

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2025

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HOUSE BILL 1083
Committee Substitute Favorable 5/12/26
Committee Substitute #2 Favorable 6/30/26

Short Title: Voluntary Portable Benefits Plan Act.

(Public)

Sponsors:

Referred to:

April 30, 2026

1 A BILL TO BE ENTITLED
2 AN ACT TO ENACT THE VOLUNTARY PORTABLE BENEFITS PLAN ACT.
3 The General Assembly of North Carolina enacts:

4 **SECTION 1.** Chapter 66 of the General Statutes is amended by adding a new Article
5 to read:

6 "Article 53.

7 "Voluntary Portable Benefits Plan Act.

8 "**§ 66-530. Title; definitions.**

9 (a) This Article is known and may be cited as the "Voluntary Portable Benefits Plan Act."

10 (b) The following definitions apply in this Article:

11 (1) Bank. – A banking corporation entitled to operate in this State under Chapter
12 53C of the General Statutes with deposits insured by the Federal Deposit
13 Insurance Corporation.

14 (2) Commissioner. – The Commissioner of the North Carolina Department of
15 Labor.

16 (3) Compensation. – Remuneration for services performed by an independent
17 contractor.

18 (4) Contribution. – Funds deposited into a portable benefits account.

19 (5) Contributor. – A person or entity, other than the account owner and including
20 a hiring party, who makes a contribution to a portable benefit account.

21 (6) Hiring party. – A person or entity, whether public or private, including an
22 internet or application-based company, who hires or enters into a contract for
23 the performance of work with an independent contractor.

24 (7) Independent contractor. – As defined in G.S. 96-1(b)(19).

25 (8) Portable benefit account or account. – An account owned by an independent
26 contractor that is administered by a portable benefit account provider and used
27 to fund the purchase of one or more portable benefit plans.

28 (9) Portable benefit account provider or account provider. – Any of the following
29 that administer a portable benefit account:

30 a. A bank.

31 b. An investment management firm.

32 c. A technology provider or program manager that offers services
33 through a bank or investment management firm.

34 d. Any other person who demonstrates to the satisfaction of the
35 Commissioner that the manner in which the person administers



portable benefit accounts is consistent with the requirements under
G.S. 66-532.

(10) Portable benefit plan. – A plan that meets all of the following conditions:

a. It funds benefits permissible under G.S. 66-531(c).

b. It is chosen by an independent contractor and is assigned to a beneficiary other than a hiring party.

c. It is administered by a third-party portable benefit plan provider.

(11) Portable benefit plan provider. – A person or entity licensed or otherwise authorized to offer insurance or benefit plans in the State.

"§ 66-531. Portable benefit accounts; contributions; ownership; applicability.

(a) Voluntary Contributions; Written Agreement. – Any person or entity, including an internet or application-based entity, may make a contribution to a portable benefit account. The following provisions apply to a hiring party that makes a contribution to a portable benefit account owned by an independent contractor with whom the hiring party has entered into a contract for the performance or work:

(1) The independent contractor must affirmatively opt in through an express written agreement that is clear, unambiguous, and prominently displayed either in a work contract or a separate invoice. The agreement must indicate that the making of contributions by a hiring party and the receipt of contributions by an independent contractor are voluntary and must allow the independent contractor to opt out at any time.

(2) The hiring party shall not induce or require an independent contractor to maintain an account with a specific portable benefit account provider as a condition of receiving contributions.

(3) The hiring party shall treat contributions as compensation.

(b) Ownership and Portability. – A portable benefit account is at all times the sole property of the independent contractor who owns it. Funds in the account, including contributions and earnings, are not subject to claims of a contributor or the account's creditors arising from the hiring relationship and do not revert to the hiring party. A hiring party has no ownership, reversionary, or control interest in a portable benefit account. The account owner may, at any time and without penalty, beyond reasonable disclosed transfer costs, (i) cease contributions, (ii) change the portable benefit plans purchased through the account, and (iii) transfer the account balance to another qualified portable benefit account provider.

(c) Permitted Use of Funds. – Portable benefit account funds may be used only to purchase portable benefit plans for the benefits listed in this subsection, to pay reasonable and disclosed portable benefit account fees, or for distribution to the portable benefit account owner. The permissible benefits are:

(1) Health Savings Accounts.

(2) Flexibility Spending Accounts.

(3) Health Reimbursement Arrangements.

(4) Transportation/parking accounts.

(5) Health insurance.

(6) Healthcare sharing contributions.

(7) Healthcare subscriptions.

(8) Income replacement insurance.

(9) Disability insurance.

(10) Life insurance.

(11) Individual Retirement Accounts.

(12) 401(k) retirement accounts.

(13) Retirement savings accounts.

