

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1989

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HOUSE BILL 1129

Short Title: Dependent Care Payroll Deduction.

(Public)

Sponsors: Representatives Fitch, Barnhill; Gardner and S. Thompson.

Referred to: Public Employees.

April 10, 1989

A BILL TO BE ENTITLED

AN ACT TO AUTHORIZE A DEPENDENT CARE ASSISTANCE PROGRAM FOR  
STATE AGENCY EMPLOYEES, UNIVERSITY EMPLOYEES, COMMUNITY  
COLLEGE EMPLOYEES, AND PUBLIC SCHOOL EMPLOYEES.

The General Assembly of North Carolina enacts:

Section 1. Article 23 of Chapter 115C of the North Carolina General Statutes  
is amended by adding a new section to read:

**"§ 115C-441.1. Dependent care assistance program.**

The State Board of Education is authorized to provide eligible employees of local  
school administrative units a program of dependent care assistance as available under  
Section 129 and related sections of the Internal Revenue Code of 1986, as amended.  
The State Board may authorize local school administrative units to enter into annual  
agreements with employees who elect to participate in the program to provide for a  
reduction in salary. Should the State Board decide to contract with a third party to  
administer the terms and conditions of a program of dependent care assistance, it may  
select a contractor only upon a thorough and completely competitive procurement  
process."

Sec. 2. Article 2 of Chapter 115D of the General Statutes is amended by  
adding a new section to read:

**"§ 115D-25.1. Dependent care assistance program.**

The State Board of Community Colleges is authorized to provide eligible employees  
of constituent institutions a program of dependent care assistance as available under  
Section 129 and related sections of the Internal Revenue Code of 1986, as amended.  
The State Board may authorize constituent institutions to enter into annual agreements

1 with employees who elect to participate in the program to provide for a reduction in  
2 salary. Should the State Board decide to contract with a third party to administer the  
3 terms and conditions of a program of dependent care assistance, it may select a  
4 contractor only upon a thorough and completely competitive procurement process."

5 Sec. 3. Article 1 of Chapter 116 of the General Statutes is amended by  
6 adding a new section to read:

7 **"§ 116-17.1. Dependent care assistance program.**

8 The Board of Governors of The University of North Carolina is authorized to  
9 provide eligible employees of constituent institutions a program of dependent care  
10 assistance as available under Section 129 and related sections of the Internal Revenue  
11 Code of 1986, as amended. The Board of Governors may authorize constituent  
12 institutions to enter into annual agreements with employees who elect to participate in  
13 the program to provide for a reduction in salary. Should the Board of Governors decide  
14 to contract with a third party to administer the terms and conditions of a program of  
15 dependent care assistance, it may select a contractor only upon a thorough and  
16 completely competitive procurement process."

17 Sec. 4. G.S. 143-34.1 reads as rewritten:

18 **"§ 143-34.1. Payrolls submitted to the Director of the Budget; approval of payment**  
19 **of vouchers; payment of required employer salary- related contributions**  
20 **for retirement benefits, death benefits, disability salary continuation and**  
21 **Social Security; support of hospital and medical insurance programs for**  
22 **retired members of certain associations, organizations, boards, etc.;**  
23 **dependent care assistance program.**

24 All payrolls of all departments, institutions, and agencies of the State government  
25 shall, prior to the issuance of vouchers in payment therefor, be submitted to the Director  
26 of the Budget, who shall check the same against the appropriations to such departments,  
27 institutions and agencies for such purposes, and if found to be within said  
28 appropriations, he shall approve the same and return one to the department, institution  
29 or agency submitting same and transmit one copy to the State Controller, and no  
30 voucher in payment of said payroll or any item thereon shall be honored or paid except  
31 and to the extent that the same has been approved by the Director of the Budget.

32 Required employer salary-related contributions for retirement benefits, death  
33 benefits, disability salary continuation and Social Security for employees whose salaries  
34 are paid from general fund or highway fund revenues, or from department, office,  
35 institutional or agency receipts, or from nonstate funds, shall be paid from the same  
36 source as the source of the employees' salaries. In those instances in which an  
37 employee's salary is paid in part from the general fund, or the highway fund, and in part  
38 from the department, office, institutional or agency receipts, or from nonstate funds, the  
39 required salary-related contributions shall be paid from the general fund, or the highway  
40 fund, only to the extent of the proportionate part paid from the general fund, or highway  
41 fund, in support of the salary of such employee, and the remainder of the employer's  
42 contribution requirements shall be paid from the same source which supplies the  
43 remainder of such employee's salary. The requirements of this section as to the source  
44 of payment are also applicable to payments on behalf of the employee for hospital-

1 medical insurance, longevity payments, salary increments, and legislative salary  
2 increases. The State Controller shall approve the method of payment by State  
3 departments, offices, institutions and agencies for employer salary-related requirements  
4 of this section, and determine the applicability of the section to an employer's salary-  
5 related contribution or payment in behalf of an employee.

6 The Director of the Budget is authorized to provide eligible officers and employees  
7 of State departments, institutions, and agencies not covered by the provisions of G.S.  
8 116-17.1 a program of dependent care assistance as available under Section 129 and  
9 related sections of the Internal Revenue Code of 1986, as amended. The Director of the  
10 Budget may authorize State departments, institutions, and agencies to enter into annual  
11 agreements with employees who elect to participate in the program to provide for a  
12 reduction in salary. Should the Director decide to contract with a third party to  
13 administer the terms and conditions of a program of dependent care assistance, he may  
14 select a contractor only upon a thorough and completely competitive procurement  
15 process."

16 Sec. 5. This act shall become effective January 1, 1990.