

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1993

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HOUSE BILL 1307
Committee Substitute Favorable 5/24/93

Short Title: Increase Retire. Allowance.

(Public)

Sponsors:

Referred to:

May 7, 1993

A BILL TO BE ENTITLED

AN ACT TO PROVIDE AN INCREASE TO RETIREES OF THE LOCAL GOVERNMENTAL EMPLOYEES' RETIREMENT SYSTEM, THE TEACHERS' AND STATE EMPLOYEES' RETIREMENT SYSTEM, THE CONSOLIDATED JUDICIAL RETIREMENT SYSTEM, AND THE LEGISLATIVE RETIREMENT SYSTEM, TO INCREASE THE RETIREMENT FORMULA WITH ADJUSTING INCREASE TO RETIREES OF THE TEACHERS' AND STATE EMPLOYEES' RETIREMENT SYSTEM AND ALLOW STATE AND SCHOOL EMPLOYEES TO CONVERT ANNUAL LEAVE TO SICK LEAVE.

The General Assembly of North Carolina enacts:

Section 1. G.S. 120-4.22A is amended by adding a new subsection to read:

"(h) In accordance with subsection (a) of this section, from and after July 1, 1993, the retirement allowance to or on account of beneficiaries whose retirement commenced on or before January 1, 1993, shall be increased by two percent (2%) of the allowance payable on January 1, 1993. Furthermore, from and after July 1, 1993, the retirement allowance to or on account of beneficiaries whose retirement commenced after January 1, 1993, but before June 30, 1993, shall be increased by a prorated amount of two percent (2%) of the allowance payable as determined by the Board of Trustees based upon the number of months that a retirement allowance was paid between January 1, 1993, and June 30, 1993."

Sec. 2. G.S. 128-27 is amended by adding a new subsection to read:

"(ll) From and after July 1, 1993, the retirement allowance to or on account of beneficiaries whose retirement commenced on or before July 1, 1992, shall be increased

1 by two percent (2%) of the allowance payable on July 1, 1992, in accordance with G.S.
2 128-27(k). Furthermore, from and after July 1, 1993, the retirement allowance to or on
3 account of beneficiaries whose retirement commenced after July 1, 1992, but before
4 June 30, 1993, shall be increased by a prorated amount of two percent (2%) of the
5 allowance payable as determined by the Board of Trustees based upon the number of
6 months that a retirement allowance was paid between July 1, 1992, and June 30, 1993."

7 Sec. 3. G.S. 135-5(b13) reads as rewritten:

8 "(b13) Service Retirement Allowance of Members Retiring on or after July 1,
9 1992-1992, but before July 1, 1993. – Upon retirement from service in accordance with
10 subsection (a) above, on or after July 1, 1992, but before July 1, 1993, a member shall
11 receive the following service retirement allowance:

12 (1) A member who is a law enforcement officer or an eligible former law
13 enforcement officer shall receive a service retirement allowance
14 computed as follows:

15 a. If the member's service retirement date occurs on or after his
16 55th birthday, and completion of five years of creditable service
17 as a law enforcement officer, or after the completion of 30 years
18 of creditable service, the allowance shall be equal to one and
19 seventy hundredths percent (1.70%) of his average final
20 compensation, multiplied by the number of years of his
21 creditable service.

22 b. This allowance shall also be governed by the provisions of G.S.
23 135-5(b9)(1)b.

24 (2) A member who is not a law enforcement officer or an eligible former
25 law enforcement officer shall receive a service retirement allowance
26 computed as follows:

27 a. If the member's service retirement date occurs on or after his
28 65th birthday upon the completion of five years of creditable
29 service or after the completion of 30 years of creditable service
30 or on or after his 60th birthday upon the completion of 25 years
31 of creditable service, the allowance shall be equal to one and
32 seventy hundredths percent (1.70%) of his average final
33 compensation, multiplied by the number of years of creditable
34 service.

35 b. This allowance shall also be governed by the provisions of G.S.
36 135-5(b9)(2)b. c. and d."