1 (d) Not Evidence of Employer-Employee Relationship. – Contributions by a hiring party
2 to a portable benefit account are not treated as evidence that a worker is an employee of the hiring
3 party under State unemployment insurance, worker's compensation, or labor laws. Nothing in
4 this Article alters, expands, or contracts the test for independent contractor status under any other
5 provision of law, and the existence of a portable benefit account or any contribution to it shall
6 not be a factor in that determination.

7 (e) Inapplicability to State Unemployment Insurance. – Nothing in this Article affects
8 entitlement to unemployment insurance benefits under Chapter 96 of the General Statutes.

9 **"§ 66-532. Portable benefit account providers.**

10 (a) Selection. – An independent contractor who opts in to receiving contributions from a
11 hiring party shall select a portable benefit account provider to administer the funds.

12 (b) Limitations. – The following limitations apply with respect to portable benefit
13 account providers:

14 (1) A hiring party, or an entity controlled by or under common control with a
15 hiring party, shall not serve as the portable benefit account provider for an
16 independent contractor it engages, except as a pass-through contributor of
17 funds.

18 (2) A portable benefit account provider shall not condition the distribution of
19 funds in a portable benefit account on continued work for any hiring party.

20 (c) Segregation of Funds. – A portable benefit account provider shall hold all account
21 funds in trust for, or as custodian for, the benefit of the account owner, segregated from the
22 provider's own assets and from the assets of a hiring party. Account provider funds shall not be
23 commingled with portable benefit account funds.

24 (d) Fee Disclosure. – Before an independent contractor opens an account or any
25 contributions under G.S. 66-531 are made, the account provider shall disclose, in writing and in
26 clear and conspicuous terms, all fees, charges, and penalties associated with the account, and any
27 material change shall be disclosed in writing at least 30 days before it takes effect.

28 (e) Financial Responsibility. – A portable benefit account provider, other than a bank,
29 shall maintain a fidelity bond, errors and omissions coverage, or other financial assurance in an
30 amount established by the Commissioner sufficient to protect account owners against loss from
31 the account provider's negligence, fraud, or insolvency.

32 (f) Record Keeping; Audit. – A portable benefit account provider shall maintain accurate
33 records of all contributions, earnings, fees, and distributions for each portable benefit account,
34 shall furnish each account owner with a statement no less than quarterly, and shall make its
35 records available, upon request, to the Commissioner or the Secretary of Revenue, as applicable.
36 The Commissioner may audit an account provider's compliance with this Article.

37 (g) Standard of Care. – A portable benefit account provider shall administer each account
38 solely in the interest of the account owner and with the care, skill, and diligence that a prudent
39 administrator uses.

40 (h) Commissioner Approval; Revocation; Rulemaking. – The Commissioner may
41 approve a person under G.S. 66-530(b)(9)d. only upon a showing of compliance with this section
42 and may suspend or revoke approval for noncompliance after notice and an opportunity to be
43 heard. The Commissioner shall maintain and publish a list of approved portable benefit account
44 providers. The Commissioner of Labor may adopt rules necessary to make a determination under
45 G.S. 66-530(b)(9)d."

46 **SECTION 2.** G.S. 105-153.5(b) is amended by adding a new subdivision to read:

47 "(18) The amount of a contribution made to a portable benefit account under
48 G.S. 66-531 during the taxable year to the extent it is included in the taxpayer's
49 adjusted gross income."

50 **SECTION 3.** G.S. 105-153.5(c) reads as rewritten:

1 "(c) Additions. – In calculating North Carolina taxable income, a taxpayer must add to the
2 taxpayer's adjusted gross income any of the following items that are not included in the taxpayer's
3 adjusted gross income:

4 ...

5 (8) The amount withdrawn from a portable benefit account to the extent this
6 amount was withdrawn and not used to pay for a portable benefit plan as
7 permitted under Article 53 of Chapter 66 of the General Statutes."

8 **SECTION 4.** G.S. 105-163.3(b) reads as rewritten:

9 "(b) Exemptions. – The withholding requirement does not apply to the following:

10 ...

11 (6) Compensation deposited into a portable benefit account on behalf of a payee
12 in accordance with Article 53 of Chapter 66 of the General Statutes."

13 **SECTION 5.** G.S. 105-251.2 is amended by adding a new subsection as follows:

14 "(c1) Portable Benefit Account Provider. – A portable benefit account provider, as defined
15 under G.S. 66-530, must give information to the Secretary when the Secretary requests the
16 information. The Secretary may not request the information more than once per calendar year.
17 The Secretary may request a portable benefit account provider to provide, on a return, report, or
18 otherwise, a portable benefit account owner's name, tax identification number, records of
19 contributions and distributions from any portable benefit account owned by an account owner,
20 and other information that the Secretary deems necessary to determine compliance with this
21 Chapter."

22 **SECTION 6.** This act becomes effective January 1, 2027, and applies to taxable
23 years beginning on or after that date.