

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2015

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HOUSE BILL 56\*  
Committee Substitute Favorable 4/22/15

Short Title: State Health Plan/Rehired Retiree Eligibility.

(Public)

Sponsors:

Referred to:

February 9, 2015

A BILL TO BE ENTITLED

AN ACT TO ALLOW RETIREES WHO RETURN TO WORK FOR THE STATE IN  
NONPERMANENT POSITIONS TO RETAIN THEIR COVERAGE OPTIONS UNDER  
THE STATE HEALTH PLAN FOR TEACHERS AND STATE EMPLOYEES RATHER  
THAN LIMITING SUCH RETIREES' COVERAGE OPTIONS TO THE "BRONZE  
LEVEL" HIGH-DEDUCTIBLE HEALTH PLAN NECESSITATED BY THE  
AFFORDABLE CARE ACT, AS RECOMMENDED BY THE JOINT LEGISLATIVE  
EDUCATION OVERSIGHT COMMITTEE.

The General Assembly of North Carolina enacts:

**SECTION 1.** G.S. 135-48.40 reads as rewritten:

"§ 135-48.40. **Categories of eligibility.**

...

(b) Partially Contributory Coverage. – The following persons are eligible for coverage under the Plan, on a partially contributory basis, subject to the provisions of G.S. 135-48.43:

(1) All permanent full-time employees of an employing unit who meet either of the following conditions:

a. Paid from general or special State funds.

b. Paid from non-State funds and in a group for which his or her employing unit has agreed to provide coverage.

Employees of State agencies, departments, institutions, boards, and commissions not otherwise covered by the Plan who are employed in permanent job positions on a recurring basis and who work 30 or more hours per week for nine or more months per calendar year are covered by the provisions of this subdivision.

(1a) All retirees who (i) are employed by an employing unit, (ii) do not qualify for coverage under subdivision (1) of this section, and (iii) are determined to be "full-time" by their employing unit in accordance with section 4980H of the Internal Revenue Code and the applicable regulations, as amended. The Department of State Treasurer shall, using a process developed by the Department, reimburse an employing unit the employing unit's cost to cover such a retiree who enrolls in the Plan. The reimbursement shall be made at least once per plan year and shall be paid from the Retiree Health Benefit Fund.

(e) Other Contributory Coverage. – Any employee of an employing unit is eligible for coverage under this section on a contributory basis, subject to the provisions of G.S. 135-48.43



1 and of this section, if (i) the employee's employing unit determines that the employee is a  
2 full-time employee and (ii) the employee does not qualify for coverage under subdivision (1),  
3 (1a), (5), (6), (7), (8), (9), or (10) of G.S. 135-48.40(b). For the purposes of this subsection, the  
4 full-time status of an employee shall be determined by the employing unit, in its sole discretion,  
5 in accordance with Section 4980H of the Internal Revenue Code and the applicable regulations,  
6 as amended. The coverage offered and the contribution required for coverage under this section  
7 shall be determined by the Treasurer and approved by the Board of Trustees. Such coverage  
8 shall do all of the following:

- 9 (1) Be designed to meet the requirements of minimum essential coverage under  
10 the Patient Protection and Affordable Care Act, P.L. 111-148, and the  
11 applicable regulations, as amended (Affordable Care Act).
- 12 (2) Provide no greater coverage than a bronze-level plan, as defined under the  
13 Affordable Care Act.
- 14 (3) Minimize the required employer contribution in an administratively feasible  
15 manner."

16 **SECTION 2.** G.S. 135-48.41(j) reads as rewritten:

17 "(j) If a retiree has been hired by an employing unit and is eligible for coverage under  
18 subdivision (1), (1a), (5), (6), (7), (8), (9), or (10) of G.S. 135-48.40(b) or under  
19 G.S. 135-48.40(e), then the hired retiree shall not, during the time of employment, be eligible  
20 for retiree coverage under G.S. 135-48.40(a)(1), G.S. 135-48.40(b)(3), G.S. 135-48.40(c)(2), or  
21 G.S. 135-48.40(d)(11)."

22 **SECTION 3.** This act becomes effective July 1, 2015, only if funds are  
23 appropriated by the 2015 General Assembly to fund the provisions of this act.