

GENERAL ASSEMBLY OF NORTH CAROLINA  
1995 SESSION

CHAPTER 278  
HOUSE BILL 448

AN ACT TO PROVIDE THAT ELIGIBILITY FOR COVERAGE OF CERTAIN EMPLOYEES UNDER THE NORTH CAROLINA TEACHERS' AND STATE EMPLOYEES' COMPREHENSIVE MAJOR MEDICAL PLAN IS BASED UPON RETIREMENT MEMBERSHIP SERVICE, WHICH MAY BE EARNED AFTER THE DISABILITY BEGAN.

The General Assembly of North Carolina enacts:

Section 1. G.S. 135-40.2(d) reads as rewritten:

"(d) Former employees who are receiving disability retirement benefits or disability income benefits pursuant to Article 6 of Chapter 135 of the General Statutes, provided the former employee has at least five years of retirement membership ~~service at the time of disability,~~ service, shall be eligible for the benefit provisions of this Plan, as set forth in this Part, on the same basis as a retired employee. Such coverage shall terminate as of the end of the month in which such former employee is no longer eligible for disability retirement benefits or disability income benefits pursuant to Article 6 of this Chapter."

Sec. 2. G.S. 135-40.11(c) reads as rewritten:

"(c) Termination of employment shall mean termination for any reason, including layoff and leave of absence, except as provided in (a)(1) and (2) of this section, but shall not, for purposes of this Plan, include retirement upon which the employee is granted an immediate service or disability pension under and pursuant to a State-supported Retirement System.

- (1) In the event of termination for any reason other than death, coverage under the Plan for an employee and his or her eligible spouse or dependent children, provided the eligible spouse or dependent children were covered under the Plan at termination of employment or were covered on September 30, 1986, may be continued for a period of not more than 18 months following termination of employment on a fully contributory basis.
- (2) Repealed by Session Laws 1985 (Regular Session, 1986), c. 1020, s. 29(r).
- (3) In the event of approved leave of absence without pay, other than for active duty in the armed forces of the United States, coverage under this Plan for an employee and his or her dependents may be continued during the period of such leave of absence by the employee's paying one hundred percent (100%) of the cost.

- (4) If employment is terminated in the second half of a calendar month and the covered individual has made the required contribution for any coverage in the following month, that coverage will be continued to the end of the calendar month following the month in which employment was terminated.
- (5) Employees paid for less than 12 months in a year, who are terminated at the end of the work year and who have made contributions for the non-work months, will continue to be covered to the end of the period for which they have made contributions, with the understanding that if they are not employed by another State-covered employer under this Plan at the beginning of the next work year, the employee will refund to the ex-employer the amount of the employer's cost paid for them during the non-paycheck months.
- (6) Any employee receiving benefits pursuant to Article 6 of this Chapter when the employee has less than five years of retirement membership ~~service at the time of disability, service,~~ or an employee on leave of absence without pay due to illness or injury for up to 12 months, is entitled to continued coverage under the Plan for the employee and any eligible dependents by the employee's paying one hundred percent (100%) of the cost."

Sec. 3. This act is effective upon ratification and applies to disabled former employees who have at least five years of retirement membership service on or after that date.

In the General Assembly read three times and ratified this the 19th day of June, 1995.