

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2005**

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SENATE BILL 1866

Short Title: State Health Plan/Retiree Vesting.

(Public)

Sponsors: Senator Snow.

Referred to: Pensions & Retirement and Aging.

May 25, 2006

A BILL TO BE ENTITLED

AN ACT TO PROVIDE THAT CERTAIN STATE RETIREES WITH LESS THAN TWENTY YEARS OF RETIREMENT SERVICE CREDIT SHALL QUALIFY FOR BENEFITS UNDER THE TEACHERS' AND STATE EMPLOYEES' COMPREHENSIVE MAJOR MEDICAL PLAN ON A PARTIALLY CONTRIBUTORY BASIS.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 135-40.2(a)(2) reads as rewritten:

"§ **135-40.2. Eligibility.**

(a) The following persons are eligible for coverage under the Plan, on a noncontributory basis, subject to the provisions of G.S. 135-40.3:

...

(2) Retired teachers, State employees, members of the General Assembly, and retired State law enforcement officers who retired under the Law Enforcement Officers' Retirement System prior to January 1, 1985. For employees first hired on and after October 1, 2006, and members of the General Assembly first taking office on and after October 1, 2006, future coverage as retired employees is subject to a requirement that the future retiree have 20 or more years of retirement service credit in order to be covered by the provisions of this subdivision."

SECTION 2. G.S. 135-40.2 is amended by adding the following new subsection to read:

"(a3) Retired teachers, State employees, and members of the General Assembly shall be eligible for coverage under the Plan, on a partially contributory basis, subject to the provisions of G.S. 135-40.3. The partially contributory premium shall be based on retirement service credit, provided the individual retirees were first hired on or after October 1, 2006. For such future retirees:

1 (1) With 10 but less than 15 years of service, the State shall pay fifty
2 percent (50%) of the Plan's total noncontributory premiums for retiree
3 only coverage.

4 (2) With 15 but less than 20 years of service, the State shall pay
5 seventy-five percent (75%) of the Plan's total noncontributory
6 premiums for retiree only coverage.

7 Individual retirees shall pay the balance of the total noncontributory premiums not
8 paid by the State."

9 **SECTION 2.** This act becomes effective July 1, 2006.