individual is disqualified from family and medical leave insurance benefits
6 for one year if the individual is determined by the Assistant Secretary to have willfully made a
7 false statement or misrepresentation regarding a material fact or willfully failed to report a
8 material fact to obtain benefits under this Chapter.

9 (b) If family and medical leave insurance benefits are paid erroneously or as a result of
10 willful misrepresentation, or if a claim for family and medical leave insurance benefits is rejected
11 after benefits are paid, the Division may seek repayment of benefits from the recipient. The
12 Assistant Secretary shall exercise his or her discretion to waive, in whole or in part, the amount
13 of any such payments where the recovery would be against equity and good conscience.

14 **"§ 96A-13. Elective coverage.**

15 (a) A self-employed person, including a sole proprietor, partner, or joint venturer, may
16 elect coverage under this Chapter for an initial period of not less than three years. The
17 self-employed person must file a notice of election in writing with the Assistant Secretary as
18 required by the Division. The election becomes effective on the date of filing the notice. As a
19 condition of election, the self-employed person must agree to supply any information concerning
20 income that the Division deems necessary.

21 (b) A self-employed person who has elected coverage may withdraw from coverage
22 within 30 days after the end of the three-year period of coverage, or at such other times as the
23 Assistant Secretary may prescribe by rule, by filing written notice with the Assistant Secretary,
24 such withdrawal to take effect not sooner than 30 days after filing the notice.

25 **"§ 96A-14. Family and medical leave insurance program.**

26 (a) The Division shall establish and administer a family and medical leave insurance
27 program and begin collecting contributions as specified in this Chapter. By January 1, 2027, the
28 Division shall start receiving claims from and paying family and medical leave insurance benefits
29 to covered individuals.

30 (b) The Division shall establish reasonable procedures and forms for filing claims for
31 benefits under this Chapter and shall specify what supporting documentation is necessary to
32 support a claim for benefits, including any documentation required from a health care provider
33 for proof of a serious health condition.

34 (c) The Division shall notify the employer within five business days of a claim being
35 filed pursuant to this Chapter.

36 (d) The Division shall use information sharing and integration technology to facilitate the
37 disclosure of relevant information or records, so long as an individual consents to the disclosure
38 as required under State law.

39 (e) Information contained in the files and records pertaining to an individual under this
40 Chapter are confidential and not open to public inspection other than to public employees in the
41 performance of their official duties. However, the individual or an authorized representative of
42 an individual may review the records or receive specific information from the records upon the
43 presentation of the individual's signed authorization.

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1 (f) The Department of Commerce shall adopt rules as necessary to implement this
2 Chapter.

3 **"§ 96A-15. Federal income tax.**

4 If the Internal Revenue Service determines that family and medical leave insurance benefits
5 under this Chapter are subject to federal income tax, the Division must advise an individual filing
6 a new claim for family and medical leave insurance benefits, at the time of filing such claim, that
7 the Internal Revenue Service has determined that benefits are subject to federal income tax and
8 that requirements exist pertaining to estimated tax payments.

9 **"§ 96A-16. Family and medical leave insurance account fund; establishment and**
10 **investment.**

11 (a) The Paid Family and Medical Leave Fund (Fund) is created in the custody of the
12 Division. Expenditures from the Fund may be used only for the purposes of the family and
13 medical leave insurance benefits program. Only the Assistant Secretary of the Division or the
14 Assistant Secretary's designee may authorize expenditures from the Fund.

15 (b) Whenever, in the judgment of the Division, there shall be in the Fund an amount of
16 funds in excess of that amount deemed by the Division to be sufficient to meet the current
17 expenditures properly payable therefrom, the Division shall have full power to invest, reinvest,
18 manage, contract, sell, or exchange investments acquired with such excess funds in the manner
19 prescribed by North Carolina law.

20 **"§ 96A-17. Reports.**

21 Beginning January 1, 2028, the Division shall report to the General Assembly by April 1 of
22 each year on projected and actual program participation by purpose listed in G.S. 96A-2, gender
23 of beneficiary, premium rates, fund balances, outreach efforts, and, for leaves taken under
24 G.S. 96A-2, family members for whom leave was taken to provide care. The reports shall be
25 made publicly available immediately following submission to the General Assembly.

26 **"§ 96A-18. Public education.**

27 The Division shall conduct a public education campaign to inform workers and employers
28 regarding the availability of family and medical leave insurance benefits. Outreach information
29 shall be available in English, Spanish, French, German, Vietnamese, Chinese, Arabic, Korean,
30 Tagalog, Hindi, Gujarati, Russian, Hmong, and other languages spoken by more than five percent
31 (5%) of the State's population.

32 **"§ 96A-19. Sharing technology.**

33 The Division is encouraged to use State data collection and technology to the extent possible
34 and to integrate the program with existing State policies.

35 **"§ 96A-20. Severability.**

36 If any provision of this Chapter or its application to any person or circumstance is held
37 invalid, the remainder of the Chapter or the application of the provision to other persons or
38 circumstances is not affected."

39 **SECTION 5.12.(b)** There is appropriated from the General Fund to the Family Leave
40 Contributions Reserve the sum of one hundred million dollars (\$100,000,000) in recurring funds
41 for the 2025-2026 fiscal year and the sum of two hundred million dollars (\$200,000,000) in
42 recurring funds for the 2026-2027 fiscal year for the State employer contributions required by
43 this section.";

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and on page 439, lines 6-7, by inserting the following between those lines:

"SECTION 44.6. Effective for taxable years beginning on or after January 1, 2025, G.S. 105-130.3 reads as rewritten:

"§ 105-130.3. Corporations.

A tax is imposed on the State net income of every C Corporation doing business in this State. State at the rate of two and one-quarter percent (2.25%). An S Corporation is not subject to the tax levied in this section. ~~The tax is a percentage of the taxpayer's State net income computed as follows:~~

Taxable Years Beginning Tax	
In 2025	2.25%
In 2026	2%
In 2028	1%
After 2029	0%";

and by adjusting the appropriate totals and salary-related contribution rates accordingly.

SIGNED _____
Amendment Sponsor

SIGNED _____
Committee Chair if Senate Committee Amendment

ADOPTED _____ FAILED _____ TABLED _____

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