

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2005

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HOUSE BILL 731

Short Title: Prospective Elimination of SPA Longevity Pay. (Public)

Sponsors: Representative Crawford.

Referred to: State Personnel.

March 17, 2005

A BILL TO BE ENTITLED

1 AN ACT PROSPECTIVELY ELIMINATING LONGEVITY PAY FOR STATE
2 EMPLOYEES SUBJECT TO THE STATE PERSONNEL ACT WHO ARE HIRED
3 ON OR AFTER JANUARY 1, 2006, AND PROVIDING THAT THE SAVINGS
4 GENERATED SHALL BE USED FOR PAY IMPROVEMENTS.
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6 The General Assembly of North Carolina enacts:

7 **SECTION 1.** G.S. 138.4 reads as rewritten:

8 **"§ 138-4. Governor to set salaries of administrative officers; exceptions; longevity**
9 **pay.**

10 (a) The salaries of all State administrative officers not subject to the State
11 Personnel Act shall be set by the Governor, unless a law provides otherwise.

12 Whenever by law it is provided that a salary shall be fixed or set by the General
13 Assembly in the Current Operations Appropriations Act, and that office or position is
14 filled by appointment of the Governor, or the appointment is subject to the approval of
15 the Governor, or is made by a commission a majority of whose members are appointed
16 by the Governor, then the Governor may, increase or decrease the salary of a new
17 appointee by a maximum of ten percent (10%) over or under the salary of that position
18 as provided in the Current Operations Appropriations Act, such increased or decreased
19 salary to remain in effect until changed by the General Assembly or until the end of the
20 fiscal year, whichever occurs first. The Governor under this paragraph may not increase
21 the salary of any nonelected official above the level set in the Current Operations
22 Appropriations Act for any member of the Council of State. This section does not apply
23 to any office filled by election by the people, and does not apply to any office in the
24 legislative or judicial branches.

25 Prior to taking any action under this section, the Governor may consult with the
26 Advisory Budget Commission.

27 ~~Officials~~ Except as provided in subsection (b) of this section, officials whose salaries
28 are covered by the provisions of this section shall be eligible for longevity pay on the

1 same basis as is provided to employees of the State who are subject to the State
2 Personnel Act.

3 (b) Any State employee who is on duty on December 31, 2005, shall be eligible
4 to receive, or as they become eligible shall begin to receive, longevity pay according to
5 longevity pay schedules in effect on that date. State employees on duty on December
6 31, 2005, will be eligible for any future increases in longevity pay according to the
7 longevity pay schedules in effect on that date. Employees who are reduced-in-force and
8 who are reemployed within 12 months remain eligible for the longevity program. Any
9 State employee who is subject to the State Personnel Act and who is hired on or after
10 January 1, 2006, shall not be eligible to participate in the State's longevity pay program.
11 Any funds saved through the elimination of longevity pay for these employees shall be
12 retained by State agencies, departments, and institutions, and The University of North
13 Carolina, to be used exclusively for pay improvements for State employees in those
14 departments who are subject to the State Personnel Act, and these funds shall be in
15 addition to funds available through the Salary Adjustment Fund allocation."

16 **SECTION 2.** This act becomes effective July 1, 2005.