37 Sec. 4. G.S. 135-5 is amended by adding a new subsection to read:

38 "(b14) Service Retirement Allowance of Members Retiring on or after July 1,
39 1993. – Upon retirement from service in accordance with subsection (a) above, on or
40 after July 1, 1993, a member shall receive the following service retirement allowance:

41 (1) A member who is a law enforcement officer or an eligible former law
42 enforcement officer shall receive a service retirement allowance
43 computed as follows:

- 1 a. If the member's service retirement date occurs on or after his
2 55th birthday, and completion of five years of creditable service
3 as a law enforcement officer, or after the completion of 30 years
4 of creditable service, the allowance shall be equal to one and
5 seventy-one hundredths percent (1.71%) of his average final
6 compensation, multiplied by the number of years of his
7 creditable service.
- 8 b. If the member's service retirement date occurs after his 50th and
9 before his 55th birthday with 15 or more years of creditable
10 service as a law enforcement officer and prior to the completion
11 of 30 years of creditable service, the allowance shall be
12 computed as in G.S. 135-5(b14)(1)a., but shall be reduced by
13 one-third of one percent (1/3 of 1%) thereof for each month by
14 which the retirement date precedes the first day of the month
15 coincident with or next following his 55th birthday.
- 16 (2) A member who is not a law enforcement officer or an eligible former
17 law enforcement officer shall receive a service retirement allowance
18 computed as follows:
- 19 a. If the member's service retirement date occurs on or after his
20 65th birthday upon the completion of five years of creditable
21 service or after the completion of 30 years of creditable service
22 or on or after his 60th birthday upon the completion of 25 years
23 of creditable service, the allowance shall be equal to one and
24 seventy-one hundredths percent (1.71%) of his average final
25 compensation, multiplied by the number of years of creditable
26 service.
- 27 b. If the member's service retirement date occurs after his 60th
28 birthday and before his 65th birthday and prior to the
29 completion of 25 years or more of creditable service, the
30 retirement allowance shall be computed as in G.S. 135-
31 5(b14)(2)a. but shall be reduced by one-quarter of one percent
32 (1/4 of 1%) thereof for each month by which his retirement date
33 precedes the first day of the month coincident with or next
34 following his 65th birthday.
- 35 c. If the member's service retirement date occurs before his 60th
36 birthday and prior to the completion of 30 or more years of
37 creditable service, the service retirement allowance shall be the
38 actuarial equivalent of the allowance payable at the age of 60
39 years as computed in G.S. 135(b14)(2)b.
- 40 d. Notwithstanding the foregoing provisions, any member whose
41 creditable service commenced prior to July 1, 1963, shall
42 receive not less than the benefit provided by G.S 135-5(b)."

43 Sec. 5. G.S 135-5 is amended by adding two new subsections to read:

1 "(vv) Increase in Allowance as to Persons on Retirement Rolls as of June 1, 1993. –
2 From and after July 1, 1993, the retirement allowance to or on account of beneficiaries
3 on the retirement rolls as of June 1, 1993, shall be increased by six-tenths of one percent
4 (.6%) of the allowance payable on July 1, 1993. This allowance shall be calculated on
5 the allowance payable and in effect on June 30, 1993, so as not to be compounded on
6 any other increase granted by act of the 1993 General Assembly. Furthermore, from
7 and after July 1, 1993, the retirement allowance to or on account of beneficiaries whose
8 retirement commenced after July 1, 1992, but before June 30, 1993, shall be increased
9 by a prorated amount of two percent (2%) of the allowance payable as determined by
10 the Board of Trustees based upon the number of months that a retirement allowance was
11 paid between July 1, 1992, and June 30, 1993.

12 "(ww) From and after July 1, 1993, the retirement allowance to or on account of
13 beneficiaries whose retirement commenced on or before July 1, 1992, shall be increased
14 by two percent (2%) of the allowance payable on July 1, 1992, in accordance with G.S.
15 135-5(o). Furthermore, from and after July 1, 1993, the retirement allowance to or on
16 account of beneficiaries whose retirement commenced after July 1, 1992, but before
17 June 30, 1993, shall be increased by a prorated amount of two percent (2%) of the
18 allowance payable as determined by the Board of Trustees based upon the number of
19 months that a retirement allowance was paid between July 1, 1992, and June 30, 1993."

20 Sec. 6. G.S. 135-65 is amended by adding a new subsection to read:

21 "(n) From and after July 1, 1993, the retirement allowance to or on account of
22 beneficiaries whose retirement commenced on or before July 1, 1992, shall be increased
23 by two percent (2%) of the allowance payable on July 1, 1992, in accordance with G.S.
24 135-50. Furthermore, from and after July 1, 1993, the retirement allowance to or on
25 account of beneficiaries whose retirement commenced after July 1, 1992, but before
26 June 30, 1993, shall be increased by a prorated amount of two percent (2%) of the
27 allowance payable as determined by the Board of Trustees based upon the number of
28 months that a retirement allowance was paid between July 1, 1992, and June 30, 1993."

