

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2017

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HOUSE BILL 569  
Committee Substitute Favorable 4/20/17  
Senate Finance Committee Substitute Adopted 6/13/18

Short Title: Pretax Supplemental Benefits.

(Public)

Sponsors:

Referred to:

April 6, 2017

A BILL TO BE ENTITLED

AN ACT TO ALLOW PRODUCTS SELECTED BY THE EMPLOYEE INSURANCE  
COMMITTEES TO BE OFFERED ON A PRETAX BASIS.

The General Assembly of North Carolina enacts:

**SECTION 1.** G.S. 58-31-60(c) reads as rewritten:

"(c) Payroll Deduction Slots. – Each payroll unit shall be entitled to not less than four payroll deduction slots to be used for payment of insurance premiums for products selected by the Employee Insurance Committee and offered to the employees of the payroll unit. The Employee Insurance Committee shall select only one company per payroll deduction slot. The products selected by the Employee Insurance Committee may be offered on a pretax basis if the products qualify as a cafeteria plan under section 125 of the Code. For purposes of this subsection, the term "Code" has the same meaning as defined in G.S. 105-228.90. The Company selected by the Employee Insurance Committee shall be permitted to sell through payroll deduction only the products specifically approved by the Employee Insurance Committee. The assignment by the Employee Insurance Committee of a payroll deduction slot shall be for a period of not less than two years unless the insurance company shall be in violation of the terms of the written agreement specified in this subsection. The insurance company awarded a payroll deduction slot shall, pursuant to a written agreement setting out the rights and duties of the insurance company, be afforded an adequate opportunity to solicit employees of the payroll unit by making such employees aware that a representative of the company will be available at a specified time and at a location convenient to the employees.

Notwithstanding any other provision of the General Statutes, once an employee has selected an insurance product for payroll deduction, that product may not be removed from payroll deduction for that employee without his or her specific written consent.

When an employee retires from State employment and payroll deduction under this section is no longer available, the insurance company may not terminate life insurance products purchased under the payroll deduction plan without the retiree's specific written consent solely because the premium is no longer deducted from payroll."

**SECTION 2.** This act is effective when it becomes law and applies to products or services as regulated herein that will be funded by payroll deductions beginning on or after January 1, 2019.

