

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2005

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SENATE BILL 837
House Committee Substitute Favorable 6/29/06

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

(Public)

Sponsors:

Referred to:

March 23, 2005

A BILL TO BE ENTITLED

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

The General Assembly of North Carolina enacts:

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

"§ 135-40.2. Eligibility.

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

...

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

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

"(a3) Subject to the provisions of G.S. 135-40.3, employees and members of the General Assembly with 10 but less than 20 years of retirement service credit shall be eligible for coverage under the Plan on a partially contributory basis, provided the employees were first hired on or after October 1, 2006, and the members first took office on or after January 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 January 1, 2007."

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