29 Sec. 7. In order to fund the provisions of this act, the Board of Trustees of the
30 Teachers' and State Employees' Retirement System, the Consolidated Judicial
31 Retirement System, and the Legislative Retirement System, with the advice of the
32 consulting actuary, shall apply the unencumbered actuarial gains in the Systems by
33 allocating the percentage of payroll contribution rates for employers between the normal
34 and accrued liability contributions to the Retirement System without an increase in the
35 total employer contribution rate. The Board of Trustees of the Local Governmental
36 Employees' Retirement System, with the advice of its consulting actuary, shall apply the
37 unencumbered actuarial gain in the System to the normal percentage contribution of
38 payroll for employers to the Retirement System without an increase in the total
39 employer contribution rate.

40 Sec. 8. G.S. 115C-272(b) reads as rewritten:

41 "(b) Superintendents shall be paid promptly when their salaries are due provided
42 the legal requirements for their employment and service have been met. All
43 superintendents employed by any local school administrative unit who are paid from
44 local funds shall be paid promptly as provided by law and as State allotted

1 superintendents are paid. Superintendents paid from State funds shall be paid as
2 follows:

3 (1) Salary payments to superintendents shall be made monthly on the basis
4 of each calendar month of service. Included within their term of
5 employment shall be annual vacation leave at the same rate provided
6 for State employees. Included within the 12 months' employment each
7 local board of education shall designate the same or an equivalent
8 number of legal holidays as those designated by the State Personnel
9 Commission for State employees.

10 (2) Notwithstanding any provisions of this section to the contrary no
11 person shall be entitled to pay for any vacation day not earned by that
12 person. Vacation days shall not be used for extending the term of
13 employment of individuals and shall not be cumulative from one fiscal
14 year to another fiscal year: Provided, that superintendents may
15 accumulate annual vacation leave days as follows: annual leave may
16 be accumulated without any applicable maximum until June 30 of each
17 year. On June 30 of each year, any superintendent with more than 30
18 days of accumulated leave shall have the excess accumulation
19 ~~cancelled~~ converted to sick leave so that only 30 days are carried
20 forward to July 1 of the same year. All vacation leave taken by the
21 superintendent will be upon the authorization of his immediate
22 supervisor and under policies established by the local board of
23 education. An employee shall be paid in a lump sum for accumulated
24 annual leave not to exceed a maximum of 240 hours when separated
25 from service due to resignation, dismissal, reduction in force, death, or
26 service retirement. If the last day of terminal leave falls on the last
27 workday in the month, payment shall be made for the remaining
28 nonworkdays in that month. Employees retiring on disability
29 retirement may exhaust annual leave rather than be paid in a lump
30 sum. The provisions of this subdivision shall be accomplished without
31 additional State and local funds being appropriated for this purpose.
32 The State Board of Education shall adopt rules and regulations for the
33 administration of this subdivision.

34 (3) Each local board of education shall sustain any loss by reason of an
35 overpayment to any superintendent paid from State funds.

36 (4) All of the foregoing provisions of this section shall be subject to the
37 requirement that at least fifty dollars (\$50.00), or other minimum
38 amount required by federal social security laws, of the compensation
39 of each school employee covered by the Teachers' and State
40 Employees' Retirement System or otherwise eligible for social security
41 coverage shall be paid in each of the four quarters of the calendar
42 year."

43 Sec. 9. G.S. 115C-285(a) reads as rewritten:

1 "(a) Principals and supervisors shall be paid promptly when their salaries are due
2 provided the legal requirements for their employment and service have been met. All
3 principals and supervisors employed by any local school administrative unit who are to
4 be paid from local funds shall be paid promptly as provided by law and as state-allotted
5 principals and supervisors are paid.

