

**GENERAL ASSEMBLY OF NORTH CAROLINA**  
**SESSION 2007**

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**HOUSE BILL 1987**

Short Title: Retiree Health Benefit Funds.

(Public)

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Sponsors: Representative Folwell.

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Referred to: Appropriations.

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May 9, 2007

A BILL TO BE ENTITLED

1  
2 AN ACT TO APPROPRIATE FUNDS TO INCREASE THE EMPLOYER  
3 CONTRIBUTION 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.** Effective July 1, 2007, the State's employer contribution rates  
8 budgeted for retirement and related benefits as percentage of covered salaries for the  
9 2007-2008 fiscal year are: (i) eight and eighty-two hundredths percent (8.82%) –  
10 Teachers and State Employees; (ii) thirteen and eighty-two hundredths percent  
11 (13.82%) – State Law Enforcement Officers; (iii) thirteen and sixteen hundredths  
12 percent (13.16%) – University Employees' Optional Retirement System; (iv) thirteen  
13 and sixteen hundredths percent (13.16%) – Community College Optional Retirement  
14 Program; (v) eighteen and thirty-nine hundredths percent (18.39%) – Consolidated  
15 Judicial Retirement System; and (vi) five and eight-tenths percent (5.8%) – Legislative  
16 Retirement System. Each of the foregoing contribution rates includes five and  
17 eight-tenths percent (5.8%) for hospital and medical benefits. The rate for Teachers and  
18 State Employees, State Law Enforcement Officers, Community College Optional  
19 Retirement Program, and for the University Employees' Optional Retirement Program  
20 includes fifty-two hundredths percent (0.52%) for the Disability Income Plan. The rates  
21 for Teachers and State Employees and State Law Enforcement Officers include sixteen  
22 hundredths percent (0.16%) for the Death Benefits Plan. The rate for State Law  
23 Enforcement Officers includes five percent (5%) for Supplemental Retirement Income.

24       **SECTION 2.** There is appropriated from the General Fund to the Office of  
25 State Budget and Management the sum of one hundred dollars (\$100.00) for the  
26 2007-2008 fiscal year to be placed in a reserve for the purpose of allocating funds to  
27 employing State agencies to fund the increased employer contribution rates from  
28 General Fund agencies provided for in Section 1 of this act.

1           **SECTION 3.** There is appropriated from the Highway Fund to the Office of  
2 State Budget and Management the sum of one hundred dollars (\$100.00) for the  
3 2006-2007 fiscal year to be placed in a reserve for the purpose of allocating funds to  
4 employing State agencies to fund the increased employer contribution rates from  
5 Highway Fund agencies provided for in Section 1 of this act.

6           **SECTION 4.** This act becomes effective July 1, 2007.