

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2005

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HOUSE DRH80563-LL-267 (5/11)

Short Title: Retiree Health Benefit Funds.

(Public)

Sponsors: Representative Folwell.

Referred to:

A BILL TO BE ENTITLED

1
2 AN ACT TO APPROPRIATE FUNDS TO INCREASE THE EMPLOYER
3 CONTRIBUTIONS RATES FOR STATE RETIREE HEALTH BENEFITS IN
4 ORDER TO FUND THE STATE'S FUTURE OBLIGATIONS FOR RETIRED
5 EMPLOYEE HEALTH BENEFITS.

6 The General Assembly of North Carolina enacts:

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

8 "**SECTION 29.24.(c)** Effective July 1, 2006, the State's employer contribution rates
9 budgeted for retirement and related benefits as percentage of covered salaries for the
10 2006-2007 fiscal year are: (i) ~~six and eighty-two hundredths percent (6.82%)~~ eight and
11 eighty-two hundredths percent (8.82%) – Teachers and State Employees; (ii) ~~eleven and~~
12 ~~eighty-two hundredths percent (11.82%)~~ thirteen and eighty-two hundredths percent
13 (13.82%) – State Law Enforcement Officers; (iii) ~~eleven and sixteen hundredths percent~~
14 ~~(11.16%)~~ thirteen and sixteen hundredths percent (13.16%) – University Employees'
15 Optional Retirement System; (iv) ~~eleven and sixteen hundredths percent (11.16%)~~
16 thirteen and sixteen hundredths percent (13.16%) – Community College Optional
17 Retirement Program; (v) ~~sixteen and thirty-nine hundredths percent (16.39%)~~ eighteen
18 and thirty-nine hundredths percent (18.39%) – Consolidated Judicial Retirement
19 System; and (vi) ~~three and eight tenths percent (3.8%)~~ five and eight-tenths percent
20 (5.8%) – Legislative Retirement System. Each of the foregoing contribution rates
21 includes ~~three and eight tenths percent (3.8%)~~ five and eight-tenths percent (5.8%) for
22 hospital and medical benefits. The rate for Teachers and State Employees, State Law
23 Enforcement Officers, Community College Optional Retirement Program, and for the
24 University Employees' Optional Retirement Program includes fifty-two hundredths
25 percent (0.52%) for the Disability Income Plan. The rates for Teachers and State
26 Employees and State Law Enforcement Officers include sixteen hundredths percent

1 (0.16%) for the Death Benefits Plan. The rate for State Law Enforcement Officers
2 includes five percent (5%) for Supplemental Retirement Income."

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

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

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