AN ACT TO ALLOW PRODUCTS SELECTED BY THE EMPLOYEE INSURANCE
COMMITTEES TO BE OFFERED ON A PRETAX BASIS.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 58-31-60(c) reads as rewritten:
"(c) Payroll Deduction Slots. – Each payroll unit shall be entitled to not less than four
payroll deduction slots to be used for payment of insurance premiums for products selected by
the Employee Insurance Committee and offered to the employees of the payroll unit. The
Employee Insurance Committee shall select only one company per payroll deduction slot. The
products selected by the Employee Insurance Committee may be offered on a pretax basis if the
products qualify as a cafeteria plan under section 125 of the Code. For purposes of this
subsection, the term "Code" has the same meaning as defined in G.S. 105-228.90. The Company
selected by the Employee Insurance Committee shall be permitted to sell through payroll
deduction only the products specifically approved by the Employee Insurance Committee. The
assignment by the Employee Insurance Committee of a payroll deduction slot shall be for a
period of not less than two years unless the insurance company shall be in violation of the terms
of the written agreement specified in this subsection. The insurance company awarded a payroll
deduction slot shall, pursuant to a written agreement setting out the rights and duties of the
insurance company, be afforded an adequate opportunity to solicit employees of the payroll unit
by making such employees aware that a representative of the company will be available at a
specified time and at a location convenient to the employees.

Notwithstanding any other provision of the General Statutes, once an employee has selected
an insurance product for payroll deduction, that product may not be removed from payroll
deduction for that employee without his or her specific written consent.

When an employee retires from State employment and payroll deduction under this section
is no longer available, the insurance company may not terminate life insurance products
purchased under the payroll deduction plan without the retiree's specific written consent solely
because the premium is no longer deducted from payroll."
SECTION 2. This act is effective when it becomes law and applies to products or services as regulated herein that will be funded by payroll deductions beginning on or after January 1, 2019.

In the General Assembly read three times and ratified this the 15th day of June, 2018.

s/  Bill Rabon
    Presiding Officer of the Senate

s/  David R. Lewis
    Presiding Officer of the House of Representatives

s/  Roy Cooper
    Governor

Approved 10:35 a.m. this 25th day of June, 2018