

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2005

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SENATE BILL 837
House Committee Substitute Favorable 6/29/06
Third Edition Engrossed 7/12/06

Short Title: State Health Plan/20-Year Vesting.

(Public)

Sponsors:

Referred to:

March 23, 2005

A BILL TO BE ENTITLED

1 AN ACT TO REQUIRE THAT RETIRED EMPLOYEES HAVE AT LEAST
2 TWENTY YEARS OF RETIREMENT BENEFIT SERVICE CREDIT IN ORDER
3 TO QUALIFY FOR BENEFITS UNDER THE TEACHERS' AND STATE
4 EMPLOYEES' COMPREHENSIVE MAJOR MEDICAL PLAN ON A
5 NONCONTRIBUTORY BASIS.
6

7 The General Assembly of North Carolina enacts:

8 **SECTION 1.** G.S. 135-40.2(a)(2) reads as rewritten:

9 "**§ 135-40.2. Eligibility.**

10 (a) The following persons are eligible for coverage under the Plan, on a
11 noncontributory basis, subject to the provisions of G.S. 135-40.3:

12 ...

13 (2) Retired teachers, State employees, members of the General Assembly,
14 and retired State law enforcement officers who retired under the Law
15 Enforcement Officers' Retirement System prior to January 1, 1985. For
16 employees first hired on and after October 1, 2006, and members of
17 the General Assembly first taking office on and after February 1, 2007,
18 future coverage as retired employees and retired members of the
19 General Assembly is subject to a requirement that the future retiree
20 have 20 or more years of retirement service credit in order to be
21 covered by the provisions of this subdivision."

22 **SECTION 2.** G.S. 135-40.2 is amended by adding the following new
23 subsection to read:

24 "(a3) Subject to the provisions of G.S. 135-40.3, employees and members of the
25 General Assembly with 10 but less than 20 years of retirement service credit shall be
26 eligible for coverage under the Plan on a partially contributory basis, provided the
27 employees were first hired on or after October 1, 2006, and the members first took
28 office on or after February 1, 2007. For such future retirees, the State shall pay fifty

1 percent (50%) of the Plan's total noncontributory premiums. Individual retirees shall
2 pay the balance of the total noncontributory premiums not paid by the State."

3 **SECTION 3.** G.S. 135-40.2(b) is amended by adding a new subdivision to
4 read:

5 "(11a) Retired teachers, State employees, and members of the General
6 Assembly with less than 10 years of retirement service credit, provided
7 the teachers and State employees were first hired on or after October 1,
8 2006, and the members first took office on or after February 1, 2007."

9 **SECTION 4.** This act becomes effective July 1, 2006.