HOUSE BILL 1218:
Salary-Related Contributions/Debt Service Funds.

2019-2020 General Assembly

Committee:		**Date:**	October 13, 2020
Introduced by:		**Prepared by:**	Amy Jo Johnson
Analysis of:	S.L. 2020-41		Staff Attorney

OVERVIEW: S.L. 2020-41 reduced the State employer salary-related contributions and appropriated funds to be used to meet the State's General Fund debt service obligations.

This act became effective July 1, 2020.

BILL ANALYSIS:

Beginning July 1, 2020, **Section 1** of this act reduced the State employer contribution rates for State retirement benefits and North Carolina State Health Plan for Teachers and State Employees (State Health Plan) benefits.

Section 2 of this act directed the Office of State Budget and Management to adjust appropriations for the 2020-2021 fiscal year for employer contribution rates for State retirement benefits and State Health Plan benefits for all applicable agencies, departments, and institutions. This represents a decrease in General Fund net appropriations of $5,048,710 in recurring funds for the 2020-2021 fiscal year.

Section 3 of this act (i) appropriates the funds made available in Section 1 and Section 2 of the act for the 2020-2021 fiscal year for purpose of meeting the State's General Fund debt service obligations and (ii) provides that it is the intent of the General Assembly to restore the rates to those originally enacted in S.L. 2019-209 if federal funds are permitted to be used for that purpose.

Section 4 of this act contains boilerplate language providing that (i) the State Budget Act is not superseded by this act and (ii) other bills enacted during the 2019 Regular Session of the General Assembly appropriating funds remain in effect.

EFFECTIVE DATE: This act became effective July 1, 2020.