6 Principals and supervisors paid from State funds shall be paid as follows:

7 (1) Classified principals and State-allotted supervisors shall be employed
8 for a term of 12 calendar months. Salary payments to classified
9 principals and State-allotted supervisors shall be made monthly at the
10 end of each calendar month of service. They shall earn annual vacation
11 leave at the same rate provided for State employees. On a day that
12 employees are required to report for a workday but pupils are not
13 required to attend school due to inclement weather, an employee may
14 elect not to report due to hazardous travel conditions and to take one of
15 his annual vacation days or to make up the day at the time agreed upon
16 by the employee and his immediate supervisor. They shall be provided
17 by the board the same or an equivalent number of legal holidays as
18 those designated by the State Personnel Commission for State
19 employees.

20 (2) Supervisors and classified principals paid on an hourly or other basis
21 whether paid from State or from local funds may accumulate annual
22 vacation leave days as follows: annual leave may be accumulated
23 without any applicable maximum until June 30 of each year. On June
24 30 of each year, any supervisor or principals with more than 30 days of
25 accumulated leave shall have the excess accumulation ~~cancelled~~
26 converted to sick leave so that only 30 days are carried forward to July
27 1 of the same year. All vacation leave taken by the employee will be
28 upon the authorization of his immediate supervisor and under policies
29 established by the local board of education. An employee shall be paid
30 in a lump sum for accumulated annual leave not to exceed a maximum
31 of 240 hours when separated from service due to resignation,
32 dismissal, reduction in force, death, or service retirement. If the last
33 day of terminal leave falls on the last workday in the month, payment
34 shall be made for the remaining nonworkdays in that month.
35 Employees retiring on disability retirement may exhaust annual leave
36 rather than be paid in a lump sum. The provisions of this subdivision
37 shall be accomplished without additional State and local funds being
38 appropriated for this purpose. The State Board of Education shall
39 adopt rules and regulations for the administration of this subdivision.

40 (3) Notwithstanding any provisions of this section to the contrary no
41 person shall be entitled to pay for any vacation day not earned by that
42 person. Vacation days shall not be used for extending the term of
43 employment of individuals and shall not be cumulative from one fiscal

1 year to another fiscal year, except as provided in subdivision (5) of this
2 section.

3 (4) Each local board of education shall sustain any loss by reason of an
4 overpayment to any principal or supervisor paid from State funds.

5 (5) All of the foregoing provisions of this section shall be subject to the
6 requirement that at least fifty dollars (\$50.00), or other minimum
7 amount required by federal social security laws, of the compensation
8 of each school employee covered by the Teachers' and State
9 Employees' Retirement System or otherwise eligible for social security
10 coverage shall be paid in each of the four quarters of the calendar year.

11 (6) The State Board of Education, in fixing the State standard salary
12 schedule of principals as authorized by law, shall provide that
13 principals who entered the armed or auxiliary forces of the United
14 States after September 16, 1940, and who left their positions for such
15 service, shall be allowed experience increments for the period of such
16 service as though the same had not been interrupted thereby, in the
17 event such persons return to the position of teachers, principals or
18 superintendents in the public schools of the State after having been
19 honorably discharged from the armed or auxiliary forces of the United
20 States.

21 (7) All persons employed as principals in the schools and institutions
22 listed in subsection (p) of G.S. 115C-325 shall be compensated at the
23 same rate as are teachers in the public schools in accordance with the
24 salary schedule adopted by the State Board of Education."

25 Sec. 10. G.S. 115C-302(a) reads as rewritten:

26 "(a) Teachers shall be paid promptly when their salaries are due provided the legal
27 requirements for their employment and service have been met. All teachers employed
28 by any local school administrative unit who are to be paid from local funds shall be paid
29 promptly as provided by law and as state-allotted teachers are paid.

30 Teachers paid State funds shall be paid as follows:

31 (1) Academic Teachers. – Regular state-allotted teachers shall be
32 employed for a period of 10 calendar months. Salary payments to
33 regular state-allotted teachers shall be made monthly at the end of each
34 calendar month of service: Provided, that teachers employed for a
35 period of 10 calendar months in year-round schools shall be paid in 12
36 equal installments: Provided further, that any individual teacher who
37 is not employed in a year-round school may be paid in 12 monthly
38 installments if the teacher so requests on or before the first day of the
39 school year. Such request shall be filed in the local school
40 administrative unit which employs the teacher. The payment of the
41 annual salary in 12 installments instead of 10 shall not increase or
42 decrease said annual salary nor in any other way alter the contract
43 made between the teacher and the said local school administrative unit;
44 nor shall such payment apply to any teacher who is employed for a

