

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2005

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HOUSE BILL 2241

Short Title: Retiree Health Benefit Funds. (Public)

Sponsors: Representatives Folwell; Blust, Capps, Preston, and Womble.

Referred to: Pensions and Retirement, if favorable, Appropriations.

May 22, 2006

A BILL TO BE ENTITLED

AN ACT TO APPROPRIATE FUNDS TO INCREASE THE EMPLOYER CONTRIBUTIONS RATES FOR STATE RETIREE HEALTH BENEFITS IN ORDER TO FUND THE STATE'S FUTURE OBLIGATIONS FOR RETIRED EMPLOYEE HEALTH BENEFITS.

The General Assembly of North Carolina enacts:

SECTION 1. Section 29.24(c) of S.L. 2005-276 reads as rewritten:

"SECTION 29.24.(c) Effective July 1, 2006, the State's employer contribution rates budgeted for retirement and related benefits as percentage of covered salaries for the 2006-2007 fiscal year are: (i) ~~six and eighty-two hundredths percent (6.82%)~~ eight and eighty-two hundredths percent (8.82%) – Teachers and State Employees; (ii) ~~eleven and eighty-two hundredths percent (11.82%)~~ thirteen and eighty-two hundredths percent (13.82%) – State Law Enforcement Officers; (iii) ~~eleven and sixteen hundredths percent (11.16%)~~ thirteen and sixteen hundredths percent (13.16%) – University Employees' Optional Retirement System; (iv) ~~eleven and sixteen hundredths percent (11.16%)~~ thirteen and sixteen hundredths percent (13.16%) – Community College Optional Retirement Program; (v) ~~sixteen and thirty-nine hundredths percent (16.39%)~~ eighteen and thirty-nine hundredths percent (18.39%) – Consolidated Judicial Retirement System; and (vi) ~~three and eight tenths percent (3.8%)~~ five and eight-tenths percent (5.8%) – Legislative Retirement System. Each of the foregoing contribution rates includes ~~three and eight tenths percent (3.8%)~~ five and eight-tenths percent (5.8%) for hospital and medical benefits. The rate for Teachers and State Employees, State Law Enforcement Officers, Community College Optional Retirement Program, and for the University Employees' Optional Retirement Program includes fifty-two hundredths percent (0.52%) for the Disability Income Plan. The rates for Teachers and State Employees and State Law Enforcement Officers include sixteen hundredths percent (0.16%) for the Death Benefits Plan. The rate for State Law Enforcement Officers includes five percent (5%) for Supplemental Retirement Income."

1 **SECTION 2.** There is appropriated from the General Fund to the Office of
2 State Budget and Management the sum of two hundred million dollars (\$200,000,000)
3 for the 2006-2007 fiscal year to be placed in a reserve for the purpose of allocating
4 funds to employing State agencies to fund the increased employer contribution rates
5 from General Fund agencies provided for in Section 1 of this act.

6 **SECTION 3.** There is appropriated from the Highway Fund to the Office of
7 State Budget and Management the sum of eight million four hundred thousand dollars
8 (\$8,400,000) for the 2006-2007 fiscal year to be placed in a reserve for the purpose of
9 allocating funds to employing State agencies to fund the increased employer
10 contribution rates from Highway Fund agencies provided for in Section 1 of this act.

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