



# LEGISLATIVE *Update*

State Employees Association of North Carolina • [www.seanc.org](http://www.seanc.org)

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## Highlights from the 2013 General Assembly Session

*Fully funded retirement, worker rights among bright spots for state employees*

Each year SEANC advocates for legislative policies as determined by SEANC members during the annual convention held each September in Greensboro. This year SEANC achieved five out of the Top Ten Policy Platform Objectives and other items important to public services and the people who provide them.

Even with a sweeping change in state government that saw the Republicans in charge of both the General Assembly and the governor's mansion for the first time in 140 years, SEANC continued to have a seat at the table in matters important to state employees. The results were a mixed bag, but there were several bright spots for SEANC members to take from the session.

### **Secured Bonus Leave**

Though the General Assembly chose not to give state employees a pay increase – in keeping with the disappointing trend of the last seven years – this year's budget does include five days of bonus leave that employees can use until June 30, 2014.

### **Saved Jobs**

SEANC fought tooth and nail to keep public services and the people who provide them intact. Examples include limiting prison closures from eight to five and saving 35 positions from the Department of Health and Human Services' Oral Health Section.

### **Worker Rights Maintained (#2 Policy Platform Objective Achieved)**

SEANC maintained the integrity of the State Personnel Act by having 36 troubling provisions including due process and patronage concerns removed from the State Personnel Modernization Act.

### **Worker Privacy Maintained**

SEANC protected state workers' performance evaluations from being made public. Proposals like these only serve to lower employee morale, invite gossip, and ultimately cost taxpayers money when property rights are violated and employees' good names are ruined.

### **Blocked Privatization (#4 Policy Platform Objective Achieved)**

SEANC stopped three attempts in the House Appropriations Committee from removing the prohibition on contracting out prison maintenance.

### **Fully Funded Retirement System (#9 Policy Platform Objective Achieved)**

Though retirees did not receive a cost-of-living adjustment, SEANC did secure full funding for the Teachers' and State Employees' Retirement System for the third-straight year. This year the state contributes 8.69 percent.

### **Reduced Risky Alternative Investments in Retirement System**

The State Treasurer requested the authority to invest 40 percent of the \$81 billion Teachers' and State Employees' Retirement Fund in risky alternative investments. SEANC opposed any expansion of

alternative investment authority. Ultimately a bill was passed to increase investment authority by a much smaller percentage than what the treasurer requested.

#### **Maintained Defined Benefit Program (#3 Policy Platform Objective Achieved)**

SEANC worked to maintain and protect the current defined benefit program. In doing so SEANC worked with House members to halt a bill containing a new optional 401(K) retirement system that would have undermined the current retirement system, an anti-spiking provision and the return to five-year-vesting in the retirement system.

#### **Reduction-in-Force Rights Clarified**

The bill to change the State Personnel Act included a section clarifying re-employment rights for employees who lose their job due to a reduction-in-force (RIF). These employees will only lose their RIF priority re-employment rights if the rights are not exercised within one year of RIF notice or if they are offered a position or salary that is equal to or higher than the position held or the salary earned by the employee at the time of the RIF notification. This new section prevents the State Personnel Commission from adopting its proposed rule that would have made RIF'd employees lose their RIF priority re-employment rights even if they were offered a position and salary less than that held or earned at the time of the RIF notification.

#### **Stopped a Minimum Retirement Age**

Legislation was set for introduction that would have instituted a minimum retirement age for state service. SEANC discussed the potential for safety problems with bill proponents changing the age limit in demanding physical jobs within the Departments of Public Safety, Transportation and Health and Human Services. The bill was not introduced.

#### **Continued State Health Plan Premium-Free Option (#10 Policy Platform Objective Achieved)**

The PPO Basic 70/30 Plan continues to be a premium-free health care option with no benefit reductions.

#### **Reduced State Health Plan Charges for the PPO 80/20**

SEANC was the only group to speak out against a premium increase for the PPO 80/20 plan during State Health Plan Board meetings. SEANC cited the fact that the SHP is now in "the black," the utilization rate of the plan has decreased and reserves have grown as reasons why no premium increases were needed.

#### **Stopped Treasurer from Handing Out Health Plan Contracts**

SEANC worked to eliminate a provision in the State Health Plan corrections bill which would have given the state Treasurer the sole authority to approve an unlimited number of State Health Plan contracts, each with a value of up to \$500,000.

#### **Converted State Health Plan Calendar**

The State Health Plan will convert to a calendar year effective Jan. 1, 2014. SEANC won this change to assist Medicare-eligible retirees who were struggling with two different calendar years for their health care. Currently Medicare uses the calendar year and the SHP uses the state fiscal year which created headaches keeping up with different deductible periods. This change should help Medicare-eligible retirees plan better and save the SHP money.

#### **Three Christmas Vacation Days Set**

A small but welcome fact in the State Personnel Modernization Act makes permanent a three-day Christmas holiday. Previously the Christmas holiday alternated between two and three days depending on the day Christmas fell.

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*The SEANC Legislative Update is published when the N.C. General Assembly is in session by SEANC's Legislative Affairs Department. For more information, contact Legislative Affairs Director Ardis Watkins at [awatkins@seanc.org](mailto:awatkins@seanc.org).*