1 period of less than 10 months. Included within the 10 calendar months
2 employment shall be annual vacation leave at the same rate provided
3 for State employees, computed at one twelfth (1/12) of the annual rate
4 for State employees for each calendar month of employment; which
5 shall be provided by each local board of education at a time when
6 students are not scheduled to be in regular attendance. Included within
7 the 10 calendar months employment each local board of education
8 shall designate the same or an equivalent number of legal holidays
9 occurring within the period of employment for academic teachers as
10 those designated by the State Personnel Commission for State
11 employees; on a day that employees are required to report for a
12 workday but pupils are not required to attend school due to inclement
13 weather, a teacher may elect not to report due to hazardous travel
14 conditions and to take one of his annual vacation days or to make up
15 the day at a time agreed upon by the employee and his immediate
16 supervisor or principal. Within policy adopted by the State Board of
17 Education, each local board of education shall develop rules and
18 regulations designating what additional portion of the 10 calendar
19 months not devoted to classroom teaching, holidays, or annual leave
20 shall apply to service rendered before the opening of the school term,
21 during the school term, and after the school term and to fix and
22 regulate the duties of state-allotted teachers during said period, but in
23 no event shall the total number of workdays exceed 200 days. Local
24 boards of education shall consult with the employed public school
25 personnel in the development of the 10-calendar-months schedule.

- 26 (2) Occupational Education Teachers. – State-allotted months of
27 employment to local boards of education as provided by the State
28 Board of Education shall be used for the employment of teachers of
29 occupational education for a term of employment as determined by the
30 local boards of education. Salary payments to these occupational
31 education teachers shall be made monthly at the end of each calendar
32 month of service: Provided, that local boards shall not reduce the term
33 of employment for any vocational agriculture teacher personnel
34 position that was 12 calendar months for the 1982-83 school year for
35 any school year thereafter: Provided further, that teachers employed
36 for a term of 10 calendar months in year-round schools shall be paid in
37 12 equal installments: Provided further, that any individual teacher
38 employed for a term of 10 calendar months who is not employed in a
39 year-round school may be paid in 12 monthly installments if the
40 teacher so requests on or before the first day of the school year. Such
41 request shall be filed in the administrative unit which employs the
42 teacher. The payment of the annual salary in 12 installments instead of
43 10 shall not increase or decrease said annual salary nor in any other
44 way alter the contract made between the teacher and the said

1 administrative unit. Included within their term of employment shall be
2 the same rate of annual vacation leave and legal holidays provided
3 under the same conditions as set out in subdivision (1) above, but in no
4 event shall the total workdays for a 10-month employee exceed 200
5 days in a 10-month schedule and the workweek shall constitute five
6 days for all occupational teachers regardless of the employment
7 period.

8 Occupational education teachers who are employed for 11 or 12
9 months may, with prior approval of the principal, work on annual
10 leave days designated in the school calendar and take those annual
11 leave days during the 11th or 12th month of employment.

12 No deductions shall be made from salaries of teachers of vocational
13 agriculture and home economics whose salaries are paid in part from
14 State and federal vocational funds while in attendance upon
15 community, county and State meetings called for the specific purpose
16 of promoting the agricultural interests of North Carolina, when such
17 attendance is approved by the superintendent of the administrative unit
18 and the State Director of Vocational Education.

- 19 (3) Notwithstanding any provisions of this section to the contrary no
20 person shall be entitled to pay for any vacation day not earned by that
21 person. The first 10 days of annual vacation leave earned by a teacher
22 during any fiscal year period shall be scheduled to be used in the
23 school calendar adopted by the respective local boards of education.
24 Vacation days shall not be used for extending the term of employment
25 of individuals. Teachers may accumulate annual vacation leave days
26 as follows: annual leave may be accumulated without any applicable
27 maximum until June 30 of each year. On June 30 of each year, any
28 teachers with more than 30 days of accumulated leave shall have the
29 excess accumulation ~~cancelled~~ converted to sick leave so that only 30
30 days are carried forward to July 1 of the same year. All vacation leave
31 taken by the teacher will be upon the authorization of his immediate
32 supervisor and under policies established by the local board of
33 education. An employee shall be paid in a lump sum for accumulated
34 annual leave not to exceed a maximum of 240 hours when separated
35 from service due to resignation, dismissal, reduction in force, death, or
36 service retirement. If the last day of terminal leave falls on the last
37 workday in the month, payment shall be made for the remaining
38 nonworkdays in that month. Employees retiring on disability
39 retirement may exhaust annual leave rather than be paid in a lump
40 sum. The provisions of this subdivision shall be accomplished without
41 additional State and local funds being appropriated for this purpose.
42 The State Board of Education shall adopt rules and regulations for the
43 administration of this subdivision.

- 1 (4) Each local board of education shall sustain any loss by reason of an
2 overpayment to any teacher paid from State funds.
- 3 (5) All of the foregoing provisions of this section shall be subject to the
4 requirement that at least fifty dollars (\$50.00), or other minimum
5 amount required by federal social security laws, of the compensation
6 of each school employee covered by the Teachers' and State
7 Employees' Retirement System or otherwise eligible for social security
8 coverage shall be paid in each of the four quarters of the calendar year.
- 9 (6) The State Board of Education, in fixing the State standard salary
10 schedule of teachers as authorized by law, shall provide that teachers
11 who entered the armed or auxiliary forces of the United States after
12 September 16, 1940, and who left their positions for such service shall
13 be allowed experience increments for the period of such service as
14 though the same had not been interrupted thereby, in the event such
15 persons return to the position of teachers, principals and
16 superintendents in the public schools of the State after having been
17 honorably discharged from the armed or auxiliary forces of the United
18 States."

19 Sec. 11. G.S. 115C-316(a) reads as rewritten:

20 "(a) School officials and other employees shall be paid promptly when their
21 salaries are due provided the legal requirements for their employment and service have
22 been met. All school officials and other employees employed by any local school
23 administrative unit who are to be paid from local funds shall be paid promptly as
24 provided by law and as state-allotted school officials and other employees are paid.

25 Public school employees paid from State funds shall be paid as follows:

- 26 (1) Employees Other than Superintendents, Supervisors and Classified
27 Principals on an Annual Basis. – Salary payments to employees other
28 than superintendents, supervisors, and classified principals employed
29 on an annual basis shall be made monthly at the end of each calendar
30 month of service. Included within their term of employment shall be
31 annual vacation leave at the same rate provided for State employees,
32 computed at one-twelfth (1/12) of the annual rate for state employees
33 for each calendar month of employment. On a day that employees are
34 required to report for a workday but pupils are not required to attend
35 school due to inclement weather, an employee may elect not to report
36 due to hazardous travel conditions and to take one of his annual
37 vacation days or to make up the day at a time agreed upon by the
38 employee and his immediate supervisor or principal. Included within
39 their term of employment each local board of education shall designate
40 the same or an equivalent number of legal holidays as those designated
41 by the State Personnel Commission for State employees.
- 42 (2) School Employees Paid on an Hourly or Other Basis. – Salary
43 payments to employees other than those covered in G.S. 115C-
44 272(b)(1), 115C-285(a)(1) and (2), 115C-302(a)(1) and (2), and 115C-

1 316(a)(1) shall be made at a time determined by each local board of
2 education. Expenditures for the salary of these employees from State
3 funds shall be within allocations made by the State Board of Education
4 and in accordance with rules and regulations approved by the State
5 Board of Education concerning allocations of State funds: Provided,
6 that school employees employed for a term of 10 calendar months in
7 year-round schools shall be paid in 12 equal installments: Provided
8 further, that any individual school employee employed for a term of 10
9 calendar months who is not employed in a year-round school may be
10 paid in 12 monthly installments if the employee so requests on or
11 before the first day of the school year. Such request shall be filed in
12 the administrative unit which employs the employee. The payment of
13 the annual salary in 12 installments instead of 10 shall not increase or
14 decrease said annual salary nor in any other way alter the contract
15 between the employee and the said administrative unit. Included
16 within the term of employment shall be provided for full-time
17 employees annual vacation leave at the same rate provided for State
18 employees, computed at one-twelfth (1/12) of the annual rate for State
19 employees for each calendar month of employment, to be taken under
20 policies determined by each local board of education. On a day that
21 employees are required to report for a workday but pupils are not
22 required to attend school due to inclement weather, an employee may
23 elect not to report due to hazardous travel conditions and to take one of
24 his annual vacation days or to make up the day at a time agreed upon
25 by the employee and his immediate supervisor or principal. Included
26 within their term of employment, each local board of education shall
27 designate the same or an equivalent number of legal holidays
28 occurring within the period of employment as those designated by the
29 State Personnel Commission for State employees.

- 30 (3) Notwithstanding any provisions of this section to the contrary no
31 person shall be entitled to pay for any vacation day not earned by that
32 person. The first 10 days of annual leave earned by a 10- or 11-month
33 employee during any fiscal year period shall be scheduled to be used
34 in the school calendar adopted by the respective local boards of
35 education. Vacation days shall not be used for extending the term of
36 employment of individuals. Ten- or 11-month employees may
37 accumulate annual vacation leave days as follows: annual leave may
38 be accumulated without any applicable maximum until June 30 of each
39 year. On June 30 of each year, any of these employees with more than
40 30 days of accumulated leave shall have the excess accumulation
41 ~~cancelled~~ converted to sick leave so that only 30 days are carried
42 forward to July 1 of the same year. All vacation leave taken by these
43 employees will be upon the authorization of their immediate
44 supervisor and under policies established by the local board of

1 education. An employee shall be paid in a lump sum for accumulated
2 annual leave not to exceed a maximum of 240 hours when separated
3 from service due to resignation, dismissal, reduction in force, death or
4 service retirement. If the last day of terminal leave falls on the last
5 workday in the month, payment shall be made for the remaining
6 nonworkdays in that month. Employees retiring on disability
7 retirement may exhaust annual leave rather than be paid in a lump
8 sum. The provisions of this subdivision shall be accomplished without
9 additional State and local funds being appropriated for this purpose.
10 The State Board of Education shall adopt rules and regulations for the
11 administration of this subdivision.

12 (4) Twelve-month school employees other than superintendents,
13 supervisors and classified principals paid on an hourly or other basis
14 whether paid from State or from local funds may accumulate annual
15 vacation leave days as follows: annual leave may be accumulated
16 without any applicable maximum until June 30 of each year. On June
17 30 of each year, any employee with more than 30 days of accumulated
18 leave shall have the excess accumulation ~~cancelled~~ converted to sick
19 leave so that only 30 days are carried forward to July 1 of the same
20 year. All vacation leave taken by the employee will be upon the
21 authorization of his immediate supervisor and under policies
22 established by the local board of education. An employee shall be paid
23 in a lump sum for accumulated annual leave not to exceed a maximum
24 of 240 hours when separated from service due to resignation,
25 dismissal, reduction in force, death, or service retirement. If the last
26 day of terminal leave falls on the last workday in the month, payment
27 shall be made for the remaining nonworkdays in that month.
28 Employees retiring on disability retirement may exhaust annual leave
29 rather than be paid in a lump sum. The provisions of this subdivision
30 shall be accomplished without additional State and local funds being
31 appropriated for this purpose. The State Board of Education shall
32 adopt rules and regulations for the administration of this subdivision.

33 (5) All of the foregoing provisions of this section shall be subject to the
34 requirement that at least fifty dollars (\$50.00), or other minimum
35 amount required by federal social security laws, of the compensation
36 of each school employee covered by the Teachers' and State
37 Employees' Retirement System or otherwise eligible for social security
38 coverage shall be paid in each of the four quarters of the calendar year.

39 (6) Each local board of education shall sustain any loss by reason of an
40 overpayment to any school official or other employee paid from State
41 funds."

42 Sec. 12. G.S. 126-8 reads as rewritten:

43 "**§ 126-8. Minimum leave granted State employees.**

1 The amount of vacation leave granted to each full-time State employee subject to the
2 provisions of this Chapter shall be determined in accordance with a graduated scale
3 established by the State Personnel Commission which shall allow the equivalent rate of
4 not less than two weeks' vacation per calendar year, prorated monthly, cumulative to at
5 least 30 days. Any State employee who has vacation leave in excess of the allowed
6 accumulation shall have that leave converted to sick leave. Sick leave allowed as
7 needed to such State employees shall be at a rate not less than 10 days for each calendar
8 year, cumulative from year to year. Notwithstanding any other provisions of this
9 section, no full-time State employee subject to the provisions of Chapter 126, as the
10 same appears in the Cumulative Supplement to Volume 3B of the General Statutes, on
11 May 23, 1973, shall be allowed less than the equivalent of three weeks' vacation per
12 calendar year, cumulative to at least 30 days."

13 Sec. 13. Sections 1 through 7 and 12 become effective July 1, 1993.
14 Sections 8 through 11 become effective June 30, 1993.